

Creating a Moral Economy in a World Corrupted by Corporate Power

by Elizabeth Sholes

The role of faith communities in creating a just society begins with the traditional role of charity—feeding the hungry and sheltering the homeless. It must then move on to social justice, seeking not to ameliorate desperation but to alter the conditions that cause it. The progressive faith community has historically participated in major social movements from abolition through the anti-war and women's rights efforts. In each case the outcome favored progressive faith principles. While these followers of the traditional Social Gospel have recently been overshadowed by the Religious Right, their quest for justice has not been undone.

The newest challenge to faith communities is tackling global corporate policies that have decimated regions of the United States as well as Third World nations. From North American steel towns to Latin American rain forests, transnational policies have destroyed economic self-sufficiency, depressed wages, eliminated benefits, eroded community cohesion, and even threatened cultural survival. We now have robber barons and worker despair on a worldwide scale.

Progressive missionaries and others have helped some Third World communities find a measure of economic self-sufficiency through creation of producer and grower cooperatives and other innovative programs that restore increased local control over production and consumption. Improvements in community cooperation coupled with a relative independence from global markets have breathed new life into a few once-desperate areas.

The same objective is now gaining a foothold within depressed American cities as a renewed vision of urban sustainability has begun to take root. Churches across the country are instrumental in generating economic life in community-directed productive and consumptive projects. Economic revitalization programs from East Oakland, California to Buffalo, New York have had faith community support and direction. Faith leaders are grappling with rebuilding a "moral economy" in which people count at least as much as private gain and communities can embrace sustainable businesses to fill unmet needs in socially responsible ways.

Faith communities, therefore, have had to get smart about public policy. Advocacy for the social safety net is no longer sufficient. Faith leaders have



graphic: Employee Ownership Foundation

Churches across the country are instrumental in generating economic life in community-directed productive and consumptive projects.

begun to understand the importance of using existing laws and creating future legislation that can shift the locus of control back to ordinary people.

Plant closing laws can help institute local control. Created to offset forced closings of liquor producers during Prohibition, federal tax laws permit accelerated depreciation of closed businesses to give the parent company huge sums back from past taxes. Declaring their abandoned business virtually worthless, companies get millions in cash from the government. That windfall has been the 'cash cow' of corporate business since the shutdown of Youngstown Sheet & Tube in Ohio in the 1970s. Bethlehem Steel was handed nearly \$1 billion from the government when they closed their Lackawanna, NY plant in 1983.

Many shut-down businesses abandon workers and communities without fulfilling existing obligations they assumed when accepting state and local tax breaks and incentives. In lieu of repayment, state and local governments could acquire the business—but at this vastly depreciated price set by the corporation. Faith and community organizations could then work with state and local governments to re-sell these businesses at low prices to the abandoned employees or the community, which can operate the business once again.

As in times past, progressive faith groups can lead economic revitalization by combining their traditional on-the-ground community organizing with savvy public policy. More important, they can redefine what is a "moral good" and once again use their leadership to bring about greater social justice for all.

Elizabeth Sholes is the Director of Public Policy for the California Council of Churches