

## Panelists connect issues of faith and economics

Alice Popovici | Feb. 3, 2010



Partha Dasgupta (photo by Leo Sorel)

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Franciscan Sr. Kathie Uhler has for months been working on a series of panel presentations to the United Nations that will show the damage exploitative mining has had on the indigenous populations of countries like Peru, Papua New Guinea and Indonesia.

As Uhler has learned in her research, inhabitants of an area are often unaware of mining—for gems, coal, or oil—that is taking place a short distance from their homes, perhaps on a mountaintop, until natural resources have already been polluted. In many cases, she said, the governments of countries where this mining occurs have allowed companies to do the work without alerting area residents or giving them a choice in the matter.

"You have a microcosm, in mining, of what's happening to the whole earth," said Uhler, one of about 400 attendees at the Trinity Institute's recent "Building an Ethical Economy" conference, a three-day event inside the vaulted chapel of the Episcopalian Trinity Church here on Wall Street and included remarks from Anglican Archbishop Rowan Williams of Canterbury, England, and Kathryn Tanner, theology professor at the University of Chicago Divinity School.

She said the panel discussions, which blended economics, ethics, theology and environmental responsibility, have helped focus her upcoming project, on which she is collaborating with a number of organizations.

"They helped me to put in my own language this huge thing that's happening and where we go from here," Uhler said. "You can't really put dollars and cents on water and aquifers—these things belong to everyone."

Uhler said the panel discussions helped her better understand the relationship between faith and economics, and "forced me to think about how the gospel that I profess to live helps me to address the economic problems of the day." She took particular interest in one panelist's explanation of wealth as it relates to natural resources:



, economics professor at Cambridge University's St. John's College.

"Are humanity's dealings with nature sustainable?" Dasgupta asked the audience at the start of his presentation. He said there is convincing evidence that continued exploitation of this natural capital—ocean fisheries, river estuaries, aquifers, tropical forests and ecosystems in general—will result in its changing "dramatically, for the worse, with little advance notice."

"There isn't just one environmental problem," he continued, tracing the issues from the sphere of environmental conservation to those of politics and macroeconomics. "There's a large collection of them," manifesting themselves on different scales and operating at different speeds.

One example he offered is the fact that GDP does not account for the depletion of natural resources.

"It doesn't deduct the depreciation of capital that accompanies production, in particular it doesn't deduct depreciation of natural capital," he said, as if the value of natural capital were negligible.

When markets function adequately, prices of capital reflect its worth, he said. Why, then, are the prices of natural capital below their actual social worth?

It could be that the markets for a particular type of natural capital do not work well, or that the economic negotiations are taking place over vast distances—as in the effect upland deforestation has on downstream fishing and farming—but each case of "underpriced" natural capital points to a failure along the way to secure "property rights" for natural resources.

There is a contrast between the market price of a particular thing and its "shadow price," which Dasgupta described as an asset's social worth, something more difficult to quantify.

"What value should we place on the blue whale, for example?" he asked.

One consequence resulting from natural resources' being priced below their actual value is that there is little incentive to conserve or economize them, he concluded, adding that the question leads to the "deepest quest in the social sciences"—the question of establishing grace and decency among "wide and disparate groups of people."

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David Kane, of Maryknoll Office for Global Concerns, said people do not see the destruction of nature in their day-to-day lives.

"It all just shows up in the stores to us," said Kane, who is based in Washington, D.C. and working with the Maryknoll coalition Faith, Ecology, and the Global Economy to raise awareness of these issues and bring them to Congress.

"What we're trying to do is bring economy and ecology together," Kane said, recalling Dasgupta's description of the conflict between economic growth and preservation of nature.

Kane said he would like to see a shift toward "an economy that doesn't depend on growth," he said, but "we're not anywhere close to that."

Conference webcasts are available at [www.trinitywallstreet.org](http://www.trinitywallstreet.org).

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