

# **Quaker Testimonies & Economic Alternatives**

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His interest in economic alternatives grew out of his search for a consistency between religious testimony and the patterns of everyday life. This interest became a major concern as a result of visits to developing countries, where he found people following oppressive practices of welfare capitalism and state socialism. In the present pamphlet he describes how Friends have sought a “third way” which seems more compatible with religious principles.

Friends have long tried to make the conduct of their business life consistent with their religious beliefs. It has not been easy in capitalist systems where self interest and materialistic motives become the main features of business enterprise. It can be still more difficult in a time of big corporations and command bureaucracies. But though exploitation and the domination of the many by the few continue in capitalism, the system persists, in part because acceptable alternatives are not easily found. The alternatives offered by state socialism appear to many observers as worse, or at least no better, than capitalism. The socialist state can manifest its own forms of dominance and exploitation.

The difficulty in capitalist countries is that the business system has endemic problems of its own which have led historically toward bigger government. It continues to create problems like mass unemployment, high inflation, labor-management strife, environmental pollution, consumer exploitation, corporate monopoly, run-away-factories, depressed communities, etc. which must be solved by the government. The government tries to solve these problems through regulatory commissions, labor departments, consumer protection agencies, welfare departments, public aid, environmental protection agencies, conservation departments, etc. Since business is not structured to be socially accountable to its constituencies in full measure and is not chartered to operate in the public interest, the capitalist system, like the socialist, can also lead to oppressive bureaucracy.

So we stand increasingly today in the middle of a muddle. We become observers and critics of dominance in both systems and we do not really have an economic alternative. We wait for the next step in evolution and hope that others will find a solution in the future.

But we cannot remain mere observers, detached from the system. If we try to separate ourselves from it, we become

simply part of the undertow of forces in the system. The system's own contradictions continue and the destructive under-currents take over. Our worst fears become realized as the dominance grows in the form of corporate conglomerates and state bureaucracy.

We forget that we are part of the continuing mystery of change itself. We contribute to it everyday by our own activities. We are constantly involved in creating our own fate whether we like it or not. We pay our taxes each year; we go about our daily business, buying and selling things in the marketplace. We are always engaged in some way in the corporate system; we act within it in some measure to either perpetuate the dominance or to overcome it through economic alternatives. We either contribute toward corporate exploitation in our daily transactions or we choose to contribute toward social change and the transformation of the system.

Religious testimonies in history suggest that people are not simply passive creatures who are victims of the forces of nature or the marketplace. At the spiritual root of their being, people are change-makers as well as observers of the world. The evidence in western countries suggests that people in their spiritual condition are creators of the world in which they live.

Christian testimonies to this effect were evident early in most sects and denominations at the beginning of capitalism. In the sixteenth and seventeenth centuries some Christians were helping to overcome the systems of dominance in medieval institutions. Max Weber, the social historian, has demonstrated how the Protestant Ethic provided support for the rise of capitalist institutions which freed people from the bondage of medieval life. Protestants appear to have been transforming agents helping to introduce a new economic order. At the same time Christians fought against the unethical practices of business. Some

Christians sought to overcome the dominance developing through business institutions and even tried to alter the course of capitalist development.

### **Early Quaker Thought**

The early Quakers testified against the excessive demands of business. George Fox, the radical founder of the Quaker tradition in the seventeenth century, saw the dangers of a preoccupation with material matters and warned about its tendencies to corrupt the spirit.

There is the danger and temptation to you, of drawing your minds into your business, and clogging them with it; so that ye can hardly do any thing to the service of God, but there will be crying, *my business, my business!* and your minds will go *into* the things and not *over* the things.

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Quakers continued their testimonies throughout the succeeding centuries of capitalist development. The pioneer Quaker writer, John Bellers (1654-1725), urged the establishment of working men's education and the investment of private capital into projects of community betterment. He saw the economic goods of society as only "lifeless things" until people gave them purpose and soul. He was clear about the relation of accumulated wealth and the exploitation of the poor. ". . . it's only the labour of the poor that increases the riches of a nation. . ."<sup>1</sup>

Other religious testimonies in the 18th century include, of course, the work of the American Quaker John Woolman. Woolman saw ethical problems developing early within his own business, when it flashed on him suddenly one day that the whole institution of slavery was intimately linked with business.

Woolman's concerns went beyond the institution of slavery to the institutions of business emerging in his day. He was himself a successful tailor and shopkeeper. In his shop one day he realized that he was making considerable profits on tea, chocolate, molasses, and indigo. His business was becoming very lucrative and this meant that he could expand his trade and form a large business for himself.

John Woolman then raised questions about this business expansion for self-interest and profits. Should he develop his business for his own advantage in the light of his Christian beliefs? At this point he began to see a fault in the business system and withdrew from his own trade. He sought to attend more to the effects of business on the poor. His concern about oppression then led him toward insights which today's social economists are just beginning to see, including the economic role of the woman in the home.<sup>2</sup>

Woolman laid the claims of the poor for justice before the wealthy classes who profited from their labor. He said that great wealth was "attended by power and oppression" which in turn affected the soul:

Now, when some who have never experienced hard labor themselves live in fulness on the labor of others, there is often a danger of their not having a right feeling of the laborer's condition, and of being thereby disqualified to judge candidly in their case, not knowing what they themselves would desire, were they to labor hard from one year to another to raise the necessaries of life, and pay high rent besides.<sup>3</sup>

Woolman's universal concern for people extended to the rich as well as to the poor. There was never a trace of hostility or bitterness in his speech or his writings. His main purpose in life, he said, sprang from "a desire to take hold of every opportunity to lessen the distresses of the afflicted and increase

the happiness of the creation. Here we have the prospect of one common interest from which our own is inseparable, that to turn all the treasures we possess into the channel of universal love becomes the business of our lives. . .”<sup>4</sup>

Woolman was not alone among early Quakers who faced the problem of keeping a business and keeping the faith at the same time. Howard Brinton made a study of the early Quaker journals and found that almost every one contained some reference to restrictions on business. He found these restrictions quite different from those described by Max Weber in *The Protestant Ethic and the Spirit of Capitalism*. Weber felt that the Puritans believed they were required by their religion to be diligent in all matters of business. It was a religious calling. Why then was the Quaker restraint in business so widespread? Brinton suggests that the restraint might be explained in part by the fact that there were no professional ministers to look after the affairs of the Society of Friends. So if Friends carried on large businesses, they would not have time to perform their religious duties. “By the Quakers, diligence in business was not despised, but there was a stage in spiritual development when it was expected that something higher should take precedence over it.”<sup>5</sup>

Quakers in the seventeenth and eighteenth centuries believed that the “spirit of God was over all.” They did not distinguish sharply between their ethics in business and government and their religious ethics. William Penn made this clear in the formation of his new commonwealth of Pennsylvania: “As God’s spirit is not tied to places, so all worship standing therein is truly catholic and public worship, in field or house, whether three or three thousand; convenient places being circumstantial, not essential, to God’s worship. . .”<sup>6</sup>

Quakers were radical Christians who did not separate their religious convictions from the rest of their life and conduct. Their spiritual life tended to take precedence over

the way they lived in the larger society, and their individual testimonies have remained a guide to others over the years. They represent an original fire, a revelation of truth which each generation has sought to find again in their own lives.

### **Later Quaker Thought**

The inspiration of these early Friends was not lost to succeeding generations, even though the conditions of society changed quite markedly.

In the early nineteenth century, Quakers like John Bright in England were influential in creating more equitable conditions in the economy. Bright, a factory owner, helped to defeat the Corn Laws which in turn struck a blow against aristocratic landlords. Philanthropy was common among members of the business class but business manufacturers like John Bright, Joseph Rowntree, and George Cadbury developed a new pattern of thought among Victorian Quakers. They believed that the first claimant on benevolence should be the workers who helped create the wealth making benevolence possible. A few Quakers, like Edward Pease and Stephen Hobhouse, were still more radical in their views. They held that all inequalities of wealth were wrong in themselves, and that the riches of the Quaker manufacturers were by themselves an indictment of the class.

Even though most Friends were not of such opinions, a change of outlook was nevertheless in the making during this period. Friends did not abandon philanthropy for these views, but by the 1890s they could no longer take it for granted that the philanthropy was ideal or that charitable societies were an adequate response to the times. By the turn of the twentieth century, British historian Elizabeth Isichei states that “. . . the channels through which the Quaker social conscience acted were changing, though the vigour and sensitivity of that conscience remained.”<sup>7</sup>

At the beginning of the twentieth century, Rufus Jones took up the theme of spiritual unity expressed in the life of early Friends and translated it into terms that spoke to his time. In his book *Social Law in the Spiritual World: Studies in Divine-Human Interrelationship*, which appeared both in the United States and in England in the autumn of 1904, he openly challenged the tendency of psychology and social science to divide the search for truth from religious faith. He sought to bridge the gap between the spiritual and the practical life.

Here Rufus Jones pointed to the importance of personal development in a social world integrated by religious conviction. He raised basic queries which included, "How am I related to my fellows and to nature?" The book was published three years before Walter Rauschenbush's *Christianity and the Social Crisis* which was to arouse the conscience of Christian churches to act on the problems of the capitalist system. Jones' conclusions in this case were similar to the findings of the earliest Quakers. He saw the divine as both transcendent and immanent in all things of society. Life was a unified spiritual whole and at the root of things there was a "divine movement towards holiness."<sup>8</sup>

By the middle of the twentieth century many Friends had faced directly the problem of corporate capitalism. In the 1953 edition of *Faith and Practice: A Book of Christian Discipline* Philadelphia Yearly Meeting declared its concern over the purposes of business in society. Here Friends spoke at length about the need for concord between Quaker principles and the organization of industry:

Regarding the purpose of industry, the generally prevailing view has been and still is, that the chief motive and object of business is private profit. This has been based upon the theory that the pursuit of self interest will result in the greatest

good to society. This is assuredly not what Jesus taught when He declared that He came “not to be ministered unto but to minister” and said to His followers: “Whosoever would be first among you, shall be servant of all. . .”

The control of industry, in the last analysis, is in the hands of the comparatively few persons who own the capital invested in it, while the daily management is exercised by those whom the owners appoint for this purpose. By his control of a business, the employer has power over the working lives of all his employees and, subject to the economic conditions about him determines the nature and condition of work. . .

This situation is causing many thinking people, employers as well as others, to consider seriously the defects of our present system of management and how they can be remedied. They are asking themselves such questions as these: Is it likely that wholesome conditions of work and adequate wages will be attained if the employees have no share in determining them? Is not power to direct one’s own life an important condition of character growth? Will not sharing in the management have great educational value, and may it not release latent energies in employees?

. . . The question which people are pondering is whether for some purposes at least the control should not be exercised by a group in which representatives of the employees, and, perhaps, the consumers, should co-operate with the representatives of capital.

We should encourage wise experimentation looking toward answers to these questions. . .<sup>9</sup>

### **Quaker Experiments With Common Ownership**

In the 1950s Quakers began experimenting in different countries with democratic forms of economic enterprise. The best known case is probably the Scott-Bader Commonwealth, a plastic resin manufacturing company in Wallaston, Northants, England. The original company was organized along orthodox lines of corporate authority until Ernest Bader, its Quaker owner, decided to re-organize his firm along participatory lines. In 1951 he gave 90% of his shares to the "Commonwealth," as he now called the company, inviting employees to become members; in 1963 he gave the remaining 10% to the Commonwealth.

Membership in the Commonwealth company was made open to all employees after a probationary period. Its main "legislative body" became the General Meeting. The General Meeting was designed to meet quarterly with a power to review the general conduct of the business. Its power included the right to approve large investments before they were made, and to dispose of the profits recommended by the Community Council and the Board of Directors. The Community Council was organized as the main administrative body. It was composed of twelve people: nine elected by the membership, two nominated by the Board, and one representing the local community.

The Scott-Bader Commonwealth was organized formally to reflect the principles embodied in the socialist tradition of Robert Owen and the religious tradition of Friends. All company members were equal in that they had one vote at the General Meetings. All employees had a high degree of job security. (An employee is reportedly fired only under conditions of gross misconduct and incompetence and even then there is a representative appeal system.) All employees became salaried and were given a greater income equity than is customary in the orthodox firm. The corporate constitution

lays down a maximum ratio of 7:1 between the highest and the lowest salary in the firm.

The 450 members of the Scott-Bader Commonwealth now have access to much more information about the affairs of the enterprise than those who work within conventional firms. Management must answer all questions raised by members through their internal newspaper or at the General Meeting. Members have a right to inspect accounts and ask for any information through their representatives or in personal interviews with management.

The Scott-Bader company has recently been planning to expand its operations into France, thus making it a multinational corporation. Management is fully aware of the exploitive tendencies of maintaining an overseas subsidiary and has considered the alternatives. The alternatives are to develop a French board of directors for the new company in the manner of Scott-Bader's own organization. Scott-Bader would then release its control over its subsidiary at a point when its French management had successfully developed local controls over production. Scott-Bader would continue supply and marketing arrangements with the independent French company and would thus continue to advance its own profits in the field without overseas exploitation.

The preamble to the corporate constitution tells something of the beliefs behind the Scott-Bader business.

Power should come from within the person and the community, and be made responsible to those it affects. The ultimate criteria in the organization of work should be human dignity and service to others instead of solely economic performance. We feel mutual responsibility must permeate the whole community of work and be upheld by democratic participation and the principle of trusteeship.

Common-ownership of our means of production, and a voice in the distribution of earned

surplus and the allocation of new capital, has helped us in our struggle towards achieving these aims.

The Commonwealth has responsibilities to the wider national and international community and is endeavoring to fulfil them by fostering a movement towards a new peaceful industrial and social order. To be a genuine alternative to welfare capitalism and state-controlled communism, such an order must be non-violent in the sense of promoting love and justice, for where love stops, power begins and intimidation and violence follow. One of the main requirements of a peaceful social order is, we are convinced, an organization of work based on the principles outlined here, a sharing of the fruits of our labours with those less fortunate instead of working only for our own private security, and a refusal to support destructive social conflict or to take part in preparations for war.<sup>10</sup>

Other companies based on common ownership have developed in England. The Society for Democratic Integration of Industry was founded in 1958 to help companies get started in the manner of Scott-Bader. In 1971 the name was changed to Industrial Common Ownership Movement. There are now 13 independent member companies of the federation. In 1973 the Industrial Common Ownership Finance was established as a revolving loan fund to help start new enterprises based on these principles.

In Dublin, Ireland, Quaker Victor Bewley was interviewing a woman one day for a position in his firm. He asked her why she had left her previous position. She said that the firm had been sold to an outsider; she was fired even though she had been working there for over thirty years. Victor Bewley later reported the significance of this incident to him: "One cannot work that length of time with a group

of people without, to some extent, becoming a community; yet it had all ended abruptly, without most of those concerned having any say in the matter. Was it right that this could happen?"

This experience and others like it led Victor Bewley to change the structure of his own business. *Bewley's Cafes* had been a conventional firm. It was composed of five retail shops, with cafes attached to them. It had a bakery on separate premises and also a sizeable farm. There were approximately 400 people on the staff and 50 retired members on pension at the time Victor Bewley decided to transform his business. These employees, he felt, should no longer remain solely under his personal authority.

He decided first that the company's capital should be held in trust for everyone working in the firm. His shares were then transferred to a Guarantee Company. The next step was to establish the conditions of membership in the firm and then to organize it democratically. Through his deliberations with fellow employees, it was decided that any member who had been with the firm for not less than three years could apply to become a member of the company "Community." They could then be entitled to vote if it were proposed to sell the firm or to make changes in the company's Articles of Association.

The Articles of Association were written with a Christian motive and purpose. The Articles stated, for example, that extra profits of the firm should be used for social purposes, such as "the relief of deprived people and in particular to promote and support efforts to provide employment for such people." A minimum of 60 percent of the profits was to be retained in the company for development and improvement. A maximum of 20 percent was to be paid in bonus to the staff and an equal amount to the community.

A business "Council" was formed consisting of the head of every department plus elected representatives from each

department. This arrangement yielded a body of 40 people who would meet monthly to discuss matters relevant to the running of the business. Members could ask to have any matter raised at the Council. The Council's agenda was to be displayed on the "notice board" in all departments before meetings.

The meetings of the Council have been informal, so as to facilitate the free exchange of ideas. Members sit in a circle without any special places being allotted. All departments are thereby mixed together to help people feel that they are working together on matters of common interest. A consensus (rather than a formal vote) is sought in all meetings in the manner of Friends. Victor Bewley says, "We do not suggest that what we have done is the final blueprint either for ourselves or anyone else, but we feel sure that it is a move in the right direction."<sup>11</sup>

Douglas Steere, who has visited worker cooperative manufacturing plants in France and Italy, finds them impressive experiments which could be developing new systems of work.<sup>12</sup> Production cooperatives in many of these cases, of course, have been organized in various religious traditions, and many others are purely secular in motif. Claire Bishop wrote about a secular cooperative in Boimondeau, France, which was referred to by Steere in his study of work and contemplation. It was a watch-case factory organized by atheists, agnostics, Catholics, and Protestants of many denominations. Members were quite conscious of their religious differences in the process of organizing the firm. They formulated a set of ethical principles for running the business which synthesized their contrasting outlooks on life.<sup>13</sup> Their synthesis appeared close to the spirit and purpose of religious witness evident among Friends since the seventeenth century.

The worker cooperative movement has developed significantly around the world. Federations of productive

societies have appeared on every continent. In Europe are many examples: The Det Kooperative Faellesforbund in Denmark, the Federation Belge des Cooperatives in Belgium, Lega Nazionale delle Cooperative e Mutue in Italy, Dutch Federation of Workers Productive Co-operative Societies in the Netherlands, the Confédération Générale des Sociétés Coopératives Ouvrières de Production in France, the National Council of Industrial Cooperatives (OKISZ) in Hungary, the Central Union of Work Cooperatives in Poland, the cooperative federations of the Coja Laboral Popular in Spain and the Co-operative Productive Federation in England. There are also many similar groups in Latin America, Africa, and Australia as well as in socialist countries.<sup>14</sup>

### **Consumer Cooperatives**

Another approach to economic democracy in which some Friends have been actively engaged has been the Consumer Cooperative movement. Here the structural separation between customers and owners is eliminated just as, in the worker (producer) cooperatives, the separation between workers and owners is eliminated. The customers in this case gain equal votes in choosing the board of directors of their own company.

In the 1930s when workers were turning to unions, many Friends who were middle class and not engaged in industrial work, turned to consumer cooperatives. This was a response in part to the interest given to cooperatives by the Japanese Christian leader Toyohiko Kagawa, who toured the country. Friends constituted a significant portion of the founders and leaders of cooperative grocery stores in suburban Philadelphia, Swarthmore, Lansdowne, West Chester, Germantown, Bryn Mawr, and Media, as well as in Richmond, Indiana, Whittier, California, and other locations. They were also active as members and managers of the large

Greenbelt (Maryland) and Hyde Park (Chicago) cooperatives, which are still operating.<sup>15</sup>

Problems of democratic control and member education are still being worked out in those cooperatives which have become quite large. The lessons suggest that cooperatives reflect their social principles most effectively when decentralized and federated.

Worker and consumer cooperatives do not solve all the problems of classical capitalism even though they suggest an evolutionary trend. Worker cooperatives by themselves solve many labor-management conflicts through their internal organization, but they can exploit the consumers who may not be represented. Consumer cooperatives, on the other hand, solve many conflicts with customers through their internal organization but they can exploit the unrepresented worker. For this reason, many observers have argued that these two types of cooperatives should be linked together in federations of the community. In this way, they begin to constitute a type of economic order which does not require government controls. These private federations become fully accountable to their constituencies (workers and consumers) through their links in the economic organization of the community.

Observers argue that many systemic problems of capitalism could also be treated without state controls by a connection between producer and consumer cooperatives on a large scale. Producer power by itself tends to raise prices, ignoring its impact on inflation, while consumer power tends to depress prices, ignoring its impact on wages as well as the quality of working life and capital investment. When these two types of cooperatives are balanced and linked through their organizations in the community, however, the negative tendencies cancel out. The conflicts of interest between the producer and consumer are negotiated through agencies of sales (production) and

purchase (consumption). The result is an economy with a social foundation. The producer economy retains a dynamic through associated independent workers, while the market economy retains stability through associated independent consumers. Such a system is beginning to be studied today as it emerges in countries around the world.<sup>16</sup>

### **Trends And Experiments Outside Quaker Witness**

The concern for transforming economic enterprises so that they become more consistent with religious principles has been expressed widely outside the Quaker tradition. Many of these experiments have taken place in the United States. The owner of the American Cast Iron Pipe Company, for example, felt it was his Christian duty in the 1920's to turn over the shares of his company to the workers. Today the company operates successfully in Mobile, Alabama, with almost 3,000 employees. A similar case occurred when the owner of *The Milwaukee Journal* decided, on the basis of his Christian beliefs, to turn over his shares to the workers. He also helped stimulate the organization of democratic councils through consultation with employees. Today *The Milwaukee Journal* operates successfully with over 1800 employees.

A secular trend toward employee ownership has also been developing in both United States and Europe. An increase in employee-owned firms has been taking place in the U.S. partly because of enabling legislation called the Employee Stock Ownership Plan (ESOP). This legislation provides tax incentives for firms borrowing money under special conditions which lead to the purchase of stocks for employees. Over 500 firms now come under this plan including Hallmark Cards of Kansas City, and Gamble-Skogno, a Minnesota retailer with 18,000 employees. In some cases, ESOP also includes employee participation in

management. When Amsted Industries, a Chicago based conglomerate, decided to liquidate its 70 year old machine tool making plant in South Bend, Indiana, local employees heard of the plan and borrowed money through ESOP to continue its operations. This venture led to the decision to include representatives from the United Steel Workers Union on the company's board of directors.

A marked increase in worker control over the management of European enterprises has been evident in the last two decades. In West Germany, for example, the largest 650 corporations are now "co-determined" by law with labor and management (owners) represented equally on their boards of directors. German corporations also have workers' councils making major managerial decisions through employee representation, and such councils are also required by law in Belgium, Finland, France, Luxembourg, The Netherlands, and Austria, although some of them are endowed with only consultative powers. In Belgium, Denmark, Britain, Ireland, and Norway, the councils function on a parity with management representatives

These trends represent peaceful reforms for the most part. In other countries the changes have been marked by violence and socialist revolution. Of course a revolution does not necessarily lead to democratic controls over industry. Nor do legal reforms necessarily lead to the quality of life hoped for in the struggle toward social justice. For this reason the American Friends Service Committee has taken steps to study these secular changes and has begun to help people participate experimentally in this process of change, keeping in mind the Quaker tradition in history. The AFSC has taken note of the religious witness of Friends and also of the societal trends. It is aware of the roots of domination and violence in both the capitalist and socialist systems and seeks to address them in its orientation to social change.

### **The American Friends Service Committee**

The American Friends Service Committee appointed an Economic Exploration Committee in 1965 to look into the economic factors which were affecting their community relations efforts. The deliberations of that Committee resulted in a report entitled “Current Trends in the Economy of the United States: Their Implications for AFSC Community Relations Programs.” The Community Relations Division Executive Committee then appointed a panel in 1967 to continue the exploration of economic issues and to promote wider discussion leading to recommendations for positive action. The panel’s report was made up of position papers which led finally to the publication of a pamphlet summarizing the position of the Division on policy and the social implications of economic patterns in the United States.<sup>17</sup>

Rufus Jones once wrote of Quakers that they “never lost their hold upon the central purpose of their lives — to transform this present world and these actual human fellows around them to the end that the will of God might become the will of men and that society here on earth might take on a likeness to the Kingdom of Heaven.” Following in the spirit of this statement of Friends’ outreach, the Community Relations Division outlined basic problems of the nation in employment, housing, education, income, health, justice, and national resources. Each problem was addressed and economic alternatives proposed in the light of basic principles. Common to the Committee’s suggestions for change in all these areas were the following principles:

1. *Sharing of power* is essential to economic well being . . .
2. Whenever possible, assistance should go directly to the individual; bureaucracy should be minimized . . .

3. National policies must be exercised without *racial discrimination* . . .
4. *Economic entities should be assigned responsibility for the external costs* of their operations, that is, the costs which presently do not appear on business records because they are imposed upon the outside community . . .
5. *National planning* is necessary and desirable.
6. *Subsidies* are an appropriate technique for achieving social purposes, a means of implementing national policy by investing public capital to achieve public goals. . .
7. A distinction should be made between *work and jobs* . . . (defining) “work” as any consistent, disciplined, creative or socially useful activity . . . (and) by ‘job’ we mean a place on the payroll . . . To those people for whom jobs are not the answer, society still needs to give recognition and opportunity for constructive activity . . .

The Community Relations Division concluded overall that there was need for a major realignment of national goals and structures affecting “the economic aspects of existence.”

The work of this AFSC Division in Philadelphia then became the stimulus for various regions to develop their own principles and put them into practice according to their own lights.

### **The AFSC In New England**

The New England region of AFSC has formed an Economic Alternatives Committee to provide opportunities for experimental social action in the field of business and labor. The Committee offers assistance to employees of firms about to be shut down, or to executives who wish to transform their companies into common ownership. It aids

workers who wish to purchase viable plants closed by their owners and then to organize them on the basis of common ownership. It sees itself helping to reduce tendencies for dominance in the business economy and seeks nonviolent alternatives that speak to the humanity of all who work in the business community.

The AFSC Economic Alternatives Committee has found many problems associated with secular efforts to form employee owned companies and seeks to address them in its consultation. It argues that the mere purchase of a business by its employees, for example, is not enough to fulfill the social purposes of economic enterprise. The ESOP (Employee Stock Ownership Plan) approach to ownership does not generally touch the lives of workers themselves. In fact, employees in an ESOP firm may not even know that the management has taken an ESOP course of action. The AFSC argues that the participation of employees in planning for the responsibilities required in managing their own firm is important.

Many problems arise when employees purchase a plant with conventional stock certificates. In the case of the Vermont Asbestos Group, for example, workers invested their own savings along with bank loans to purchase their shut down plant. They wanted simply to save their jobs. The unequal purchase of shares, however, led to fights and confusion over the power of employees to participate in management. There was gross inequity in voting power because some employees had invested more money than others in company stock. There was a lack of understanding among workers about their responsibilities in employee ownership. The firm became successful economically because it had cornered the asbestos market, but it became a social disaster. Outside investors sought to purchase the plant by offering individual employees extra money for their individual stock. The temptation to sell their shares was too

much and the plant was soon taken over by a local financier.

Similar problems have developed in other employee owned enterprises with conventional stock certificates. *The Kansas City Star*, for example, was an employee-owned newspaper that became very profitable. It was so profitable that workers were tempted with high offers for their stock from outside investors. Realizing that they could reap a great profit overnight, employees sold out to a corporate conglomerate. Employees are now under a command system of executive authority residing in New York.

The AFSC Committee on Economic Alternatives is designed to help employees anticipate these problems so that they can better control their own destiny. It is opposed to the idea that people are motivated only by material incentives or always victims of "market forces." Companies can be chartered to avoid unnecessary "buy-outs." They can be organized so that employees understand their responsibilities in common ownership. The Committee exists therefore to offer information to employees on systems of corporate governance guided by principles of social accountability. The Committee consults with workers on technical questions which include special forms of chartering, marketing, budgeting, and general business practices based on common ownership. The Committee staff sees organizing for common ownership as an educational process, involving discussion, conferences, and consultation — all of which leads to a new sense of social accountability and responsibility in business.

With this in mind the AFSC Committee has aided various types of enterprises. When the Colonial Press in Clinton, Massachusetts, was shut down, the AFSC staff felt the Press still had economic viability. They went out to talk with employees, six hundred of whom had been laid off by Sheller-Globe, a corporation listed on *Fortune's* five hundred "largest." The employees showed an interest in purchasing

the Press to bring it into a system of common ownership. The AFSC staff then collaborated with the technical staff of the Industrial Cooperative Association to provide the needed services on financing and marketing.

The AFSC Alternatives Committee also helps people develop land trusts in rural areas. Land trusts are democratically managed corporations chartered to hold land in stewardship in the public interest while protecting the legitimate use rights of its residents. The land cannot be sold for private profit under these arrangements but it can be used for private advantage. The concept of a land trust is concerned not so much with common ownership as with ownership for the common good without state controls. The charter of a rural land trust, for example, generally expresses principles concerning environmental protection and soil conservation. It may be designed to respond to the food needs of people in the surrounding region. Land trusts are organized with lessees to the land participating on the boards of directors which oversee the use of the land in the interest of the community.

The AFSC Committee is therefore interested in the social dimensions of economic alternatives, but members also express their spiritual concerns about how systems of production affect people. For example, Committee members believe in the sacredness of human life and what Friends call the "peace testimony." They are therefore concerned about products of corporations which are directly associated with the military and nuclear power as well as other types of products which they feel may be harmful to people in their use.

Committee members are similarly concerned with how enterprises are able to release the creative powers of employees. Such a concern begins with writing a corporate charter which takes account of "due process" and "workers' rights." It continues through consultation on methods for

maintaining a creative working environment. But the consulting staff may go still further in some cases to suggest periods of silence and meditation to bring spiritual life closer to work. Although not all people are prepared to accept the idea that religious practices can properly exist apart from the church (nor are all people ready for the idea of spiritual meditation itself), the Committee still believes that such practices can be introduced if employees wish to have them as part of the quality of working life. The purpose of meditation is not in this case to improve worker attitudes and thus corporate efficiency and profits; it is rather to allow workers to remember a wholeness in their life while meeting the daily demands of a job.

The AFSC staff states that it is a matter of maintaining a proper balance in the values of everyday life. The concern is to recognize the importance of the inner life and the spiritual needs of people at work while facing squarely the practical need for maintaining a corporate income. The Committee's purpose is to look for ways in which it says "gentleness toward one another can be found in the dynamics of daily business affairs." It hopes to find types of work organization in which "human tenderness springs easily from daily activities."

The consulting staff also suggest that it is possible to design job systems to maximize the release of "the creative potential" of all employees. For example, a job analysis should at best keep in mind the tendency of employees to stereotype one another as being a "boss," "secretary," "foreman," "customer," "clerk," "executive," or "laborer." AFSC staff argue that these "corporate roles" may be helpful in maintaining an efficient division of labor in the firm, but that they can also inhibit people and restrict personal growth. Put another way, these work roles may be functional in company operations but they also can curb personal development because they are so often associated with

traditional attitudes of hierarchy in a bureaucracy. The staff, therefore, encourages the rotation of jobs, as well as the creation of non-traditional positions and even the mixing of role responsibilities. Secretaries can sometimes edit executive papers; janitors can help architects design new offices; supervisors can help clean coffee cups and trays; managers can “take-over” for clerks during designated periods and vice versa. These efforts to overcome bureaucratic traps and allow people to expand their lives can be routinely discussed among employees. All workers from “executives” to “office boys” can meet to talk about how to overcome attitudes of superiority and inferiority which become wrapped around certain corporate positions. AFSC staff encourage steps toward job transformations in this manner with the thought that all people have a common spiritual destiny.

In a similar sense, the AFSC staff are also concerned about how technology affects people in a corporation. The staff favor simplified forms of technology which can be comprehended by everyone working in the firm. In fact, they seek to simplify all technical dimensions of corporate life including the use of computers, accounting methods, complicated assemblies, etc. so that the power of the expert is reduced to the power of each member of the enterprise. The Committee takes note of those enterprises in conventional industry — such as the Topeka plant of General Foods — which have redesigned their tools and their technology in order that they can be understood by everyone in the factory.

The AFSC Committee holds that high technology leads toward a centralization of political power while low technology may reverse this tendency. Committee members stress this principle of “human-scale technology” as a key to economic alternatives. One Committee member has applied for funds to demonstrate a transport system that he has designed involving a windmill and an electric car. He

has calculated the capacity of the windmill to generate energy for batteries which, in turn, run the electric car. The system thus eliminates pollution and the need for gasoline as well as offering a self-sufficient system of transportation for "second cars." Many institutions such as colleges, universities, prisons, hospitals, airports, etc. which use vehicles with a limited driving range could very well adopt the system. It follows that wide use of low technology such as this could reduce the political power of big oil companies and other outside powers such as OPEC to control the direction of people's lives in their local work.

The AFSC Committee is therefore seeking a wholistic approach to economics by creating bridges between the producer and the consumer; it sees this as basic to social planning on a larger scale. The Committee demonstrated its belief in this principle recently when the staff moved quickly with the Industrial Cooperative Association to save a local supermarket from being shut down in a low-income Boston neighborhood. The supermarket had been a subsidiary of a large corporation which saw its grocery sales and local profits declining steadily. The corporation shut down the store to eliminate future losses but people in the neighborhood were upset. Many of them were elderly and unable to travel to other locations for food. The salvation of the grocery store for local residents then involved organizing a community development corporation (CDC) which could receive seed money from the state. The CDC then loaned funds to store workers to help them purchase the local grocery. The CDC and the new worker-owned grocery then became partners in stimulating a market for the sale of its goods. With community support, the store is now making a profit for its employees and serving local needs at the same time.

The Committee concedes that this principle of overcoming the gap between producers and consumers may require a variety of economic alternatives over a very long

time. It is now working toward the organization of “community development credit unions” (CDCUs). The CDCU is simultaneously a financial institution, a neighborhood institution, and an institution for learning. CDCUs serve as a local base to mobilize capital for community oriented and worker owned businesses.<sup>18</sup>

The AFSC Committee believes that it is possible in the long run to reduce government expenditures for agencies treating problems of environmental protection, labor mediation, conservation of land, consumer affairs, welfare, public aid, etc. by planning for the systematic development of economic enterprises organized in the public interest. It sees government agencies as having been created in part because private enterprises collectively have not been responsible to the people they affect, including employees, consumers, stockholders, suppliers, buyers, and citizens in the local community. To reduce government growth, the Committee believes a concept of democratic citizenship is appropriate for economic enterprises. It thus looks with favor on E.F. Schumacher’s proposal that corporate taxes be reduced for those corporations which decentralize their operations and become structurally accountable to the community.<sup>19</sup>

The Committee sees its beliefs in “decentralizing power” and increasing social responsibility to be in harmony with the original spirit of Quakers in the seventeenth century. Quakers were then calling for the development of an inner power and authority in the face of external controls. They sought an inner direction based on a universal spirit of good will. The Committee has been working steadily to eliminate the need for corporate oligarchy, a bureaucratic state, and systems of professional expertise all of which impose outside direction upon people’s lives.

AFSC Committee members, however, do not see their *primary* function as that of changing the larger system. They feel that “right livelihood” begins at home. Therefore, whether

or not their work spreads to larger arenas of the economy, their purposes are still being fulfilled. For them sources of the inner spirit are maintained by their own experiments with economic alternatives in the region of New England.

### **Community And The Economic Order**

These social concerns of the AFSC are shared by others working in the broader community of Friends. Parker Palmer, Dean of Studies at Pendle Hill, the Quaker Study Center in Pennsylvania, has raised similar questions about the wholeness of life. His own concern has been directed toward the meaning of “community” in our time.

How can I participate in a fairer distribution of resources unless I live in a community which makes it possible to consume less? How can I learn accountability unless I live in a community where my acts and their consequences are visible to all? How can I learn to share power unless I live in a community where hierarchy is unnatural? How can I take the risks which right action demands unless I belong to a community which gives support? How can I learn the sanctity of each life unless I live in a community where we can be persons, not roles, to one another?<sup>20</sup>

A far-reaching effort to address questions like these has begun among Quakers in England. London Yearly Meeting became concerned in the winter of 1973 about problems developing in the British economy; mass-unemployment, a worsening climate of industrial relations, gloomy forecasts for the economy including anticipation of a general slowdown in economic growth.

A charge was given to the Social Responsibility Council to look urgently at the economic situation at a Meeting for Sufferings held in March 1974; it was a new mood among

British Friends. It was not completely supported by everyone and yet it was significant enough to take the first steps of study. A “Group of Advisors” was formed to prepare a document for the Yearly Meeting at York in August, 1974.

The call to “do something” was so strong that the Council felt it should cover a wide spectrum of issues in economic life. The members sought documents on such topics as “The Distribution of Wealth and Income,” “Current Economic Policy,” “Employment and Production,” “Social Problems and Poverty,” “Towards a Quaker View on Economic Situation.” Papers were written on each of these topics and gathered into a volume called *Public Resources and Private Lives*. The intent of the book was “to look at the economic situation from a great variety of angles: economic theory, economic policy, individual conduct and the behaviour of collective institutions.”

The authors were clear in their conclusions:

The first . . . conclusion [is] that by now the state of the economy in any western society . . . is a central preoccupation even for those whose primary common ground is spiritual. It was once possible to argue that economic affairs might, like total abstinence, slavery or spiritual healing, be a field of particular interest to groups of Friends. We can now see that the economic order is not a peripheral concern, but central to the whole relationship between faith and practice. This is not a claim that, say, the interest in peace and international relations ought now to take a secondary place in our thoughts and prayers. Still less is it a demand that the Society should cease to be first and foremost a religious body, or to say, that it should in any way neglect its spiritual foundations in favour of more good citizenship. It is rather that economic affairs are now so central

to our whole existence that no other aspect of personal relationships or individual life styles can now be looked at without first understanding what it means in terms of our national wealth, incomes, and their distribution.<sup>21</sup>

What is the theory behind Quaker concerns for economic alternatives? How can systems of oppression be overcome in the capitalist or the statist economy? What principles can Friends offer to business people, labor leaders, consumer advocates, lawyers, accountants, who are deeply involved in the management of the economy?

In the winter of 1975, Marjorie Swann, Executive Director of the New England Region of AFSC, called together a group of people she knew were concerned with these matters. The purpose of the committee was to develop a set of principles on what constitutes the "nonviolent economy." The Committee met monthly for about six months. Finally, in the Spring of 1976, one member was asked to draft a set of principles covered in the discussion.

The following summary by Russ Kleinbach expresses many of those principles believed important by members of the group. The group knew they could not be fully realized under the present conditions of corporate life but nonetheless considered them significant guides to social action.

#### *Basic Principles of a Nonviolent Economy*

1. *Trusteeship* means developing "land trusts" chartered in the spirit of stewardship, as opposed to private ownership or profiteering; it also means practicing a sound ecology in the use of natural resources.
2. *Cooperation* means organizing the economy on principles of mutual assistance and social responsibility, as opposed to an economy based primarily on competition and discriminatory practices.

3. *Constitutional democracy* means making “principled” decisions regarding what to produce and how to distribute goods and services in the context of the community.
4. *A Planned Economy* means designing economic alternatives in the over-all system following constitutional guidelines for social development instead of relying simply on “laws of the market” or “supply and demand.”
5. *Social Development* means cultivating human resources such as knowledge, skills, and social sensitivity as opposed to emphasizing only “economic growth.”
6. *A Human Orientation* means using material resources and labor to meet human needs, as opposed to “profit for profit’s sake” or “efficiency for efficiency’s sake.”
7. *Equal Access* means guaranteeing the widespread availability of basic resources, productive opportunities, and needed goods, to all members of the community.
8. *Small and Global* means developing regional units in the economy which are small enough to allow for effective citizen participation in decision-making while large enough to enable self-sufficiency, and always in the context of world citizenship and responsibility.

The Committee’s task of developing guidelines for a nonviolent economy was inspired in part by Gandhi’s principles of nonviolence, self-rule, and nonpossession. The concepts of trusteeship and stewardship were close to the life and spirit of Gandhi’s work.

The great Hindu leader claimed that the desire of people to possess things led inevitably to competition and war. The cultivation of a capacity to remain detached from things while at the same time seeking to cultivate the resources

for human development was a central concern in the satyagraha movement in India. The accent on fulfilling this principle led Gandhi eventually to the concept of land trusts and social property.

These concepts are in full accord with the testimonies of Quakers in history. In this tradition, Kenneth Boulding, internationally known as an economist, argues that Quakers have pioneered as “conservative radicals.”

They are conservative because they are religious, and religion, as the origin of the word indicates, suggests binding together. Religion binds the present with the past and it binds diverse people into communities. Quakers, because of their deep Christian roots, are bound into the past history of man. The words and actions attributed to Isaiah, to Jesus, to Saint Francis, to George Fox and to John Woolman, come down through the centuries and are bound into the life and witness of today. In the meeting for worship Friends seek to break through the here-and-now into that which is eternal. Here that which is beyond time and in every time becomes part of the present.

With all this conservatism, however, Friends are also radical. Their authority is the light within, the present and personal experience by which past undoubted authority must be tested. “Thou sayest Christ said this and the apostles said that, but what canst thou say” says George Fox, the founder of Quakerism. This “What canst thou say” is the key to a religion in which we have “No time but this present” and in which there is a constant hunger to apply the eternal principles of love, justice, and redemptive suffering to this present world.<sup>22</sup>

George Fox held closely to a belief in the existence of God in each individual. He respected the importance of governing one's own life independently of the state and against its propensity to create war. Though he did not live in a time of full blown capitalism and the socialist state, he would clearly have spoken to the importance of self-rule under these conditions. It was the inner life of people and the governance of the Spirit in all things that was important to him.

Indeed, if George Fox were living in his fearless manner today, he might well suggest that we bring the fire of creation to live our lives together without undue dependence on the corporate state. In this tradition, Friends today may well ask: "How can we build a social economy in which power is shared? How can we live in the virtue of that life that takes away the necessity of the corporate state?" George Fox clearly lived that life.

A major task of our time is to help create a new economic order. Friends' principles in the past have given a social direction to economic development, a direction encouraging people to govern their own lives independently in the context of the larger community. These principles can be applied today to the bureaucracies of big corporations and the military state.

Deep well-springs of the spirit moved George Fox in the seventeenth century. He told of being guided inwardly by a "pure fire," and during difficult times he walked "solitarily . . . taken up by the love of God." These sources of guidance are sorely needed today by Friends who seek a new social order. Indeed, these sources may be needed by everyone who faces economic crises ahead. I believe they are the foundation on which we can build wise alternatives as we move toward the twenty-first century.

### Notes

1. Karl Marx *Capital*, English Edition, 1952, p. 241, Note 1. Karl Marx called Bellers “a true phenomenon in the history of political economy.” Marx, of course, drew upon these early writings and saw labor as the origin of human value. Labor for him was the source of creativity in society; it was toward the modes of production that we must look for the true meaning of value. It followed in Marx’s thought that any political distortion of these modes of production in favor of one class would soon distort the rest of the culture. Hence, Marx argued in his classic critique of political economy that capitalism was a distortion of human values and even human nature in modern times. See William E. Barton, *The Moral Challenge of Communism*, (Swarthmore Lecture, 1966) Friends Home Service Committee, London. Cf. Jessamyn West, ed., *The Quaker Reader* (New York: Viking Press, 1962), p. 234.
2. In his “A Plea for the Poor,” he pointed to the lack of income for women in the household. “Hence, one poor woman, in providing for her family and attending the sick, does as much business as would for the time be suitable employment for two or three.” Frederick Tolles, ed., *The Journal of John Woolman, and a Plea for the Poor*, (New York: Corinth Books, 1961).
3. *Ibid.*, p. 228.
4. *Ibid.*, p. 227.
5. *Quaker Journals: Varieties of Religious Experience Among Friends*, (Wallingford, PA: Pendle Hill Publications, 1972), p. 69.
6. Jessamyn N. West, *op. cit.*, p. 207.
7. *Victorian Quakers* (London: Oxford University Press, 1970) p. 257.
8. Quoted in Elizabeth Gray Vining, *Friend of Life: The*

- Biography of Rufus Jones* (Philadelphia: J.B. Lippincott, 1958) p. 103.
9. 1515 Cherry Street, Philadelphia Adopted, 1955.
  10. *A Kind of Alchemy*, Scott-Bader, Wallaston, Wellingborough, Northamptonshire, England. n.d. See also: George Goyder, 1975 Ernest Bader Common Ownership Lecture, Scott-Bader Commonwealth Monograph, no. 7; Fred H. Blum, *Work and Community: The Scott-Bader Commonwealth and the Quest for a New Social Order* (London: Routledge Kegan Paul, 1968).
  11. Victor Bewley, "Common Ownership in the Economic Recession," in Jim Platts and David Eversley, *Public Resources and Private Lives: Some Quaker Views on Equity and our Economic Problems*, p. 148-151. Also information was received by private correspondence with Victor Bewley.
  12. Douglas V. Steere, *Work and Contemplation* (New York: Harper & Bros., 1967) p. 71.
  13. Claire Bishop, *All Things Common* (New York: Harper & Bros., 1950). One of the most interesting features of the Boimondeau Watch-case factory was the effort workers made to bring "culture" into the system of work. Meeting in democratic assembly, the employees decided to bring university faculty to the plant so they could get the education which most of them had missed. They wanted to learn more about philosophy, languages, political science, world religions, and writing skills. They decided to spend a portion of their company profits on their own personal development. In addition, they organized factory committees around such subjects as photography, theater, and the arts.
  14. Information about cooperatives around the world can be obtained from Paul Derrick, *Research and Information*, International Co-operative Alliance, 21 Upper

Grosvenor Street, London W1X 9PA, England. A booklet about Workers' Productive Societies can be obtained from Bruno Catalano, Secretary of the ICA Workers' Productive Committee, CICOPA, Via Torino 135, 00184, Rome. For Model Rules of the Industrial Common Ownership Movement begun through Scott Bader, see Michael Campbell, Beechwood, Elmete Lane, Roundhay, Leeds, 8, England. For information on research on productive societies, write Professor Guy Quadon, University of Liege, Director, International Centre for Research and Information on Co-operative and Public Economy, 45 Quai de Rome, Liege, Belgium. A directory of cooperatives is available from the Co-operative Research Institute, 1054, Budapest, Alkotmany u. 25, Hungary. This Institute also produces the ICA Research Register which is published twice a year and lists books, reports, and articles on industrial and other co-operatives. A bibliography on industrial cooperatives was also produced for the Open World Conference on Industrial Co-operatives held in Rome in October, 1978. Two key books providing information about productive societies are: Margaret Digby, *The Nature and Role of Industrial Development*, available from M.H.A. Hamdy, Chief, NGOs and Business and Industrial Institutions and Co-operation Section, Division of Policy Co-ordination, United Nations Industrial Development Organization, Lerchenfelderstrasse 1, A 1070 Vienna, Austria; and Robert Oakeshott, *The Case for Workers' Co-operatives*, (London, W.C.1, Routledge Kegan Paul, 1978).

15. My thanks to Kenneth Ives for these facts on consumer cooperative and supplying other information on the cooperative movement.
16. Severyn T. Bruyn, *The Social Economy* (New York: John Wiley Interscience, 1977).

17. The Community Relations Division of the American Friends Service Committee, *Man and the Economy: The Social Implications of Economic Patterns* (Philadelphia: AFSC, 1970).
18. Brad J. Caftel, et. al., *Community Development Credit Unions: A Self-Help Manual* (Berkeley, Calif.: National Economic Development Law Project, 2150 Shattuck Ave.), 1978.
19. *Small is Beautiful: Economics as if People Mattered* (New York: Harper Torchbooks, 1973).
20. *A Place Called Community*, Pendle Hill Pamphlet 212 (1977), p. 5.
21. Jim Platts and David Eversley, op. cit., p. 244. 22. *Friends and Social Change* (pamphlet of the Friends General Conference.) For a broader statement by Kenneth Boulding see: *The Evolutionary Potential of Quakerism*, Pendle Hill Pamphlet 136 in association with the Australia Yearly Meeting (1964).