

Acting For Justice ...Strengthening Our Foundational Knowledge

New Books Worth Reading

Suiting Themselves: How Corporations Drive the Global Agenda, by Sharon Beder. Earthscan, Sterling, W. Virginia 2006. Dr. Bader's book is well researched and makes important information accessible to the ordinary reader by the use of non-technical language.

A Country That Works: Getting American Back on Track, by Andy Stern. Free Press, NY 2006. Andy Stern is the president of the Service Employees International Union (SEIU.) The book presents a needed non-confrontational approach to the national and global economic problems facing both workers and employers.

The Audacity of Hope, by Barack Obama. At a time when many of us are jaded and cynical, Senator Obama looks straightforwardly at the issues facing the US, and still offers reason to hope.

Web Sites Worth Viewing on a Regular Basis

Hormone-Altering Chemicals in Everyday Products, by Paul W. McRandle. Worldwatch, Vol. 20 No. 2. March/April 2007. Page 5. This article raises disturbing facts about the hormone-altering and endocrine disrupting chemicals in our lives.

For many informative articles about the chemicals in our daily lives that affect our health, visit: <http://www.thegreenguide.com/greenguidance.mhtml>

www.gao.gov Government Accountability Office. 2007 High Risk Update. These up-dates, provided every two years since 1999, point out to Congress and to US citizens the risk of abuse, fraud, and waste in the administration of various departments of our federal government. For nine years it has placed crucial areas of the Department of Defense on the High Risk listing. **Ask your legislators about this.**

CREA: Center for Reflection, Education and Action, Inc.

Mailing Address:
CREA, Inc.
P.O. Box 2507
Hartford, CT 06146-2507

Tel: 860-527-0455
FAX: 860-216-1072
e-mail: crea-inc@crea-inc.org

CREA is an independent 501(c)3 organization. Executive Director: Ruth Rosenbaum, TC, PhD.



*"Believing that the earth is home to all,
CREA facilitates analysis of
human, social and economic policies
from the perspective of their effects
on human lives, beginning with the
lives of those who are poor."*

CREA Mission Statement

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Hartford, CT 06146-2507

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The mere fact of the existence of the Third World can help overcome not only the ignorance of the First World, but unmask falsehood, and that is no small mercy.

St. Paul solemnly warns us that the founding sin which corrupts human reality and the reality of nations is "to imprison truth with injustice."

The Third World is the light that helps the First World know itself for what it is.

Jon Sobrino, **The Principle of Mercy**,
page 79.



STARTING POINTS

Center for Reflection, Education and Action, Inc.

Hartford, CT 06146-2507

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Words: Their Meanings, Their Manipulation and Their Power

Words, images and sounds bombard us from every side these days. In the midst of it all, we try to fulfill our responsibilities and do our jobs. It's getting harder.

Systemic analysis is a useful tool to help us tease out the nuances of meaning, the subtle messages, the manipulation, the spin, and sometimes the outright lies that the sounds contain. It requires us to demand clarification of terms, to be wary of glib answers, to question why. This ability is crucially important as we enter the election process. For example, look at health care and health insurance.

Health Care...Health Insurance These two terms are often used interchangeably, and we should be alert to their differences and what those differences entail. Whenever they are used, we should question that use carefully.

~ *Health care* is actual, appropriate care provided to persons suffering from illnesses or physical impairment. The level of actual care and the type of care are determined by many factors, not all of them financial. The current exposé of the shoddy treatment afforded wounded veterans at Walter Reed Hospital is a case in point.

~ *Health insurance* is the financial arrangement of paying an agreed amount on a regular basis to a for-profit or non-profit organization or to a government agency that agrees to provide a designated payment for medical treatment in the event that one suffers certain specified illnesses or impairments.

Keeping these distinctions in mind is especially important as we note the rush of businesses to embrace universal health insurance. Note they are not using the term universal *health care*. Universal, federally subsidized *insurance* would involve using taxes to pay insurance companies to cover the cost of health care.

Notice where the money goes. Taxpayer...government...insurance company...service provider. Rather than operating as Medicare does, with direct payment by the government to the service provider, the insurance companies are inserted as another layer, with their own administrative costs and profit demands. They are not accountable to the public, but to their shareholders. The federal money taken out to pay their costs and provide their profits is removed from the funds that would otherwise be available to the persons needed the service.

Universal health care means coverage of health care for everyone to the extent that the tax base permits. The single payer, the government, is accountable to the public, not to shareholders expecting ever increasing profits. Administration costs are reduced as a layer of administration is removed. The government also has the power to negotiate lower bulk prescription prices if it chooses. While the coverage

CREA Europe News

CREA's executive director, Sister Ruth Rosenbaum, TC, traveled to Brussels, Belgium on January 22, 2007 for the legal establishment of CREA Europe. There she met CREA Europe's Senior Advisor, Patrick Neyts, for the signing of the official papers.



Patrick has worked in the area of corporate responsibility for many years, with both public and private corporations. His

expertise is in the areas of human rights, environment, and health and safety issues within factories. He founded his own consultant company, VECTRA International, headquartered in Brussels.

In accordance with the European Union requirements, Patrick will become a member of CREA Europe's board of directors.

for basic health care provided by this arrangement would very likely not meet everyone's demands, the citizens of this country would have a say through their representatives about what would or would not be covered. Note that under the present system of insurance, the insurance company makes that decision.

This is a critical issue for everyone. We need to ask questions and insist on straight answers.

CREA CHRONICLES

RAISE Institute begins. This month Sister Ruth and Lydia Long of Verité travel to Manila, Philippines, for the Training of Trainers (TOT) for the RAISE Institute. These trainers will then be responsible, under RAISE supervision, for the hands-on training sessions on monitoring of supplier facilities for environmental, social, and health and safety and factors.

The three-year RAISE Institute will offer on-line courses on content to provide the knowledge that monitors need to do their work. This phase of the work will be coordinated at the University of Connecticut.

Successful completion of the program will result in certification of the monitors. It will also serve to ensure that the standards affecting the well-being and the lives of the workers are being met. That, of course, is the goal.

CREA House Is Host Again

Once again CREA House welcomed representatives of the Calvert Fund, Domini Social Investments, the Inter-faith Center on Corporate Responsibility and GAP's Compliance team as the Public Reporting Working Group that helps prepare GAP's corporate responsibility report. CREA has been part of this collaboration for the past three years.

New Faces at CREA

CREA welcomes UConn graduate student Rae Marie Stack as a volunteer. Rae is a business graduate of Fairfield University.

Ghana native Nicholas Sarfo recently joined us as part-time office helper. We hope he will be with us during his future college career in pre-med.

CREA Completes Final Field Research for Guatemala Project

Sister Ruth and CREA's Central America Project Coordinator Aida Montalvo traveled in February to Chanmagua, Guatemala for the final field research for the Guatemala project. Aida did pricing for the Purchasing Power Index, and interviewed workers.

The coffee growers encountered in this phase of the project have farms certified by Rainforest Alliance. The research helps to provide some insight this type of certification, adding to our understanding of what it takes to receive certification, and how this certification affects the growers.



Workers select the best coffee beans.
Photo by R. Rosenbaum. ©2007 CREA Inc.



While in Guatemala, Sister Ruth and Aida received the gracious hospitality of Mercy Sisters Maria Caridad Dessell and Sister Natividad Alonzo, who have served in the village of Chanmagua for many years. The plaque pictured here honors Sister Maria Caridad for her work on behalf of the coffee cooperative. The Connecticut Mercy Ministry Fund provided a three-year grant as

part of funding for this large study.

As with the El Salvador study, the report will be translated into Spanish and made available to all the Guatemala groups who have been part of the project.

Fair Trade/Peace Trade Effort Bearing Fruit in El Salvador

The enthusiastic response of many individuals and communities to CREA's sales of crafts from the Seed of Peace Cooperative in El Salvador has been a heartwarming endorsement of the Fair Trade/Peace Trade effort. The members of the cooperative are very grateful.

During a brief stop in El Salvador, we visited the cooperatives' small new store in San Salvador, a collaborative effort of several artisan cooperatives seeking greater market for their crafts.

We are also witnessing growing support for Fair Trade products, and the Fair Trade system. You have contributed to this development by purchasing Fair Trade products and spreading of the idea among your friends and associates. This is how positive change happens!



Debt and Deficit: What is Fact? Spin?

"The federal Government's financial condition and fiscal outlook are worse than many may understand..."

"Continuing on this imprudent and unsustainable path will gradually erode, if not suddenly damage, our economy, our standard of living, and ultimately our domestic tranquility and national security."

David Walker, Comptroller General of the U.S., preface to *Fiscal Stewardship: A Critical Challenge facing Our Nation*, an analysis of the 2006 U.S. Financial Report.

www.gao.gov/cgi-bin/getrpt?GAO-07-362SP

One of the most serious issues facing US citizens is the national **debt**. As of Sept. 30, 2006, the gross federal debt was \$8 trillion, 530 billion. Of this total, \$4 trillion, 866 billion is held by the public:

- ~ Federal Reserve banking system 16%,
- ~ state and local governments and domestic investors 40%
- ~ foreign and international investors 44%.

The rest of the debt is Intragovernmental debt, which amounts to \$3 trillion, 664 billion. This is money borrowed from other designated government funds. The U.S. has borrowed \$1 trillion 995 billion of Social Security money and \$335 billion from Medicare money.

This borrowed money is used by the federal government to make up for its annual budget **deficits**, which are the losses when annual expenses are more than annual income.

Our increasing debt and our increasing dependence on foreign investors to provide money to cover our deficits places us in a particularly vulnerable highly-indebted position. Should foreign investors decide that other countries provide more promising returns on their investments and stop purchasing US debt, our economic situation would be drastically affected. This would reduce our ability to pay interest on the debt, not to mention paying off the debt. We must forestall this while there is time and demand fiscal responsibility from this administration, and from future administrations

What about other reports that the economy is strong and in good shape?

Well, what is fact, what is omission of fact, and what is spin? We need to ask questions, and insist on answers. Truth should not be "imprisoned."

Global Reporting Initiative News

The Global Reporting Initiative (GRI) released the third edition of its guidelines for sustainability reporting at a gathering of over 1,000 persons in Amsterdam. Support for the GRI guidelines is growing, as companies realize that they offer assistance in assessing and making public their progress and their challenges in working toward environmental, economic and social sustainability.

Sister Ruth has worked on the development of the GRI guidelines, and continues as a member of the GRI international Stakeholder Council and the GRI Footwear and Apparel Working Group. She attended the gathering as an invited speaker.

The World Trade Organization on US Farm Subsidies

The World Trade Organization, which the U.S. joined in 1994, has as its goal the gradual reduction and eventual elimination of trade-distorting subsidies and tariffs. While subsidies and tariffs are important in protecting national industries when they are in a vulnerable position, they can and do at times result in harm to other countries.

The WTO has the power to:

- ~ establish trade regulations
- ~ hear complaints about alleged violations
- ~ issue a judgment by the Dispute Resolution Panel and the Appellate Panel
- ~ permit retaliatory tariffs if the offending country does not make changes to be in compliance.

In 2005 the WTO Appellate Panel upheld a complaint by Brazil that the US cotton subsidies are in violation and cause injury to world cotton growers. The US is now revising its cotton subsidies.

In January 2007 Canada initiated WTO dispute proceedings against a wide range of US agricultural subsidy programs, including corn. Argentina, Australia, Brazil, the European Union, and Guatemala have joined Canada.

This is a very significant case, not only for US farm policy (up for renewal this year) but especially for farmers in poor countries. They have suffered from the flooding of US subsidized products into their markets, putting them out of business, and weakening their country's food security. This case may result in significant systemic change.