



# World Business Academy

*Rekindling the Human Spirit in Business*

## Global Reconstruction

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**Editor's note:** What would you do if you knew that the entire global economic system and western way of life were in imminent jeopardy? You would likely do whatever you could to protect it. Academy President Rinaldo Brutoco observes that this is precisely the position in which we find ourselves: our way of life is vulnerable and endangered. He goes on to explain that there is a clear way out, outlines a visionary course of action, and issues a clarion call to action.

### The Wisdom of Two Generals

By Rinaldo S. Brutoco, President

“What is the lesson of the financial markets, climate change, international terrorism, nuclear proliferation or world trade? It is that our self-interest and our mutual interests are today inextricably woven together.”

**British Prime Minister Tony Blair**

We are bombing Afghanistan. We know that with all of our modern weaponry, we can't reach Osama bin Laden in the caves where he lives. *He* is not exposed. Conversely, he and his terrorist associates can reach any tall building in America with a pick-up truck full of a commonly available totally unregulated fertilizer (ammonium nitrate) that can be mixed with diesel fuel to create a bomb identical to the one Timothy McVeigh used to destroy the Murrah Federal building in Oklahoma. It is *we* who are exposed.

Osama bin Laden does not rely upon Middle Eastern oil to maintain his terrorist network. We do. Another fire like the one Saddam Hussein set in Kuwait would pose an enormous challenge to western civilization with its voracious dependence on oil. Many ant-terrorist experts agree that the oil fields are even harder to protect from suicide bombers mounted on camels than they were against Iraqi tanks. We are exposed.

Osama bin Laden does not rely on letters to be delivered to him for his communications. We do. Tens of thousands of letters similar to the one that apparently delivered a deadly dose of anthrax in Boca Raton, Florida could be mailed randomly across the western world. We are exposed.

In western society, we live for our families, our careers, our hobbies, our sports, our political interests and our general amusement. Incomprehensible to us in the West, the al-Qaeda terrorists of Osama bin Laden *live to die*. We are exposed.

The goal of stopping world terrorism is more than merely noble. It truly is a self-survival mission. We can't reduce Osama bin Laden to living as the rest of humanity lived in the 10<sup>th</sup> Century—he already does. We don't. And, we don't want to. We are exposed.

President Musharraf of Pakistan reports that 15% or more of the 141 million Muslims in Pakistan are fundamentalist and inclined to praise Osama bin Laden as a true “son of the Prophet.” There is no telling how many more millions now, or in the future, will be catalyzed to follow the *jihad*, or holy war, that has been declared on western civilization. We are exposed.

The interdependent system of global commerce, which is currently in a serious recession, will continue to spiral downward until we can understand what to do to stop global terrorism. There is no bottom in sight. We are exposed.

Japan, the second largest national economy, has been operating this entire year with net effective interest rates below zero. Last week, America became the second country to move effectively to zero interest (the federal funds' rate is now lower than the rate of inflation). This event prompted Robert Reich to reflect that we have demonstrated that use of monetary policy alone is like "pushing on a noodle." We are exposed.

Japan has also tried to use fiscal stimulus, as America is now itself cranking up in the same way to bolster its economy, and yet its domestic recession has lasted more than a decade. The real issue in Japan for over a year has been "deflation." The USA could go the same way. If terrorism is left unchecked for "years," as the administration has warned, it is likely that the largest national economy on the planet will look more like Japan's by next year than the economy it was just twelve months ago. We are terribly exposed.

What can you do when you know you are that exposed? To put it another way, what *wouldn't you do* if you knew that your entire global economic system and western way of life were that exposed? Clearly, the global business community *must* act, as was noted in the "Member Alert" which was issued by the Academy<sup>1</sup> in September. The only other choice, as Sir Winston Churchill observed during the Battle of Britain, is "unthinkable."

To paraphrase US Secretary of Defense Donald Rumsfeld at a press briefing in early October, it is impossible to defend against all the forms of terrorism to which any nation is vulnerable in our western society. The only way to combat terrorism, he said, is to attack it at its root. As noted above, the nature of the military "attack" we can launch in Afghanistan or any other desolate area of the world is exceptionally limited. And, even if limited objectives like toppling the Taliban government or killing Osama bin Laden are achieved, the high degree of probability is that we will have only begun the "war" on terrorism.

So what is the *real* root of terrorism, and how can it be attacked? Clearly, the root of terrorism is in the abject poverty of masses of our human brothers and sisters. The "war" on poverty is over. All that's left to do is eliminate poverty by co-constructing a social infrastructure for every pocket of poverty on the planet, and then there will be no places where terrorism can incubate and grow. That's all it takes and we can have had our last "war." The way to end poverty is the same way we did after World War II: develop a Marshall Plan.

General George Marshall was a highly honored soldier, diplomat, statesman and recipient of the Nobel Peace Prize who fathered The European Recovery Plan. Most people still refer to it as "The Marshall Plan." In truth, it was.

Marshall's key insight motivating him to reconstruct Europe was his awareness that Germany's devastation after World War I led directly to the rise of fascism and Adolph Hitler. In order to have peace, he reasoned, we should quickly rebuild our former adversary so that it would become our partner as a free democracy<sup>2</sup>. What followed was the emergence of Germany as the strongest possible global ally for the past 55 years. By rebuilding Germany, the US provided a platform of economic stability for the growth of a strong democracy and boosted the US economy as well. We spent money on infrastructure. It worked for them. It worked for us.

Now it's time to do for Pakistan what we did for Germany—before anything more goes seriously wrong in that country.

Even with the carpet bombing of World War II, there was more left intact in Germany after 1945 than is currently intact in Afghanistan or Pakistan. There is no doubt about it. The country needs everything.

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<sup>1</sup> See "Member Alert" dated September 25, 2001 under the heading of \_\_\_\_\_ at the World Business Academy website <[www.worldbusiness.org](http://www.worldbusiness.org)>.

<sup>2</sup> See Appendix A to this article for a deeper background on the Marshall Plan and the dire necessity for one to be adopted today in "A New Marshall Plan? Advancing Human Security and Controlling Terrorism" by Dick Bell & Michael Renner of the Worldwatch Institute.

It needs roads, sanitation facilities, hospitals, water purification and distribution systems, transportation systems, communications facilities, internet access and, most of all, schools. The failure to be able to provide appropriate secular schools led to the creation of fundamentalist *madrassa*, which have inculcated an intense hatred of the West in one entire generation and is now indoctrinating another. *Feeding* young boys provides Muslim fundamentalists the opportunity to take possession of their minds and lives. Their hunger led directly to the mullahs' teaching them to memorize, but not understand, the sacred Koran; to inebriating them on a hatred and disgust of everything in Western Civilization; and to have them leave as functional illiterates in all other ways except *living to die*. These schools breed terrorism.

That is what the failure to provide a minimal survival diet and secular schools in one country alone, Pakistan, has created. And why can't Pakistan afford to provide a secular school system that minimally feeds its students? Because Pakistan spends only 9% of its annual budget on education, health care, law enforcement, infrastructure and all other domestic spending combined! The international lending community receives 57% of that same annual budget in the form of interest on Pakistani debt. The actual numbers are different, but the story is very much the same in other desolate Muslim and non-Muslim countries around the world.

We're not at war with Muslims, and we certainly are not at war with Pakistan. We claim they are our new friends. Let's prove it. Let's WAGE PEACE. Not only will we check the spread of terrorism, we will boost the global economy out of recession at the same time. Now there's a real "win-win" which will come about by our willingness to "take responsibility for the whole."

Can you imagine the effect on other countries when we explain that we are going to continue on to the next country, and the next, and the next, until we've put decent, environmentally compatible infrastructure in place in every corner of the globe? We will catalyze a new era of international peace and prosperity with the poorest nations of the world as our allies. We will provide clean water to the thirsty, work for the unemployed, connection and relationship to the disaffected and hope to the hopeless. In a stroke of perfect serendipity, the nations of the world most likely to incubate terrorism are precisely the ones we should start with first.

There is a reason we get along with Saudi Arabia even though it is the foundation home for the specific branch of the Muslim faith that nurtured Osama. The Saudis have built a country where every citizen has a guaranteed education, sanitary drinking water and sewage facilities. The citizens of Saudi Arabia have a highly restricted, fundamentalist Muslim life, but it is a life. It appears that they are living to live, just as we are. That should be the model for the entire Muslim world.

### **The Global Reconstruction Fund**

Remember, we are terribly exposed. The global economy is descending with no bottom in sight. How much human and financial damage will be done as the "war on terrorism" lingers on? When will it end? What percentage of anyone's profits will be left at the end of this spiral? How many companies will no longer even exist? How many governments will be overthrown? How much global pain will be suffered until we choose to seriously wage peace? To broaden President Abraham Lincoln's Gettysburg observation to a global perspective, "This (world) cannot long remain half slave and half free."

Fortunately for us, the costs of waging peace are far less onerous than the costs of waging war. Better yet, the very civilian sectors of the global economy which will be stimulated by reconstructing global infrastructure are the same civilian sectors that lead to permanently higher, sustainable living standards. The goods and services that the western world has produced for itself are precisely what the rest of the world needs. They may or may not choose to mirror their economies, their lifestyles or their religious traditions on ours, but the rest of the world would love to have our level of subsistence. The "half slave" portion of the human population will be rendered "free" of the devastating poverty which leaves them with too little to live for and too many reasons to die.

How would all of this massive infrastructure be organized, funded and delivered? We propose that it be through the creation of our generation's Marshall Plan: The Global Reconstruction Fund. The "funds" would come from the voluntary contribution of 5% of the net profits from each business entity which chooses to be listed as a sponsor of the Fund. We recommend that a matching 5% be contributed for charitable purposes in *the local community* of the participating business. Each such entity will be authorized to display the official insignia of the fund on all corporate brochures, advertisements and public releases of information, identifying that organization as one that is "taking responsibility for the whole" by investing in a new global vision. These companies will be proud to display the insignia, and we will be proud of them for their efforts to effectively wage peace.

The Global Reconstruction Fund will be a non-profit activity, leanly administered in a corporate fashion, which will contract with sponsors of the Fund to construct the global infrastructure. Rather than work through any existing political entity, the world business community needs to demonstrate its competence to provide that infrastructure, on request from developing countries, directly to the recipient populations. If there is one thing that the business community is good at, it is providing cost-effective goods and services that can support a healthy lifestyle for each of the most impoverished sectors of the planet. This is the ultimate governmental "out sourcing" program.

In addition to direct financial support that business can provide to the Fund, each of the sponsoring business entities will pledge to try to convince its respective sovereign nation as to the wisdom of contributing 10% of the total donor country's military budget towards debt reduction for every nation that is actively cooperating with the Fund. This will release precious financial reserves to be further invested in the civilian economies of the most impoverished debtor nations. Were such a program in place today, Pakistan could dramatically reduce or even eliminate its 57%<sup>3</sup> interest expense by having the same sums diverted towards schools that would train for life.

Would business organizations be willing to contribute 5% of their profits to end global terrorism? Think of what happens if they don't. It's actually the best possible investment they can make in future profits. Think of it as insurance. Better yet, think of how small profits will be, and how many companies will be put out of business, if global terrorism *is* allowed to rage on for many years, as the Bush Administration predicts. And, it is no minor observation that contributing that 5% of profits is probably the one thing business can do to preserve our western way of life. It sounds like a small number to us.

We are terribly exposed, but there *is* a way out. It won't even be that expensive. We know what to do. All we have lacked so far is *the will* to do it. If that is what has been supplied by the events of September 11<sup>th</sup>, the tragic souls who perished that day will not have died in vain. Creating and deploying the Global Reconstruction Fund is the highest form of honor we can collectively pay for their sacrifice. Let's not let that opportunity slip away.

The second wise "general" in this paper is one we all know well: General Dwight D. Eisenhower. Interestingly enough, he served under General Marshall from 1939 until 1946. During the latter period he also served as Supreme Allied Commander of the United Expeditionary Forces which invaded Europe to end Hitler's reign of terror. Sounds like a man we would do well to listen to at this time of international stress.

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<sup>3</sup> One way this could work would be to have the debtor nation actually pay the interest to the creditor nation which, by prior agreement, would donate that exact sum back to the Fund for construction of civil society infrastructure in the debtor nation on a dollar for dollar basis. In this manner, Pakistan could be converting its present interest expense directly into efficient procurement of the very infrastructure it so badly needs via the reallocation of the 57% interest burden into the 9% civil society budget. That would free up a total of 66% of Pakistan's existing budget for Marshall Plan type purposes.

General Eisenhower, like his mentor General Marshall, went on to become a noteworthy statesman and served for eight years as the last president in a pre-television society, and presided over the greatest economic boom enjoyed by any civilization in all of human history. A stalwart warrior and a gifted organizer, he never lost sight of the supremacy of waging peace over waging war. He left us with this pertinent wisdom:

“Every gun that is made, every warship launched, every rocket fired, signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. The world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children.”

The wisdom of these two great generals, men of war who understood why and how to create peace, leaves us with a single challenge: “If not us, who? If not now, when?”

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As always, the Academy welcomes your thoughts, opinions and suggestions on the creation of the Global Reconstruction Fund.

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