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# Merely Rearranging Deck Chairs on the Titanic?: Our Global, Multi-faceted Challenge in Light of a Deep Grammar ESG Approach

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Our present situation finds us navigating a ship while avoiding at least three treacherous and menacing icebergs. The first is the global environmental crisis we face. By itself, this iceberg threatens to sink our ship, yet we seem blissfully to voyage along, either completely unaware of the dangers it poses or in complete denial that anything so menacing could possibly be lurking just over the rail of our ship. The second iceberg is the global pandemic all of us recently experienced. It is no exaggeration to say that this crisis prompted every government on earth to put its economy into a “coma”. No one had a way out, nor did we have any idea how long the problem would last, and experts now tell us this will not be our last pandemic. The third iceberg is the spate of violence and state-sanctioned murders that have been directed toward persons of color, especially toward young black men. Prejudicial, inequitable arrangements found in state configurations across the globe seem to be baked into our world economic order and—alongside the other two icebergs—these threaten to sink our ship unless we come up with social and economic solutions rather quickly.

Our present financial and economic order—our ship—seems ill-equipped to navigate these waters. In this article, I take a rather detailed look at the educational as well as the financial makeup of our ship. It seems that our vessel needs a radical rebuild, a deep-grammar remodification that requires a rethink of our views on education and of the outsized role high finance plays on our world stage today. We are in desperate need of a deeply probing realignment, changes helpfully suggested by way of looking at these crises through an “ESG Impact Investing” lens. ESG approaches offer us deeply insightful environmental, socio-spiritual, and governance/power critiques, provided all three of these factors are deeply appraised and sincerely and holistically considered.

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## Our Present Treacherous Voyage

Like icebergs in the path of a ship, we have recently rammed into an assortment of global obstacles that many of us simply had not anticipated a mere ten years ago.

First, we continue to have before us the environmental crisis—of course, we have known about this “iceberg” for quite some time, but the threat it presents shows no signs of abating any time soon.<sup>1</sup> In fact, as a species we seem to be getting more and more

adept at ignoring it as it looms larger and larger before us, though, most recently it seems that we are beginning to feel the acute effects of warming ocean waters, melting polar ice caps, decimated planetary species driven into extinction, leached top soil, dying barrier reefs, an ozone layer dangerously thinning with each passing day, and an economic and social system driven by our addiction to non-renewable energy sources (primarily petroleum products) that spew toxic pollutants over the face of our planet, that destroy the precious eco-balance of local habitats, and serve to

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<sup>1</sup> Since Rachel Carson’s *Silent Spring* in 1962, the Western world seems to have put serious resources into ignoring her warnings, as well as additional alerts from *The Club of Rome* in “[Limits to Growth](#)” in 1972, from *The Brundtland Commission* in “[Our Common Future](#)” in 1987, by the *Kyoto Protocol* in 1992, the UN-sponsored *Millennium Development Goals* of 2000 (which gave way to *The Sustainable Development Goals* of 2016), and the *Paris Climate Agreement* of 2016 (President Donald Trump withdrew the US from this last agreement in June 2017).

poison especially poorer, more vulnerable populations—while the wealthiest on our planet insulate themselves by gating themselves off in residences or islands gilded with and drenched in opulence. All the while, our economic world order and our way of doing finance and business seems more and more oblivious to the challenges put before us. Some even fear that we may already have waited too long to address it—global ocean temperatures and the man-made extinction of species will not be reversed overnight; in fact, they may not be able to be reversed at all, given where we presently find ourselves. Nonetheless, as economic theorist and political activist David Korten once said, we *must* act as if we do still have time to address this problem (even if we fear we do not), since neglecting to do so will surely amount to a self-fulfilling prophecy of doom.<sup>2</sup>

The second “iceberg” is the global pandemic we all recently experienced. Never has the human species encountered such a virus, such a truly global threat. Even though we have largely got through this most recent test and no longer find ourselves needing to quarantine or wear masks, there remains on the horizon the ominous reality of virus variants, a challenge that continues as a formidable obstacle for our planet. It is no exaggeration to say that this global threat prompted every government on earth to put its economy into a “coma”. Small business owners, common trades people, those in the service industry, the homeless, the poor, the needy, the most vulnerable, these people had no way out of this dilemma, nor did they have any idea as to how long the problem would last.

As the crises loomed over our planet, a phrase made the rounds that, at least the challenge here equally affected everyone. “Covid-19 does not discriminate” it was often said; “It attacks everyone.” A corollary assertion was, “We are all in this together.” But I found myself pausing and asking, “Really? Are we?” While at first seeming true, jingoistic sayings like these obscure the fact that the corona virus and threats like it wreak havoc most sinisterly upon individuals beset by preexisting conditions, by susceptibilities brought on by poverty, by lack of proper health care and health insurance, and by the necessity that poor

people face of needing to work on the front lines (often without sufficient protective equipment) simply in order to pay their bills with wages that for decades have been outstripped by inflation. In short, these people had—and still have—little option to “shelter in place.” Clearly, we are *not* all equally in this together.

We will soon see that this sort of systemic unfairness exacerbates the “third iceberg” below. Nevertheless, virtually no one on the planet enjoyed the luxury of ignoring Covid-19, since it stubbornly foisted itself into our social world, into our economic world, into our spiritual world, and into our political world. And, connecting the circle, this second “iceberg” is a lot more inextricably linked to the first “iceberg”—the environmental crisis—than we often realize, since we are told that increasing biospheric degradation is sure to prompt increased likelihood of global pandemics in the future.<sup>3</sup>

Third is the recent state-sanctioned murder of George Floyd at the end of May 2020 in the US city of Minneapolis, a video that piqued awareness of other events, of the case earlier in the year where Breonna Taylor had been shot in the middle of the night by unannounced police with a no-knock warrant in Louisville, Kentucky, or of a video released in the middle of May 2020 of the murder of the unarmed jogger Ahmaud Arbery in February 2020, a young man stalked, hunted down, and shot in cold blood by two (or was it three?) civilian white men who were not even arrested until two months later (after the video came to light). Only a month after the Floyd incident—in June 2020—the US public witnessed the fatal shooting of Rayshard Brooks by police at an Atlanta fast food drive-thru. Since then, other horrific cases have been tragically added to this number.

The US, thus, became embroiled in a social epidemic matching their biological one, a blight that consisted of persons of color murdered by the hands of law enforcement officials. We should all acknowledge that such state-sanctioned violence aimed at people of color did not just begin recently; no, it has been going on for centuries. Nor, are these recent cases the only victims who could be cited: the African American community is all too aware of the deaths of Treyvon Martin, Michael Brown, Eric Garner, Tamir

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<sup>2</sup> See the preamble to Korten’s lecture, “[Radical Abundance](#).”

<sup>3</sup> World Health Organization’s lead climate scientist, Diarmid Campbell-Lendrum, claims that—for a variety of reasons—climate change and growing environmental damage will sadly increase the likelihood of additional pandemic outbreaks. See “[Climate Change in the Era of Coronavirus](#)” to hear him interviewed in relation to this point.

Rice, Freddie Gray, Sandra Bland, Philando Castile, all at the hands of the police, alongside a tragic assortment of other persons of color as victims of police overreach and institutional constabulary profiling and violence.<sup>4</sup>

Thus, US cities (and elsewhere) exploded in 2020—as they needed to—and the tide of opinion began to shift (at least for those younger). Calls for increased police justice have drawn attention to other needs faced by America’s brown and black communities: a spotlight has now been aimed at the need for meaningful health care reform, for greater access to liquidity and banking services on the part of minority populations, for the need to drastically alter the US tax structure, on the lack of racial diversity at the local, state, and federal levels of government (as well as in the corporate sector), and for the need to drastically rethink our educational systems—both in terms of access as well as in terms of what a properly reconfigured holistic educational paradigm should look like (more on that just below). This sort of prejudicial, inequitable arrangement, of course, can be found in state configurations across the globe—it is certainly not unique to the US context; rather, it is baked into the world economic order, and it will increasingly threaten world peace the longer we permit it to persist.

### Our Present Ship—Fit for the Voyage?

So, it seems we now face a true *kairos moment*,<sup>5</sup> as these critical issues globally congeal and overlap. For those of us in the university, we must seek ways to involve our personnel and our students in response to these challenges, doing so by way of educational approaches that nurture lifelong learning and action, curricula that are coupled with an awareness of the importance of humility as we increasingly (and

necessarily) work with underprivileged and oppressed communities. In sum, we must embrace what some (usually Catholic) scholars have labelled a “preferential option for the poor,” we must evince deep consideration for our embodied existence as we seek to construct educationally just praxis approaches, involvements that are carefully undergirded by physical proximity, nested closely in concrete contexts of learning and struggle.

### The Educational Side of Our Ship

We must first realize that our stated aim as educators—i.e., to create contexts of learning, education, and growth—cannot be reduced to better schooling, nor does it simply imply deepening our present modes of teaching. Instead, we must revert to bedrock, back to big questions, exploring and reexamining fundamental issues. In sum, we must decide anew what education truly looks like as we find ourselves in this reconfigured new context. In doing so, I suggest that we bring to the surface a few concerns that might get us thinking in new ways, ones that could help point us in new directions, so that we hopefully might navigate a new, more macro-sustainable blue ocean that can help us navigate around our “icebergs”.

First, we must rethink the nature of education. We who are educators often feel we already know the answer here but I fear we often fail to consider some very fundamental issues. We must realize at least two things that education is not:

1. Education is *not* equal to schooling. One can be educated and not be schooled, and it is also true that one can be schooled yet still not be educated.<sup>6</sup>
2. Education is *not* equal to teaching. While teaching is important, it only has value when it induces

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<sup>4</sup> See the web site “[Mapping Police Violence](#)” for a strikingly long list of cases linked to police violence perpetrated in the last few years against (mostly young men in) the black community in the US.

<sup>5</sup> The concept “kairos moment”—derived from the Greek *kairos* (καιρος) implying a critical point in time requiring decisive action (as opposed to time as an on-going flow: *chronos* [χρόνος] in Greek)—was notably popularized by activists and liberation theologians in South Africa in the 80s, as they opposed the apartheid system at a key juncture in South Africa’s national climate (just before the apartheid system came crashing down). See [Kairos Document](#).

<sup>6</sup> I submit that authentic education more closely approximates what the Germans call “*Bildung*”. I take this idea to be especially important for the sort of initiative described in this concept paper, since it seems to cry out for a broad-based, liberal arts, theological understanding of what education could be. For an interesting and provocative look at what I am saying here, see Ivan Illich’s [Deschooling Society](#).

growth and learning<sup>7</sup>—and while growth and learning *can* be achieved by way of teaching, it also can be achieved by way of mentorship, by way of internship, and by way of a variety of other means that induce education and growth. Oddly enough, some forms of teaching can even hamper authentic education and growth—they can serve as state-sanctioned ideological tools that serve to pacify and anesthetize.

Thus, if these two points are correct and central to rethinking our task, we must return to who we are—to what sort of ship we are in and to what sort of ship we might wish to construct—given the reconfigured context (ocean) we find ourselves in. We must purpose to educate with a clear understanding of what education—the ocean—truly is and truly should be. We have some internal work to do.

A recent experience I had at the *Maui ESG Project/Ahupua`a Summit* in Hawai`i<sup>8</sup> in late January/early February 2020 helps to underscore why dramatically refashioning the nature of education for the poor and vulnerable—given the concrete milieu where they reside—is an essential, yet often overlooked and even superficially undertaken endeavor, one too important to ignore.

As we gathered with indigenous leaders from Hawai`i at the summit focused on green investing, often panel members from the financial sector (all of whom seemed very sympathetic to indigenous perspectives and rights) unintentionally began using professional jargon very common to the world of finance. By the second day of the summit—in mid-flow of non-stop presentations and discussions that were related to environmental, social, and good governance implications for impact investing—many of the elder Hawai`ians began to grumble and complain. Rumbles increased to the point it became obvious that several of them were significantly disturbed about

something. Many of us involved in the organization of the summit were confused as to what might be going on. Eventually, a few of these local leaders approached audience microphones and they gently yet firmly began to verbalize their misgivings. It seems that they were feeling excluded by the vocabulary, by the language, by the terms thrown around in the discussions. They expressed that they were unsure that what was being described touched upon what they felt to be most important and, furthermore, that they were feeling foolish and embarrassed about the fact they were having a hard time tracking the flow of the conversation and analysis. In short, they felt excluded by professional jargon and categories foreign to their own context. Even at an event so focused upon sensitivity to local people's needs and knowledge, feathers ended up ruffled by the way those from outside the context inadvertently were reshaping the discussion, importing categories, and thereby not respecting the local knowledge Hawai`ian leaders in attendance felt to be so crucial to understanding the problems they were facing. Sympathetic green investors attending the Maui ESG Project/Ahupua`a Summit had unwittingly started speaking in a language of finance that served to marginalize extremely smart and savvy Hawai`ian discussants, something that roped them off from the conversation of investment in respect to their own homeland. Later in the day an indigenous Hawai`ian leader muttered to me,

We really appreciate these people coming here to help us—we need the help! We need to know how to navigate the world of finance and investments and money. But do not come here and talk to us about our land, our water, and our oceans in a language you know we do not understand. We intentionally named this conference the Ahupua`a Summit—that is a Hawai`ian word our ancestors have used for centuries,<sup>9</sup> and it seems to give depth

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<sup>7</sup> Learning that looks like *Bildung*.

<sup>8</sup> Ms. Shay Chan Hodges and Mr. Ian Chan Hodges recently served as the lead organizers for the very significant [Maui ESG Project/Ahupua`a Investment Summit](#), held on the island of Maui from January 31st through February 1st, 2020 (the world shut down due to the planetary Covid-19 outbreak just as this event concluded). Also providing leadership for this summit was Ms. [Imogen Rose-Smith](#)—a financial journalist, an impact investment consultant, and an industry expert on sustainable investing. New York City is her center of operations.

<sup>9</sup> The term *ahupua`a* is difficult to translate. It generally refers to self-sustaining Hawai`ian units of communal trust historically maintained between Hawai`ian people and their leaders, a trust that underwrites the use of all resources, all processes of communal development, and all access to Hawai`ian resource claims. This cultural bond derives from indigenous Hawai`ian

to what you people are talking to us about. However, don't think we don't know about it already. We do. It is summed up in the word *ahupua`a*—and do you know how many times [haoles](#) at this conference have not been able to pronounce *ahupua`a*? And have you seen how gracious our elders have been to them about that—we understand. But don't try to speak another language in front of us with the result we do not understand what is being said about our own homeland. We speak a language you do not—it is a good thing we are not having this conference in Hawai`ian, right?"

She was right.<sup>10</sup>

Educational systems that stand a chance of properly and justly addressing the problems laid out above will need concretely and tangibly to take into consideration what education should look like considering these problems. It also must take into consideration what constitutes valuable knowledge and proper ways of

knowing—inclusive of the local languages, terminology, and those conceptual categories they use, when that is at all possible—given the needs and realities communities of privation face as they are threatened by environmental and other types of crises.

Furthermore, academic institutions are now entering what could be a viciously competitive phase<sup>11</sup>—one that business scholars Kim and Mauborgne<sup>12</sup> describe as a “red ocean” climate<sup>13</sup>—an environment that places them squarely before a looming reckoning and, for some institutions, imminent closure. This possibility has recently been provocatively described by Scott Galloway, Marketing Professor at Leonard N. Stern School of Business at New York University.<sup>14</sup> Galloway contends that, while the challenge will loom large for the entire sector of US university education, the reckoning most clearly threatens what he calls “third tier universities,” a category of institutions that best describes the space occupied by most liberal-arts colleges.

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spiritual views of common responsibility, interdependence, and holistic conceptions of the common good. For greater insight into the meaning of the word, see [Ahupua`a System](#).

<sup>10</sup> It must be said that this exchange and the problem it points to in no way typifies the way this wonderful summit was planned nor how it proceeded. Rarely have I attended a formal gathering where organizers worked so hard—and largely succeeded—at respecting local voices and honoring local values and perspectives. I believe the fact indigenous leaders felt so free to speak up and push back at the juncture I highlight here simply illustrates the amount of space that was continually open for local attendees and local leaders to voice their concerns. In fact, it was local leadership who were predominantly in charge of planning and arranging this two-day summit; that fact caused this event to stand out for me. It also shows that events like this *can* be arranged in a way that safeguards the honor of *all* in attendance, especially local leaders and residents who—typically at gatherings like this—are overlooked and ignored. The *Maui ESG Project/Ahupua`a Summit* held in February 2000 remains a beautiful example for me of what partnership, listening, and cooperation between outsiders and insiders can look like. The organizers did a wonderful job of making sure local voices were front and center, from beginning to end.

Nevertheless, in a context such as this, mistakes still will be made, they will continue to pop up and be the norm unless academic and professional outsiders work extremely hard at listening to, learning from, and partnering with local actors and indigenous persons. Unless real changes are made, marginalization of valuable insight and local knowledge will go unchecked. At this summit, that sort of mistake was an exception. Sadly, all too often it is a commonplace.

<sup>11</sup> Of course, we have been edging toward such a climate for decades now, but the pandemic has just thrust us more deeply into it in a dizzyingly short period of time.

<sup>12</sup> Kim and Mauborne are on faculty at the [INSEAD Graduate Business School](#) in France.

<sup>13</sup> See “[Red Ocean vs. Blue Ocean Strategy](#)“. “Red oceans are all the industries in existence today—the known market space, where industry boundaries are defined and companies try to outperform their rivals to grab a greater share of the existing market. Cutthroat competition turns the ocean bloody red. Hence, the term ‘red’ oceans.”

<sup>14</sup> See the very sobering interview of Prof. Galloway by Anderson Cooper and Sanjay Gupta on CNN on the 21<sup>st</sup> of May, 2020: “[Prof. Scott Galloway Talks to Anderson Cooper: How the Pandemic Could Disrupt Higher Education](#)“. Here is an interview with New York magazine where he covers more or less the same ground: “[The Coming Disruption: Scott Galloway Predicts a Handful of Elite Cyborg Universities will Soon Monopolize Higher Education](#)“.

A simple way that administrators of colleges and universities might take a fresh look at socially and environmentally informed education is by asking three simple questions, ones brought to the fore by well-known business consultant Jim Collins:

- (1) What do our universities do best (that is, what is our institution's core competencies)?
- (2) What is our university most deeply passionate about?, and
- (3) What sorts of activities and research foci drive our university's economic engine; what activities will augment our resource base and permit us to undertake our passions and our core competencies?<sup>15</sup>

Collins has insisted that the overlap of these three spheres must point us to our missional focus; the Venn Diagram intersection found here is where our energies should be directed, and where our resources should be aligned in respect to the “icebergs” we face on the horizon. Put in a different way, doing so will direct our educational institutions toward “blue ocean” market segments: that is, toward “. . . unknown market space[s] that are] unexplored and untainted by competition” (see footnote 13). Such a reconfiguration will greatly assist us in addressing our three-fold iceberg challenge, since it will force our instruction and tuition to be relevant, to be exciting, to be meaningful, and to be funded.

In such a climate as we find ourselves at present, those institutions that are best poised to adequately and sustainably address problems of biospheric degradation, racial, ethnic, gender, sexual-orientation, and class divisions and exclusions as these relate to true education and *Bildung* will end up meeting a need in the global market place (as will soon be seen below, this need is giving rise to shifting contours of the investment world and what is emerging as a growing demand for deep level work and research in impact investing). By focusing on “blue ocean” spheres directly related to the biosphere, to pressing social issues looming before us, and to the safeguarding of power and agency of poor communities, universities will be offered new and exciting ways forward in terms of innovation by inviting academic work that can inspire administrators, faculty, and students to bring a strong level of passion to these pertinent and urgent research questions. Such a move can tie departments and

disciplines together, creating excitement and buzz that is infectious and easier to market and to support.

Finally, at these perilous times when our student debt funding model has long been broken—coupled with the extremely precarious context we find ourselves in, given the uncertainty of how to respond to Covid-19—the idea described below holds great promise for generating funds, whether in the form of research grants, financial endowment, or in terms of increased tuition fees and scholarship assistance for students who might be sent to the college expressly to study and gain insight into the inter-disciplinary focus. With a bit of initial investment and financial priming of the pump at the beginning, it is not an exaggeration to say the present concept could unleash multiple millions (if not billions) of US dollars in investment and assistance toward the college. Thus, this is an idea that could—almost by itself—drive the economic engine of a small justice-oriented (perhaps liberal-arts?) institution that could successfully deliver on this vision.

We must start afresh by discovering what constitutes proper ways of knowing and learning, given the realities that communities of privation face as we all confront our “icebergs”. Local ways of knowing can and should be identified, studied, respected, and given space so that we might seek grassroots solutions to our problems in ways that induce stakeholder support. For our purposes in this OKHJ community, the role of a deep, “thick” anthropological approach is long overdue as we attempt to induce learning in our halls of academia. I submit that the academy must be soaked in humble approaches deeply informed by the anthropological task.

So, academic institutions who wish to found their work on sound footing need to look for spheres opposite to these “red oceans,” there needs to be a search for what Kim and Mauborgne label “blue oceans”: “. . . unknown market space[s], unexplored and untainted by competition. . . . [ones that are] vast, deep and powerful—in terms of opportunity and profitable growth” (see footnote 11). Customarily these openings bootstrap into areas where the institution already exhibits industry leadership (since having experience and expertise tends to lessen the effect of competition, seeing as how it is difficult to compete with a player who already has experience, networks, and a reputation in given operations).

In short, this “sea change” uncovers new opportunities for persons alert to its possibilities. I

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<sup>15</sup>See [The Hedgehog Concept](#).

believe the US (and global) educational context, especially given clear racial and socio-economic disparity hardwired into our society(ies), is shifting in ways that play directly into strengths enjoyed by liberal arts academic institutions who embrace a more holistic and multi-disciplinary approach to education, provided these strengths are recognized and capitalized upon. Two contextual surprises offer to such institutions “blue ocean” space that other institutions might not enjoy. Let us examine these two surprises briefly, one by one.

### 1. The Secularization Thesis is Dead.

For years and years social scientists—prompted by luminaries like Max Weber, Karl Marx, and Emile Durkheim—have predicted a growing level of global secularization that will (necessarily) require religious perspectives to become (1) at least privatized or, to their mind better yet, (2) eliminated and excluded, since spirituality and religiosity must increasingly be viewed as useless or even obstructive to the betterment of our society. Hence, it was thought that spiritual and religious considerations would increasingly recede in importance from the academy at large. It was conceded, of course, that overt faith-based schools—primarily third tier liberal arts institutions—would continue to value religious perspectives, but doing so would render those institutions irrelevant in terms of participating in serious discourse in the public sphere.

But this is no longer the case, since the secularization thesis has been strongly challenged for over 40 years now. Americans, for instance, are not necessarily becoming more secular—and the Global South is surely not discarding religiosity nor discarding their spiritual identities. Formidable thinkers such as sociologist Peter Berger, philosophers Charles Taylor,

Alvin Plantinga, and Michael Polanyi, theologian John Millbank, and even academic natural scientists John Polkinghorne, Ian Barbour and John Headley Brooke (the latter is actually an historian of science) have strongly challenged the secularization thesis. This shift opens renewed space for institutions that can academically and holistically consider the role of religion in a cross-disciplinary manner. In this way we can enter more boldly into the public square by offering values and religious perspectives—ones balanced by academic rigor and insight—that more closely align with world views still strongly embraced by the majority of the world’s inhabitants—especially by the poor and those in the Global South.<sup>16</sup>

### 2. The Wall Street Finance Model is Dead.

Many thinkers have critiqued the global finance world’s overemphasis on modeling, abstract and conceptual economic theories, and casino-like activities centered in trading and goosed up share prices and detached valuation (as opposed to actual manufacturing, service, and production that reflects Main Street consumer demand).<sup>17</sup> In fact, a strong case could be made (and has been made) that overconfidence in rarified financial models and detachment from concrete contexts of real business activity helped to pave the way for the great financial recession of 2008. The same could be said for the present, even more severe, crisis we face with the corona virus. Economists label all factors that do not figure directly into cost-benefit considerations pertinent to parties engaged in exchange externalities.<sup>18</sup> It is admitted that externalities are always present—there are always “spillover effects” to actors not party to transactions—but, it is reckoned, the price mechanism will eventually adjust so as to take into

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<sup>16</sup> It is interesting to note the nature of the prophetic and powerful sermon delivered by Reverend Al Sharpton at George Floyd’s funeral. One senses that without the religious and transcendent tenor of Reverend Sharpton’s sermon (especially at a funeral of someone who died so senselessly), it simply would not have landed as a message. One could hardly have “secularized” it and still maintained its power. See [“Rev. Al Sharpton Delivers Powerful Eulogy at George Floyd Funeral”](#) and [“The Movement for Black Lives Has Always Been Spiritual”](#). In my 20 years of experience in Southeast Asia at the village level (including my involvement just weeks after the tragic 2004 tsunami in the Indian Ocean)—and in my not infrequent involvement in other communities that were tradition-based in nature—communal religious and spiritual perspectives serve as key resources when persons make sense of their lives. In Weber’s terms, these communities are nowhere near being “disenchanted”.

<sup>17</sup> As representative here, see Harvard economist [Stephen Marglin](#), especially his book [The Dismal Science: How Thinking Like an Economist Undermines Community](#).

<sup>18</sup> For an explanation of what economists mean by “externalities” see [here](#).

consideration factors intentionally ignored or overlooked. In other words, market mechanisms will assert themselves and clear all irregularities once actors begin to feel the effects of these. Externalities will then be internalized, and adequate corrections will be made. Prices will assert themselves and natural adjustments will follow.

The trouble with our present crisis, though (and even more so with the coming biospheric challenges faced globally), is

- (1) Some externalities are not so easily internalized into the price mechanism (how does one put a price tag on lost species, on melting polar ice caps, or on stolen water rights?) Environmental economist Herman Daly calls these factors “pervasive externalities;”<sup>19</sup> he claims that they are so impacting<sup>20</sup> that they will eventually assert themselves in ways we cannot bear—by the time we recognize their deleterious results, it will be too late. I submit that the effects of climate change and the crippling effects of pandemics represent two types of “pervasive externalities.” We must come up with models that can handle these disturbances as a matter of course well before we experience their injury—we cannot afford to ignore them.

- (2) Given our present economic model, internalizing certain “externalities” is simply too costly for our society to bear (this is precisely what is happening at present—in order to properly address the present pandemic risk, we have been forced to “internalize” the threats of sickness and death in the hundreds of thousands—and perhaps millions—by placing our global economy into a “coma”). This threatens to drive global unemployment, underemployment, and disguised unemployment to levels we simply have never seen before. It is not outlandish to say that the market will find it exceedingly difficult to clear—especially in respect to the needs of the poorer segments of global societies.

So, given challenges like these, a new financial and economic paradigm is desperately needed—one that

- (1) no longer treats land as just another “factor of production,” ignoring sacred, biospheric visions that are at the heart of all deep understanding of agricultural activity,<sup>21</sup> and
- (2) no longer treats labor in that manner, reducing persons to unavoidable units of cost in a way that limits their agency and alienates them from the fruit of their labor.<sup>22</sup>

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<sup>19</sup> Daly—along with Cobb—do an excellent job of explaining the notion (and threat) of “pervasive externalities” in *For the Common Good*. As I understand Daly’s description of pervasive externalities, I find these to be quite similar to what historian and philosopher of science Thomas Kuhn labelled “paradigm anomalies;” see Kuhn’s [\*The Structure of Scientific Revolutions\*](#).

<sup>20</sup> Which means they are not externalities at all—they simply are unrecognized and unacknowledged internal factors.

<sup>21</sup> The essayist, novelist, and public intellectual Wendell Berry has long been pointing to this. As an example, see his classic work [\*The Unsettling of America: Culture & Agriculture\*](#). Berry has always written from an unashamedly religious—specifically a progressively Christian—position. For a helpful summative overview of this perspective, see “[Traditional Sacred Agriculture](#)” by historian and environmental strategist Evaggelos Vallianatos. For a thorough examination of the prospects for reinvigorating American sustainable agricultural, see John E. Ikerd’s [\*Crisis and Opportunity: Sustainability in American Agriculture\*](#). For something approaching a case study of farmer efforts along these lines—centering on renegade farmers planting and harvesting of lentils in Montana—see Liz Carlisle’s [\*Lentil Underground: Renegade Farmers and the Future of Food in America\*](#).

<sup>22</sup> This, of course, echoes a theme in Karl Marx’s critique of capitalism, but it is also true that there are Christian thinkers (and Muslim thinkers, and Jewish thinkers, and Buddhist thinkers, and Hindu thinkers, etc.) who have come to this same conclusion. For Christian thought in this regard, see Donald Hay’s [\*Economics Today: A Christian Critique\*](#), William Cavanaugh’s [\*Being Consumed: Economics and Christian Desire\*](#), Nicholas Wolterstorff’s [\*Until Justice and Peace Embrace\*](#), or Bob Goudzwaard’s classic [\*Capitalism and Progress: A Diagnosis of Western Society\*](#) as representative here. Back in the early 70s, British Economist EF Schumacher made the following observation in his classic work [\*Small is Beautiful: Economics as If People Mattered\*](#):

“There is universal agreement that a fundamental source of wealth is human labour. Now, the modern economist has been brought up to consider ‘labour’ or work as little more than a necessary evil. From the point of view of the employer, it is in any case simply an item of cost, to be reduced to a minimum if it cannot be eliminated altogether, say by automation. From the point

Many are the voices that are crying out for such a new paradigm as this now.<sup>23</sup>

With the death of George Floyd and the ensuing protests caused by that tragedy, education, business, and academic instruction as normal will no longer suffice.

For institutions that can adapt to and reconfigure in such a way as to take the above surprises into consideration, an opportunity arises for confidently entering a new, niche market aligned with these factors. This opening constitutes a “blue ocean” opportunity—one that precisely demands the characteristics long found at the heart of an institution that has at its center a justice-oriented, holistically spiritual mission.<sup>24</sup>

I believe we are well overdue for a wide-scale, drastic reconfiguration of the external financial and business sphere that envelops us. Let us turn to that for a brief look at what I mean.

### The Financial Side of Our Ship

With worldwide concern growing in respect to the threat of climate change, and with heightened awareness of sociological-political disparity in Western societies (typified by the centuries-long systemic degradation of the African American community), significant interest has developed on the part of the worldwide investment community to ensure that investment activities are responsible, both in terms of the biosphere as well as in respect to vulnerable

communities marginalized and impoverished by the nature of customary investment practices.

With this concern has arisen an emphasis on what has come to be known as *ESG Impact Investing*. In this type of financial activity, significant attention is given to environmental (E), to social (S), and to corporate governance (G) considerations in respect to investment decisions that need to be taken.<sup>25</sup> Perhaps surprisingly, at present the practice is becoming increasingly popular, both on the part of institutional as well as on the part of retail investors.<sup>26</sup>

In October 2017, American management consulting firm *McKinsey & Company* described ESG investing in this way:

Once a niche practice, sustainable investing has become a large and fast-growing major market segment. According to the Global Sustainable Investment Alliance, at the start of 2016, sustainable investments constituted 26 percent of assets that are professionally managed in Asia, Australia and New Zealand, Canada, Europe, and the United States—\$22.89 trillion in total. Four years earlier, they were 21.5 percent of assets.<sup>27</sup>

Echoing similar sentiments, multinational professional services network company *Deloitte Touche Tohmatsu Limited* has recently determined that

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of view of the workman, it is a ‘disutility’; to work is to make a sacrifice of one’s leisure and comfort, and wages are a kind of compensation for the sacrifice. Hence the ideal from the point of view of the employer is to have output without employees, and the ideal from the point of view of the employee is to have income without employment” (Schumacher 2010, 54).

<sup>23</sup> As an example of this, see David Korten’s work, especially his *When Corporations Rule the World* and *The Post Corporate World: Life After Capitalism*. For a lucid address Korten delivered in 2008 at Trinity Institute (which is, ironically, located on Wall Street)—a talk that richly takes into consideration spiritual and religious factors—see “[Radical Abundance](#).”

<sup>24</sup> A recent enlightening analysis of financial markets and the often pernicious role they play in the business climate in the US—Rana Foroohar’s *Makers and Takers: The Rise of Finance and the Fall of American Business*—devotes a central chapter (chapter 3) to the desperate need for a reconfiguration of the American business school—so that there can be a focus on business and not an exclusive focus on finance, and so that primary attention can be given to Main Street, not to Wall Street.

<sup>25</sup> For answers to a series of questions about ESG, see “[Frequently Asked Questions: What is ESG Investing? What is the Ahupua`a Beneficial Audit?](#)”

<sup>26</sup> Given the pressures of the Covid-19 pandemic overlapping with acute unrest in the US over racial disparity, *Forbes Magazine* recently has wondered aloud if the notion of ESG investing will not move to the forefront of many investment portfolios. See “[Is ESG Ready to Take Center Stage in Portfolios?](#)” *Forbes*, June 15, 2020.

<sup>27</sup> “[From ‘Why’ to ‘Why Not’: Sustainable Investing as the New Normal](#).” *McKinsey Quarterly*, October 2017.

social consciousness has spread throughout many facets of life, and many companies are making a concerted effort to align with these principles. This effort has likely contributed to the steady rise in the media coverage afforded to ‘sustainable’ brands over the past two years. Evidence suggests a similar growth in a desire for what are characterized as ‘sustainable’ or ‘socially responsible’ investments. Globally, the percentage of both retail and institutional investors that apply environmental, social, and governance (ESG) principles to at least a quarter of their portfolios jumped from 48 percent in 2017 to 75 percent in 2019.<sup>28</sup>

Deloitte went on to project that ESG-mandated assets in the United States could grow almost three times as fast as non-ESG-mandated assets, ultimately comprising half of all professionally managed investments by 2025 (for a total of \$34.5 trillion of assets under management). With ESG assets that are projected to be under management climbing to almost \$35 trillion in such a short time, there is obviously significant justification for this type of investment activity becoming a focus of a savvy university’s business program—whether in terms of better understanding its intricacies, or in terms of actively engaging in the practice itself.<sup>29</sup>

But there is currently a problem: it is widely acknowledged that there is a lack of third-party sources of up-to-date, robust data that can assist in measuring the social value of investments locally, and there is no meaningful way to audit their impact from the perspective of local communities.

Most would agree there are plenty of data—on carbon emissions, say, or water use—that can show how well a company is performing on environmental goals (the E in ESG). Similarly, changes in executive leadership or company policies can be a clear signal of progress on issues related to corporate governance (the G).

But when it comes to gauging the “S”—the social impact that a company delivers—companies and investors are still struggling to come up with meaningful, and widely accepted, measurements. To put the challenge simply, it is a daunting task to translate into numbers the well-being of an underserved community.<sup>30</sup>

This challenge/promise is significant enough in normal times—but, as is the case in terms of many things, these challenges grow in importance in the shadow of Covid-19 and the social justice pressures we face, especially since there are likely to be an increased number of pandemics on the horizon if climate change is left unaddressed and if societal injustice is not significantly dealt with. This fact alone provides a strong case for us to better learn how to gauge the “S” in ESG. No doubt, some of the tools to hand in the anthropological sphere could show themselves to be very helpful in better understanding means for gauging progress or regressions in the “S” sphere of ESG.

According to Mark Zandi, chief economist at *Moody’s Analytics*, the impact of Covid-19 came in three waves. The first wave occurred at the onset of the pandemic, as businesses closed and the economy dramatically slowed to a halt. The next wave—felt right on the tail of the first wave—were job losses which, as we saw, reached unprecedented levels. But, Zandi believes that it is the third wave that threatens to have the longest impact, repercussions felt by millions of people—particularly persons nearing retirement—as dramatic market declines served to reduce the value of the net worth of retirement nest eggs. Those affected by these repercussions, says Zandi, will likely respond by drastically cutting back on spending and this could potentially have the longest-term impact on the economy and, especially, upon underserved communities, as millions reduce spending as well as giving and as social programs are scaled back at governmental levels.

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<sup>28</sup> [“Advancing Environmental, Social, and Governance Investing: A Holistic Approach for Investment Management Firms.”](#) *Deloitte Insights*, February 2020.

<sup>29</sup> For additional insight into this rapidly expanding investment space, see [“Yes, Sustainability Can Be a Strategy.”](#) *Harvard Business Review*, February 11, 2019; [“Why It’s Time to Finally Worry about ESG.”](#) *Harvard Business Review*, May 21, 2019; [“Five Ways that ESG Creates Value.”](#) *McKinsey Quarterly*, November 2019; and [“McKinsey: ESG No Longer Niche as Assets Soar Globally.”](#) *Institutional Investor*, October 27, 2017.

<sup>30</sup> [“The Difficulty of Measuring a Company’s Social Impact.”](#) *The Wall Street Journal*, June 24, 2019.

When it comes to systemic shocks, the vulnerable and the poor are virtually always those most severely impacted, especially when it comes to healthcare, education, food security, housing, crime, mental health, and general well-being. So, as can be seen, a focus on ESG investing fits very well with a focus on justice and on empowerment of the marginalized, a point I argued for above. Special emphasis needs to be placed most squarely upon a better understanding of the “S” in ESG.

So, we need to do a new thing. Yet, it would be a mistake to suggest that sustainable investment as such is an entirely new idea. Rather, its roots stretch back as far as people had money in their possession to invest; it has long been championed by parties with a stake in environmental concerns and in financial and resource stewardship, for persons friendly to the welfare of the common worker.

Furthermore, the recent surge in corporate interest in ESG and sustainable investment has largely been focused on addressing climate change pressures—and in these spheres, religious institutions and liberal arts institutions that are willing to explore the role that religion plays in ethical theorizing have emerged as significant thought and action leaders, especially in relation to campaigns directed toward carbon divestment. Such a movement seeks to see institutional investors and other asset owners divest from companies that realize the bulk of their gains from fossil fuel extraction.<sup>31</sup>

Socially responsible investing has strong roots in religious communities—and in what is a remarkably interesting factor for those of us from the Philadelphia region, actors from the Delaware Valley have

historically played a significant role in that global movement. In our present day, as large institutional investors become increasingly interested in ESG investing, it now becomes even more critical that communities impacted by investment decisions become central to decisions made about how capital is allocated. In the words of West Indian political philosopher Frantz Fanon, it is not only the earth that needs a voice—the “wretched of the earth” need one as well!

The present-day carbon divestment movement has overtly modeled itself after the worldwide anti-apartheid campaigns of the 1960s, 70s, and 80s. During those historic campaigns, a worldwide coalition of religious institutions, union workers, and students, coalesced to protest the segregationist regime in power in South Africa. A particularly effective strategy at that time was a divestment campaign targeted at academic institutions and pension plans that held investments with companies—like General Electric—and who non-reflectively did business in apartheid South Africa.

The resulting economic isolation of South Africa is thought to have been a key factor that brought the policy of apartheid to an end in the country. In 1977, the Reverend Leon Sullivan of Philadelphia’s Zion Baptist Church—an African American pastor and board member of General Electric—developed what has come to be known as the Sullivan Principles: this was a crucial document in the promotion of corporate responsibility at the time. What this tells us is that religious institutions who embrace values transcendent and prophetic in nature often play a crucial role in bringing about necessary social change.<sup>32</sup>

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<sup>31</sup> Given some of what we have already examined above, I believe that the “S” in ESG must be expanded in scope to include the spiritual. I say this not as a clandestine tactic for pushing religiosity into the conversation, or as a misguided mistake that muddies up ESG waters with a particular religious agenda (whether that be Muslim, Christian, Hindu, Buddhist, folk-indigenous, or any other possibility); instead, I say it due to the fact global South persons—by and large—simply do not separate the spiritual from the social, the economic from the sacred, the agricultural from giving attention to stewardship obligations in the face of what they firmly believe to be providential care and provision factors, or governance issues from divine providence issues. For most persons on the planet, land tenure, land ownership, and resource control are deeply and inseparably intertwined with the spiritual and what could be called the numinous. The bulk of the world’s population are simply not epiphenomenally religious—rather, they are centrally so. As we fail to take this principally into consideration, we risk inflicting upon already marginalized communities yet another variety in a line of conceptual colonialization tactics they long have been forced to endure. Our models will require them to translate often untranslatable cosmologies into ways of seeing more in keeping with our version of the world; as a result, they will be left conforming once more to a world we insist they describe only in our terms.

<sup>32</sup> Examples here are legion—from the Civil Rights Movement to the abolitionist movement, to the women’s suffrage movement, to trade labor movements. Transcendent religious fervor and commitment has long been a key element that has served to motivate religious (and non-religious) communities toward greater justice. Contra Marx, religion is not always simply an “opiate of the people”; just as often it is “the moral conscience of the people.” Once again, the secularization thesis has proved not to be an accurate description of what is happening—nor of what should happen!

Interest in sustainable investment and corporate responsibly has continued post-1985, even after overt apartheid in South Africa came to an end. Even so, these types of discussions have not been as mainstream to investment or capital markets deliberations as they should have been. Overall, ESG factors primarily have been championed by unions or religious institutions, accompanied by a small group of retail investors.

With the sub-prime mortgage and global credit collapse of 2008, the world witnessed a dramatic increase in focus on ethical and sustainable business practices, something that has been accompanied by amplified interest in ESG and sustainable investment principles as well. Many are the reasons for this shift: (1) disgust at Wall Street's ethical lapses, (2) changes in approaches to modern philanthropy, (3) innovative thinking in respect to the nature of corporate stewardship and long-term investing, (4) the climate change movement, and (5) revitalized interest in local and community investing, among other factors.

One of the peculiar ironies of this new global focus on sustainable and ethical investing is that it positions justice-focused liberal-arts oriented institutions—ones that still embrace the humanities and the social sciences, but which are often overlooked by the financial sector as not sufficiently specialized in things financial due to their excessive emphasis on values and on values-based approaches—at a distinct competitive advantage. Liberal arts and liberal arts-friendly institutions that boast a long history of human-centered wisdom resources are situated precisely in the conceptual space most needed, i.e., they come with academic approaches more bio-spherically friendly and local community affable (since this is what is emphasized by the humanities and the social sciences). At the same time, most modern universities with large and robust business schools (and with investment offices that promote these) are usually philosophically committed to the tenets of modern financial portfolio theory and financial appraisal, a posture that makes them keen to attract deep-pocketed donors who often hale from industries strongly incompatible with true ESG investment; oddly enough, these august business schools—finance-rich though they may be—are not very well positioned to make true ESG a core part of their curriculum, nor will its logic play much of a role in their educational programs.

Even when larger academic institutions have adopted programs more ESG-friendly in nature (and these are few), those programs have typically been underfunded by a small cadre of marginalized, wealthy

donors, rendering them decidedly outside the curricular core of their institution. These programs almost always lack the deep knowledge and historical understanding of the sector since they prefer to see sustainable investment as something akin to a tactic that serves their assumed core competency: making money. Thus, institutions with an emphasis on social sciences and humanities—those that are poised to take a Geertzian “interpretative,” hermeneutical turn—would seem well placed to contribute with value in this very important field. This seems even more so to be the case as academic anthropology departments programmatically make space for the religious, for the theological, for the spiritual as they ply their trade and undertake their field work.

### **All Three of the ESG Letters—A Case Against “ESG”-Washing**

As I hope I have made clear, ESG Impact Investing is ripe for exploration, especially by folk like us who are predisposed to honor the cultural, the spiritual, and the ethically important as we come to know things. We can be encouraged that others, too, seem to be getting the point, since it is now not difficult to find people willing to consider ESG ideas and their implications kicked up.

But, in my recent experience, I have discovered a remaining rather significant problem. Over the course of the last three to four years—as I have attended meetings, seminars, conferences, curricular programs, purportedly focused on ESG—I have found the entire conversation often ends up reduced to one letter in our triad, i.e., to biospheric, to concerns about environmental challenges and threats brought on by the specter of climate change: to the “E”. While such a shift surely is understandable given our looming biospheric crisis, long neglected, since “E” is so tightly interwoven with “S” and “S” with “G” and “G” with “E”, such an attenuated, narrow, and thin move will not do. ESG focus must be upon all three letters, with special attention given to the way they interact and interrelate.

In short, ESG is not the same thing as green finance. Equal attention must be given to “S” and “G” and how we are to accurately, to justly, and to inclusively measure progress or regression in respect to all three factors. In doing so, we will need to learn the deep dance between “E” components, “S” components, and “G” components, especially in relation to tradition-based communities (since this so

deeply impinges, informs, and relies upon “S” and “G” variables).

For instance, as I have pointed out in footnote 29 above, S is much more than simply social. It must also include the spiritual, since the values and deep-level ethical convictions of BIPOC and majority-world communities throughout the globe are deeply grown out of the conceptual soil of sacralized notions of these people’s sacred surroundings and their views of stewardship (contra ownership, in direct contradiction to capitalist notions of land tenure). For most of the world’s inhabitants, the social is *always* the spiritual, and “E” is almost always viewed through the optics of an “S” lens. If we insist on desacralizing “S” and “E”—treating these two elements as if they are merely resource factors, as we are wont to do in Enlightenment fashion—this becomes a concealed, smuggled-in form of capitalist neo-colonialism. Churches, mosques, synagogues, temples, and other communities that ipso facto come to the conversation with transcendent value systems have a good bit to contribute to us in this area, provided they are permitted to help us learn to theologize more holistically.

Such a move escorts us straight toward “G” considerations, toward the very important issues of governance and power, i.e., toward the question of whose voice gets heard, toward who has a right to assert opinion, toward whose view of justice needs to prevail. On the rare occasion that “G” has been brought up in recent ESG conversations where I was present, it usually has pointed to inside persons already seated at boardroom tables who attempt to sufficiently consider the needs of those outside in indigenous communities, to corporate insiders who try to imagine what those residing in local contexts might want. Let us not ignore them, they seem to say, let us take their views into consideration. Such a stance is often embraced as a good and considerate posture; in fact, it is often praised as admirably magnanimous.

But why do we—those of us from the outside—think we have a right to speak for others? Why do we imagine we know what they feel, how they might think, what is surely most important to them? Why must our voices replace theirs? Instead, why do we not simply step aside and ask local people what they think? Why do we not invite them to the boardrooms, to sit at the tables of power? Why are they not more in control of their own environs, of their own locales, of their own Ahupua`a? Doing our part to see to it that these people are actually heard—in their own voices—is what

would truly constitute authentic “G” in the ESG formula.

We must learn what these sorts of steps might mean. We must take more seriously the fact that local people should be seated at tables of power while decisions are made concerning their own regions and neighborhoods. We must cease trying to speak *for* people and instead begin speaking *to* people, we must begin listening to people, to those who wish to speak about their *own* values in their *own* idiom, precisely as was recommended by that wise female elder that I heard from in Hawai`i at the Ahupua`a Summit.

I would like to end with an analogy, a metaphor quite commonly used but one that I think will helpfully clarify my position and offer insight into the challenges we face and the opportunities we have in respect to all of this.

“Do not let the tail wag the dog,” we are often told. This is a clever image that is easy to visualize, one designed to keep major things major and minor things minor. In this case, I suggest that the dog best represents the three letters underscored throughout this essay: “E”, “S”, and “G”. As I have tried to make clear, these three spheres serve as the primary points to be kept before us, they are the substantive issues that deserve the bulk of our attention. But, for some time now, our ESG dog has been wagged by its tail, by alternate, less important factors decidedly not “E”, “S”, nor “G” in nature.

We might ask, though, what constitutes the tail in this case? What has been wagging the ESG dog all this time? The tail wagging the ESG dog can best be understood by adding two additional letters to our formula: the letters “F” and “A”. “F” stands for the financial world, the world of high finance, the locus of power epitomized by Wall Street and currency markets and by the commercialization and monetarization of all things transactionally. The letter “A” stands for academia—especially as it represents modern business schools and their accompanying departments; for some of us reading this, it could stand for us.

I am suggesting that the financial world and the academic world need to be converted so that they end up entirely in service to the ESG world—we need to allocate resources toward ESG purposes so that we might concretely and wisely and humanely meet the challenges of our three “icebergs” dangers. Continuing to allow the tail to wag the dog will not make us more prosperous. Rather, it threatens to ruin us, perhaps even to the point of extinction. Therefore, a significant

change is in order, and those of us outside the typical paradigm just might be able to embrace a perspective that truly understands the dilemma we are in, so that we can collectively and globally work toward a true solution. I fear that without such a radical change in perspective, we are in for a dire trip across a perilous ocean—one that threatens to sink us into oblivion.



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