

Globalization

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I. Introduction

The purpose of this meeting is twofold. Our first intention is to reflect together on the outcome of the consultative process, as it took place in Manilla, Edinburgh, and Kitwe. In relation to this you have already received a two page written analysis about the degree of convergence between the results of these meetings.

The second intention of this meeting is to consider some new phenomena in the process of 'globalization'. How do we analyse the present economic situation in the world? This was the question asked of me by Dr Milan Opočensky, General Secretary of the World Alliance.

The risk is, if I start with my own description of recent developments in the present world economy, I will be floating after some time - I will lose direct contact with the experiences and conclusions of our own consultation process as it has taken place thus far. Therefore, the best thing to do is to start with the common results from our meetings in Kitwe, Manilla. I will follow, step by step, the analysis which has been made and take that as the context for my remarks about the present world economy.

My main question is, 'What must be added to these results, articulated in them, if we are looking at the most recent developments on the international scene? Do they affirm or relativize our preliminary conclusions of an increasing exclusion, of growing enslavement, and a nearing choice between God and Mammon?

[93] Let us, therefore, start with the issue of exclusion in the present trends toward globalization.

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II. Globalization and exclusion

1. Globalization refers to the shift which is taking place in the world of today from local and national markets to regional and global markets or, in other words, the opening of all national economies to the one global economy. This tendency is indeed undeniable. Since 1950, the world's real Gross Product has increased by a factor of five, total export volume has increased by a factor of ten, and the export of manufactures has increased twenty-fold.

Transnational corporations (TNCs) have played, and still do, a crucial role in this development. Their number increased seven-fold within 25 years. This is an enormous expansion. No less than thirty per cent of present world export consists of transactions within these companies. Even the commodity trade in the countries of the South is now concentrated in the hands of about 15 transnational companies.

Such enormous growth in the number and power of the TNCs is due not only to the fact that they easily combine advanced capital technology with the lowest possible labour costs, but also that they can easily shift their production to other products and countries. Direct investments in other countries through newly created daughter-companies is their speciality. In the latter half of the 1980s, the rate of growth in direct foreign investments increased three times faster than that of global export growth.

If one would expect that poor countries received a fair share of this growth and of those direct investments, that expectation would be wrong. The share of the "least developed" countries in direct foreign investments fell between 1980 and 1990 from a meagre 4 promille to only 1 promille². We find here already the first element of exclusion in the midst of the present process of globalization.

2. But there is more. In this rapid, never before seen, expansion of the world economy, a kind of magnetic regional polarity is taking place. New economic plans are forming and the particles between them are being dispersed. The growth of production and investment is, for instance, now the highest, not in Western Europe or in North America, but in the 'dynamic' Asian economies. In 1994, the economic growth in that

whole region was no less than 7 per cent. This [94] includes China and the four 'tigers' - Taiwan, South Korea, Hong Kong, and Singapore. At the same time, this had a negative impact in large parts of Eastern Europe and Sub-Saharan Africa.

This regional divergence has been going on for some time. China, for instance, increased its production growth from 6.5% in 1978 to 10% in 1989; while in that same period production and investment in Sub-Saharan Africa fell about 4% annually. In the recently published yearly report of UNCTAD this dispersion comes to the forefront, but in a somewhat lesser degree.³

If we take these trends together, we can say that the world seems to have become a kind of dynamically exploding economic universe in which there are not only the old rich, but also the new rich, and not only the old poor, but also the new poor. Every type of magnetic gravitation also re-shuffles the income and wealth positions between and within states, and usually not in a positive way. The gap between rich and poor, both between and within states, usually widens. In 1960, the richest one-fifth of the world's population had incomes about 30 times greater than the poorest one-fifth. But in 1990, the richest one-fifth was earning 60 times more than the poorest one-fifth. What is more, according to the latest report of the UNCTAD (1996) the poorest 20% of the world population received, in 1991, only 3.6% of the world's income, less than ever before.

But also within rich nations income distribution tends to become more unequal. In western industrialized nations there is a rise in 'new poverty'. There is, for instance, the startling fact that 1 out of 5 young Americans has a direct experience of hunger. This new poverty in rich countries is often enhanced by growing unemployment as well as related to other forms of social isolation. The poor and the migrant workers experience different forms of exclusion in modern society, especially women who live on welfare and head 'single parent' families.

3. Looking to more signs of exclusion in today's world economy, we have to observe a form of exclusion which is directly linked with the continuous and even

² 4 promille to 1 promille = .4\$ to .1%

³ While in 1995 the poorer Asian countries had an economic growth of 4.6% on the average, it was for the 33 poorest African countries on the average 2.2%. This last rise was however not linked to higher production levels, but to a somewhat higher price level of the exported primary resources.

exponential growth of the financial markets of the world today. If we look to the volume of typical financial transactions in the present world - just think of bank transfers and the buying and selling of shares, bonds, and derivatives - there is the remarkable fact that they now outnumber the volume of real transfers (where goods and services are exchanged) by a ratio of 30 to 1. The 'Euro-dollar' market has reached the fantastic amount of four trillion dollars.

[95] This means, on the one hand, that financial transactions are losing their ground in reality. They are increasingly open to the forces of wild speculations. On the other hand, it means that the world economy is now, more than ever before, dependent on and being controlled by these forces and movements of private capital; that is, capital in the hands of banks, private speculators, and the legion of investment funds. These movements of private interests now select between the different economies of the world, deciding which will continue and which will have no chance. And while they make this choice, these new institutional capitalists are certainly not looking for the best social usefulness of their capital. Rather, the highest financial remuneration is their compass. And so now we see a kind of rat race in the world between countries and *branches* [areas or regions or sectors?] for the still available capital, looking at each other and wondering who will go a step further in the reduction of costs and the increase of earnings. Is it any wonder that under these conditions poorer countries have almost no chance to receive new capital funds? Most of them are seen as lacking in 'development potential'; and even Western governments have now begun to use the measure of 'development potential' as a criterion for giving development aid. The recent annual report of UNCTAD (1996) declares, that while in 1980 0,9% of disposable foreign capital went to the 48 poorest countries of the world, this percentage has fallen now to less than half of that, namely to 0,4% (data from 1993).

This is just another example of the ongoing process of exclusion - and it is bitter. For the lack of new capital means of course, less growth and, therefore, ongoing indebtedness.

In relation to continuing indebtedness we know how devastating the consequences are, especially for the poorest countries of the world. Momentarily, five

African nations have an external debt which is 12 times as high as the value of their exports. The willingness to find a real solution to the debt crisis of the world's poorest countries is, as we know from our recent meeting with the IMF, stagnating. There is an element of cruelty in it. The world's poorest countries have been nearly forced to enter the world 'money economy', and in the same context, are now excluded from the 'capital supply' they so badly need.

4. That is also true for my last example of world wide exclusion. I am referring to the growing exclusion from the technological development and food consumption in the global economy. The drive toward continuous innovation is strong, that is well known. But new tech- [96] -nologies are seldom available to all. They are usually sharply protected by patents (usually TNC-owned). A research report of the European Commission in Brussels now speaks openly of the present trend toward 'a non-transfer of technology'.

Related to the growing and heavily protected capital intensity of industrial production is the relatively diminishing input of human labour. Jobless growth has become a general phenomenon since the 1970s. On the other hand, child labour has become common, especially India's export industries.

A special case is the world's food production and consumption. In sharp contrast with the growth of the world's industrial production, food production, on a per capita scale, has been stagnating since 1985 (with some clear exceptions: China, Indonesia, and Western countries). In Africa, per capita food production fell between 1970 and 1980 by as much as 20%. In the world as a whole the area of arable land per head of population decreased from 1970 to 1990 *with more than a quarter*. From the still remaining land a significant part, and in some countries a growing, part, is reserved for exports which means it is simply not available for local needs. Brazil, for instance, a country which is almost as high on the list of world food exporters as it is on the list of countries experiencing massive hunger. On a whole, hunger in the world is increasing. The expectation for 2000 is now that roughly 600 million people will be chronically hungry. But hunger, especially if it is related to the loss of land by the local population, is the 'depth level' of all types of exclusion. For it makes clear what exclusion really is. Its logic

is namely not to sustain life but to take it away. It is connected with the spirality⁴ of death.

The conclusion of the investigation of our first theme, that of exclusion, is therefore clear. Different types of exclusion are working at this very moment in the global economy, as well as on the level of direct investments, the supply of capital and technology, the possibilities for trade and employment, and the possibility to maintain adequate local and national food production. Many groups of people, such as single women, the unemployed, and the landless, are disproportionately hit by this.

But why then does all this happen? If we compare the world community for a moment with a living body, and to some extent it is, why should you amputate one or more of your limbs? What is the spiritual dimension of all this?

[97] At this point, it may be important to mention one element which all these forms of exclusion have in common. All these types of exclusion are directly or indirectly related to the extremely high degree of dynamics which has become so characteristic of the world's economy and technology. The different forms of exclusion are not isolated phenomena but support one another. This is because they facilitate, together, the striving for strong progress in the global economy. At the other side of that same coin, they also strengthen one another in their effect of enrichment and empowerment of already privileged people, groups, and nations, all at the cost of increasing deprivation for others.

That this is indeed the case can be easily illustrated. In an economy of extreme accent, given to all dynamic processes, the direct consequence is that everyone and everything which has only a somewhat slower pace of development, or none at all, is understood as that which stays behind. Staying behind in a dynamic universe is a sin, even a dreadful sin, worthy of excommunication and exclusion. That holds true regardless of whether we are speaking of nations with a slower rise of productivity, of traditional crafts and cultures, or of people with less productivity - think of the elderly, the disabled, and women with young children. Seen from the viewpoint of the extreme dynamics of our time, all these groups and entities begin to look somewhat inferior, non-active, or less-active, because they hamper or hinder the speed of the process itself. This

⁴ ~~Editor's note: The term "spirality" is rendered "spiral" elsewhere by retained here.~~

process is in fact the autonomous self-affirmation of man, especially of western men. This partial depreciation of everything which does not grow as rapidly as the global economy, even seems to include the environment. Our God-given Earth seems to wake again and again to the irritation of modern businessmen and politicians because of its lack of flexibility; the role of nature is increasingly discussed in terms of its 'growth limits' - it hinders our plans. Also, human labour is now expected to become, above all, more flexible, more adaptable. Adaptation and flexibility have become the keywords of our time. Their price, however, is exclusion.

With this remark about the spirituality of our time we in fact enter the discussion about some other conclusions of our consultation process, namely a growing enslavement to the interests of the global economy and the necessity to choose between God and Mammon.

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III. Globalization and enslavement

In the reports from Manila and Kitwe special attention was given to the monetisation and commercialization of our cultures, while Edinburgh added to these the role of growing over-consumption. All these observations refer to the fact that the monetary and calculating way of acting and thinking is indeed growing and is certainly not restricted to the buying and selling of goods and services alone. The world of money and money-making seems to permeate our societies on an unprecedented scale. Typical aspects of culture, such as the arts, sports, the media, and even religion are under the threat of being commercialized. Indeed, for almost everything there is now a market in the globalization process: a market for health and knowledge, a market for happiness and love, even a market for faith in yourself.

Recent developments in different parts of the world, including Asia, Russia, Italy, and Latin America, point even further than that. They indicate that the connections between the economy and crime are becoming tighter. The bridge between commercialization and criminalisation is now very easily crossed. In Russia and Italy, for instance, organized crime has displayed the capacity to open a whole series of new

markets.

There is, for example, the market of protection. It begins by threatening people with acts of violence through blackmail. If they become anxious, you simply offer them paid protection, a rule they gladly accept. Along similar lines, in several countries political markets, in which votes are bought and sold, are strong. There are also new political markets dealing in private information. In these markets there is a kind of trade going on in the knowledge of shameful facts that can be used to put important people under pressure. If we combine these new developments with the already existing evil markets of the trade in women for prostitution, the trade of children, and the trade in human organs (which can also be organized by just taking these organs from innocent people, as has happened in Brazil and Columbia), it begins to sound like the fulfilment of the words of St John's Apocalypse (18:13) that refer to a world of trade in bodies and souls. Indeed, our societies are increasingly under the pressure of a growing hard type of economism and are driven in the direction of the one global culture of consumption mixed with elements of growing criminality. Deep moral values are, in this way, being substituted for considerations of private gain and financial calculation.

[99] This situation asks for more than strong political measures. It also asks for a spiritual struggle against a growing enslavement of souls and bodies, in which the churches must be involved. For in combination with the clear manifestations of aggression and sexual abuse in the media, these developments deeply influence the hearts and minds of all people, especially our children. 'The habits of the hearts of people are now more and more coloured by the constant consideration of what is useful, useful especially for yourself in terms of money and prestige'⁵.

In this context, we have also to note the growing relationship between the expanding economy and the political system in society. Politics is normatively, as well as in the biblical view, related to respect for human dignity, to the rule of impartiality, and to the quest for the participation of all citizens in matters of general interest. Therefore, the political system always needs a kind of distance from strong particularistic powers as

⁵ Robert N. Bellah, *Habits of the Heart: Individualism and commitment in American life* (Berkeley/London, 1982).

well as those of an economic nature. But what we see emerging almost everywhere in the world is the awkward combination of, on the one hand, an increasing 'liberation and deregulation' of economies, and, on the other hand, an increasing instrumentalization of the state for economic interests. The two indeed go hand in hand. It has been the success formula of Japan which is now adopted and imitated in almost all Far east countries.

This formula is also becoming the main characteristic of almost all modern industrialized economies. The fiction behind its general adoption is that the influence of the state has become too great and should, therefore, be diminished, when, in fact, this influence is not reduced, merely bent in another direction. Namely in the direction of greater serviceability to the business sector, and a continuous growth in production and exports. So, not only culture, but also the state is increasingly economized and has to play its role in what is seen as the necessary 'symbiotic sharing of public and private power', with all the possible openings that gives for the growth of corruption and dishonesty.

IV. The motives of Exodus and Jubilee

I can imagine that hearing all this gives you a feeling of discouragement and maybe even despair. What is the meaning of all the other results of our consultations, such as the importance of culture and community, the possibility to address actors, and the perspective [100] of Jubilee, if we live in this world of today - a world not only of increasing exclusion but also of growing enslavement? What do communities and cultures have to offer if they are constantly on the losing end in this dynamic world? What is to be gained by addressing the economic actors and political agents, if the powers have become mainly anonymous powers guided by the world of big finance or if the actors themselves have already lost their impartiality?

My concluding remarks are devoted to these important questions because they are related to the heart of our faith and the essence of our existence as churches of the Reformed tradition. I start with one possibly crucial observation.

Even if people and churches are aware of the spiritual dimensions of what is going on in the world's economy - namely, the evil and sinful exclusion, enslavement,

and the need to choose between God and Mammon - they often forget to speak with the same degree of spirituality about the possible solutions or ways out. As a result, elements of despair often enter and reference is made to our lack of power and influence. But if we speak about despair and sin, we need the courage to speak as loudly about hope and redemption. If enslavement comes to the forefront, then surely also the biblical notions of Exodus and liberation have to be discussed. And not, I repeat not, as pious escapism, but in a direct confrontation with the powers of our time that try to rule over a world that is not theirs but the Lord's.

But what could that possibly mean? Here I would like to make three comments, all related to the renewal of our own way of seeing and acting.

*The first is, what seems from a broader, I think more Christian, point of view, there is a high degree of *irrealism*⁶ about what is happening in the world's economy. Of course you can think and act as if the world is identical to your own dynamic universe of eternal economic and technological progress and call that realism. But it is not. Sooner or later, all these efforts to reach an ever-increasing productivity and an always-booming acceleration of money flows are doomed to collapse, for the simple reason that they will lose contact with the ground, becoming foot-loose. Human beings are time-bound and earth-bound social creatures of God, which means we cannot live without these ties.*

The continued erosion or using up of the funds or stocks of culture, of nature, and also of human health, morality and loyalty, will, therefore, unavoidably lead to a break in their support of an 'idealistic', [101] self-affirming and expanding economy which seems, in a childish way, to prefer more goods to less. For it is just an illusion to think and to act as if the tower of Babel could be built again on this Earth - one that successfully reaches the heavens. The carrying capacity of human beings, of the earth, and of the environment is too limited for that. In the coming years it will become clear that the living earth community will have increasing difficulty to endure all the crazy things we have done in the name of our happiness and well being. So my first comment is, the Lord's creation and our own human condition, reality, is not on the side of a hyper-dynamic and exploding economic universe. It is on the side of creation itself, on the side

⁶ Rendered elsewhere as "unreality"

of the needs of common people.

My second comment is, that in situations like these we should not ignore the elements of hypnosis that are present. Hypnosis is a word which we know from the practice and magic of the adoration of idols. The more intense the adoration of an idol is, the greater the chance that a kind of narrowing of the mind takes place. The image of reality shrinks, as if it consists of nothing else but the idol - its message of hope, fear, and terror - and the servants of the idol. Hypnosis, therefore, usually leads to a clear overestimation of the value of what the idol offers as well as what can go wrong if it is not obeyed.

Now in my view there are strong indications of a similar overestimation of the economy and technology influencing our present reality. Both the happiness which is brought by an always-growing consumption and the fear of what will happen if the path of growth is no longer followed are strongly exaggerated. This is especially true if we listen to the solid warnings of outstanding economists and politicians that we should always use the most productive technologies because otherwise we will become economically excluded or left behind. I increasingly doubt and distrust the wisdom of such advice and warnings because I think they indeed contain common elements of hypnosis. We should not follow these guides as they are often no more than the self-made prophets of modern idolatry.

The comparison with *idolatric* hypnosis⁷, in my opinion, points to another aspect as well. Our real enemy, or the enemy of the people, is of course not the economy as such, nor the market as such, nor technology as such. In fact, these exist as potential within creation itself, as gifts to be used responsibly.

But that does not diminish the fact that you can turn them into idols the same way you can make your idols from a piece of wood or iron, [102] by trusting and fearing them and choosing them as your ultimate compass. That is when the hypnosis, combined with exclusion and enslavement, begins.

The battle which we have to fight is, therefore, finally a spiritual one: against the

⁷ Rendered elsewhere as: "The comparison with hypnosis in idol worship"

elements of idolatry and narrow-mindedness in ourselves and in the hearts and minds of others - the others which we also should address as actors.

The third and final comment I want to make is about the dynamics of death and life. Usually our feelings of despair and not seeing a way out have their deep roots in our perception of the spirality of death which we can see and observe everywhere around us. The well-known Brundtland report, for instance, states: "There is not a poverty problem, nor a energy problem, nor environmental problem. For they are all one, together they form just one problem." This is explained in the report in the following way: "The growth of the poverty in the world leads to a further deterioration of our environment, and the deterioration of the environment increases the poverty. The use of more energy increases our pressure on the environment, and less poverty will imply the use of more energy. And so we can go on, for indeed all the big problems of the world are interrelated. But together they seem to close us in, together they form a vicious spiral, a spirality of death."⁸

Should we deny this? No, I don't think so. However, Christians should be aware that if a spirality of death exists, so too a spirality of life is possible. If the problems enhance and increase one another, then also their solutions can support one another. The way of obedience has an upward spirality, leading us out of the darkness of doom!

Just think of the possible first small steps of obedience in the midst of the present world economy. Take, for example, the step that the poorest countries and peoples in the world were to be liberated from their present burdens of debt. It is only a small step on the path to justice, but one asked by the Lord Himself. According to the Torah, in the Sabbath year and in the year of Jubilee even all debts of the poor had to be cancelled. So steps like these may open a spirality of life. And indeed, if the debts are cancelled, more funds may become available in these countries for health care, for the fight against poverty, and for the care of the environment. But there is more. Less poverty and less environmental degradation means less urgency for migration and more possibilities to import those goods which are really needed by the South. Here, the issue of the increase

⁸ See also World Commission on Environment and Development **Our Common Future** (Oxford,: OUP 1987), p.4: 'These are not separate crises: an environmental crisis, a development crisis, an energy crisis. They are all one.!'; and *passim*.

of unemployment in the North comes in. According to calculations of the ILO, only in the USA [103] 3 million labour places have been lost because of the decline in the imports from the poorer countries. It is only one example of what the spirality of life could mean economically, and it always begins with listening to simple commandments of the Lord, like the commandment to forgive debts, or the commandment to have what is sufficient, or the commandment to prevent harm from coming to your neighbours. They have to be brought into practice, not as overriding burdens, but as first steps. They are the steps which may, together, form an Exodus out of the domain of Egypt to a new and fertile land. It is like an echo from the words of the prophet Isaiah, chapter 8, just before the Immanuel prophecy, where we find a threefold invitation to break the magic of every circle of doom.

Used main sources and abbreviations

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