

78. Faith, the Economy and People Movements in the Era of Globalization: The Role of Churches and Non-Governmental Organizations

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an address on the Silver Jubilee of Yayasan Bimbingan Kesajahteraan Sosial (Social Welfare Guidance Foundation YBKS), Surakarta, Central Java, Indonesia.

On April 15, 1999, YBKS will, Deo Volente, celebrate its silver jubilee. And with joy it will commemorate on that day twenty five years of sincere and loyal service to the Indonesian community in general, and to the weak and the poor of Java Tengah in particular. Such a day of celebration leads to thoughts of thankfulness to our Lord for all that He has made possible in the past. But it should also be a moment of reflection, fed by renewed concerns about the future.

For the political, social and economic scenery has changed substantially since the founding of YBKS, and in some aspects these changes have been dramatic. And no living social organisation can remain serviceable to the people unless it is prepared to change in a direct living relationship with the flesh-and-blood life-stream of society itself. So indeed some depth-reflection is now called for in relation to these those important changes which happened and their implications for the future role of churches and organisations like YBKS. YBKS does not change just for the sake of change itself, but in order to simply remain serviceable to the people at this time, at the turn of this millenium.

So let us begin by looking first at some prevalent trends, especially in the international scene. Let us consider the question of how far they are influencing the present and are likely to maintain their possible influence on the future of Indonesia. In this context we will then give special attention to the future prospects of those who are poor or weak (1). Then we will have to consider how we can evaluate these developments from the viewpoint of our Christian faith (2). That is a necessary step as we try to come to a better understanding of the necessary role of churches and church related NGO's -like YBKS - in these difficult times (3).

1. An Era of Globalization.

There is no stronger international trend in our time than the trend of globalization; let us take that as the starting point for our inquiry. Is it not remarkable that even the word 'globalization' did not exist at the time when YBKS was set up? So we can say that 'globalization' stands quite clearly for the new elements which currently characterize our present and our possible

future.

But in the context of globalization, what is truly new? Is it just that international trade has grown very rapidly in recent years, and that many national economies have gradually become more open to the influences of the world market? No, there is certainly more to it than that. It is even more than merely the outburst of a whole series of innovations in the field of information and communication technology. And it is also even more than the growth in power of many so-called multi-national corporations, which now try to fill the ends of the earth with their commercial activities and products. All these factors - the expansion of trade, the revolution in communications technology, and dominance of multi-nationals - can better be seen as the pre-conditions for globalization than as globalization itself. For globalization deals specifically with those process which are, from the outset, worldwide in scope. They have a global character from their very beginning. Globalization, seen in this way, represents in the terms of Time magazine, the 'planetary awakening of mankind' (3.2 97).

Would it be helpful, perhaps, to make a comparison between globalization and a satellite going into orbit? No doubt a satellite needs a place from somewhere on earth from which to be launched, and it needs rockets which can carry it upward in the sky. But as soon as it has reached its appropriate height, the satellite begins to make its own 'autonomous' circuit of the earth, following its own orbit, under its own steam. Something of the same is true for globalization.

Communication via Internet is, for instance, an irreducible part of globalization. For from the beginning the Internet was meant to work in a global way. The rise of trans-national corporations is another example. They differ from multinationals in at least one important aspect, namely, that they have no sense of loyalty to any one specific nation (for instance to the country of their origin). No, their place of residence is just a choice made for efficiency-reasons: today here, maybe next year elsewhere. For they no longer belong to any particular country. They belong primarily to themselves, and their home-base is the globe.

But the most powerful illustration of what globalization really means is the rapid emergence of 'global capital'. This kind of capital moves over the earth in enormous quantities, driven as it is by the search of maximum financial gain in the shortest possible time in a climate of rapidly changing expectations - thus it is mainly 'portfolio capital' of a speculative nature. Global capital can come in huge amounts to your country if the prospects or expectations of profit-making are favourable. But it can also leave you overnight, especially higher returns on capital are expected from elsewhere, or if the suspicion grows that a depreciation or devaluation of the local currency is at hand. Then it rushes away like a panicked herd of animals after a shot has been fired. And by its very own movement it rapidly fulfils the evil predictions that are made about it. For a nation with substantial losses of

capital will inevitably suffer a corresponding depreciation and so will lose most of the financial reserves it needs for its ongoing maintenance and progress. In this time of globalization therefore no country in this world, not even the rich ones, have any guarantee that sufficient capital will stay with them, will abide with them. For this capital only belongs to its own autonomous circuit around the globe - it is in orbit just like the satellite.

I think that all readers of this article will be fully aware of the actuality of this description, because all those effects have become manifest recently during the so-called Asian crisis. **Those countries of South-East Asia which in the recent past had the strongest economic growth had come to the firm conviction, about** two years ago, that they had escaped the poverty trap for ever. They were members of the select group of new economic tigers - and the government of Indonesia saw itself as a potential candidate for that group. It was for this same reason that these tigers dared to build their economies sky-high - they were confident and secure in the belief of prolonged international credit. These countries then found themselves completely fully rejected by global capital in an extremely short period of time. They were just pushed aside and left alone. There was no indication of when all these financial outflows would begin flowing inwards again. And so we note that the wellbeing of countries is not the consideration of global capital. It goes where it wants to go, by definition it is a-moral.

The consequences of these turbulent movements of capital are at least twofold. Firstly, they lead, and have already led, to an aggravation of poverty, and secondly, they erode the quality of any government policy.

The aggravation of poverty. It is the poor people who everywhere become the victims of the unbounded freedom of speculative capital. The speculators can harvest great gain, while the poor simply have to bear the losses. Import-prices go up because of the depreciation of the currency, and take food and energy to almost unattainable levels for the poor. Due to the outflow of capital the interest level rises, and investment and employment projects are abandoned, while several export-markets in the region disappear. And, alongside all of these immediate losses there comes wider and deeper suffering. This is partly due to the medicines which have been prescribed by the controllers of international finance: salaries are cut, food-subsidies are reduced, prices are made more 'realistic' and so on. But it should be noted that the tensions among people usually grow in those circumstances. And as we have seen very recently, these tensions can even reach a level of open violence, which is not only directed against the evil-doers, the exploiters and their 'touring capital', but also against weak ethnic minorities - the chosen scape-goats who are blamed for the new collective misery.

The eroded quality of government policies. There is also a second evil consequence: a diminished quality of government policy. For the extreme high 'volatility' of global capital implies an increased risk for all national economies in the world. So we see now that almost all governments **in Asia** have become

extremely busy creating and enhancing by all possible means conditions which are more favourable for capital and corporations to stay within their borders. It can even be said that the nations of the earth are now involved in a kind of new rat-race, they compete with each other individually or regionally with all means at their disposal to gain the favours of 'global capital' and of the existing big transnational corporations. So we see governments active in bringing down their own social security levels and reducing environmental restrictions just in order to diminish production-costs. Also the taxes on financial gains are now lowered in order to make one's own economy more 'competitive' in the global arena. So everything is done to remain acceptable in the eyes of global capital - the eyes of a new kind of 'big brother watching you' (Orwell).

It certainly looks as if global capital has gained a kind of control over almost all politicians in the world, and it deals with them from above like the secular lord of nations. It tests all countries according to their profit-earning capacities and to their political willingness to bring the needed sacrifices. For without those sacrifices capital will not come and stay with you.

There exists here of course also an important link with the behaviour and philosophy of international institutions like the IMF. And keep in mind that the so-called structural adjustment programs (SAP's) are formulated in terms of the series of sacrifices which have to be brought by a specific so-called less-developed economy to remain a part of the new reality of global markets, global capital and international investment. This is all combined with the clear suggestion that if you are not willing to bring those sacrifices then you will have not any chance of survival. For There Is No Alternative to joining the new global economy - TINA, the slogan of Mr Thatcher, which has now been taken over by Shell and by the WTO, the world trade organisation. But is this really true?

Recently a remarkable book was published under the title *The Crisis of Global Capitalism* (New York: 1998) which provides another picture. It is written by George Soros, one of the main successful speculators in the field of global capital. As a direct participant he gives a clear picture of how the Asian crisis emerged. He refers not only to the "*incestuous relationship(s) between business and government*" but also to "*pathologies inherent in the global financial system itself*" (p 138) Therefore he even issues an explicit warning about the dreadful consequences in the long run, should global capital be left totally free and uncontrolled. His main argument is that financial markets are usually structurally unstable, so that even small differences in prices can lead to large economic distortions. This then implies that the economic future of the world has now become deeply uncertain, so long as it stays the course as a prey of the whimsicalities of global financial markets. And here Soros also gives explicit mention to Indonesia. The financial collapse in Asia meant that "*most of the gains in living standards that had accumulated during 30 years of Suharto's regime just disappeared*" (p xi). But not only that. Also "*the pain at*

the periphery has (now) become so intense that individual countries have begun to opt out of the global capitalist system, or simply fall by the way side. First Indonesia, then Russia, have suffered a pretty complete breakdown . . . " (p xiv).

So the conclusion of this first paragraph has to be, that in this era of globalization not only the enrichment of the few has already lead to increased sufferings of the poor, but that also governments are now brought to the brink of a new painful choice. It is this. Do they continue to compete for the favours of international capital with all the costs of painful adaptation, or to opt out, to unlink to some extent their national economies from the global economy. That too would undoubtedly bring pain and suffering and, at least initially, a further economic set-back. Let us hope, therefore, that soon a re-arrangement of the international financial order takes place which leads to a better control of the international capital flows. But will the rich nations be prepared to support such a change as long as they think they have the best chances of win the battle?

2. The Relevance of Christian Faith.

How do we make up our minds here? How do we view all this from the standpoint of the Christian faith? Is there indeed no other alternatives than to simply adapt or to courageously unlink, to unconditionally adapt oneself to ongoing globalization, or to completely repudiate the process and stay outside of it?

Let us first make an observation which might make the problems we are discussing even more complex and difficult than they already seem. It could be that the main challenge from a Christian point of view is not even the struggle against the powerful economic and financial interests in our time. For we have (also) to confront spiritual powers.

You'd have to say that a kind of collective hypnosis appears to be present driving the contemporary style of globalization. It is a narrowing of the mind, and the hypnosis has not only trapped economists and business-leaders in its web, but also most politicians and labour leaders. This 'web' can best be characterised as a common and compelling trust in the world-view of a market-oriented dynamism, which is combined with a this-worldly image of infinity. Modern citizens see our world more and more and ascribe value to it in terms of its expansion: an expansion in the realm of money, of technology, of economic power and related social prestige. It is this conviction which to a large degree also determines the leading views in international institutions like the WTO and the IMF. They are at least partially struck by that type of blindness, which sees the continuation of economic and financial flows as always more important than the preservation of any (social, natural, cultural) stock. "Goal setting takes the place of concern for reality" (Paul Tillich).

The attitude of the early Christian church should however inspire us to look for alternatives. Also that church had to live in the context of a globalizing empire with universal claims. But those early Christians knew that their primary loyalty had to be to live according to the principles of citizenship (*politeuma*) in a Kingdom that was far more Shalom-oriented than the Roman Empire. And they knew that this Kingdom was and is not a *fata morgana*, but is destined to fill this same earth on which we live. For Paul reveals in Ephesians Chapter 2 that God is still working in history to prepare for the coming of that Kingdom. He is busy in an most mysterious gathering all people and all things on earth under the one Headship of Christ. But this implies than the Lord maintains His own style of globalization to this very day. That style of globalization is very different from the one which we now see around us. For His style of globalization has neither the perspective of the survival of the fittest, nor the domination of all aspects of life by a money-oriented economy. It listens to the commandments of a shepherd-king, Who always gave priority to the life and wellbeing of the weak, even if it implies that the rich had to submit and were sent away empty (as was prophesized by his singing mother Mary!)

This is indeed an inspiring message. For it makes clear that there is an ideology behind the present style of globaliztion which is predominantly false: an ideology dominated by the idea of the survival of the fittest, oriented to faith in the rules of markets, and convinced of the necessity that the poor should always and continously bring sacrifices. Globalization in the style of God's oecumene however stands always at the side of those peoples and nations which are left behind, while it upholds the principles of Gods *oikonomia* (the careful administration of what is entrusted to us).

Now one could say that all this has no chance whatsoever of ever being put into practice. It is pretty worthless in the harsh reality of today. For what could be the possible meaning of this if you already have become a victim, or live in a country like Indonesia which is reminded every day that it has become dependent upon all those international forces and influences? But here at least two things have to be give attention.

The first thing it this. It has to be said very plainly and even bluntly. The present style of globalization is highly unreal and therefore it is simply not sustainable. Therefore in its current form it will disappear within one or two coming decades. For it is not only busy turning the world-economy into a kind of game which, in principle, threatens all nation-states, but it also erodes most natural resources in an irreversible way by its ruthless expansion. Thus, at the same time, it undermines the social and economic life-conditions of billions of ordinary people. Such a process will awaken strong counter-reactions - and not only from not one side, but from various quarters. The tide will no doubt turn away from this extreme and unsustainable form of idealistic dynamism. So, seen in this perspective, it would simply not be wise to adapt the Indonesian economy fully and unconditionally to the laws of this new

globalized universal machine. The suggestion that you have to adapt to survive as one of the fittest leads to another - what will happen when the time arrives and only survivors remain. What will they do then to fit in?

Second, it has also be said loudly and clearly, that the suggestion that there are no concrete alternatives (TINA) is simply not true. This is not only a lie related to the world-economy as a whole, but it is also not true for countries like Indonesia. Against TINA there is TATA: There Are (a) Thousand Alternatives, as it was so beautifully said in the 1996 conference YBKS helped to organise on globalization at Petra University in Surabaya. For the participants of that conference became aware together, that the Holy Scriptures contain a far more broader and therefore far more realistic view on society than is suggested by the prevalent economic dynamism of our days. That view thus leads us almost spontaneously to insights about alternative economic patterns. And at least three ingredients or building stones for alternatives can be mentioned here.

a) **the first ingredient is the home-principle.** It says that you can better orient an economy which services many poor people by the development of home-markets, which is made possible by the increased buying power of the poor, than by an extreme orientation on exports and on the financial means which can be earned in that way. For that earned money usually just ends in the pockets of the rich - we should know that by now. Indonesia is large enough and has enough resources to develop a very diversified home market, in which even foreign capital could receive some positive earnings.

b) **the jubilee principle is the second ingredient.** This principle of sharing says that at some moments in time ways needed to be pioneered for the poor to gain or regain access to their basic economic resources, like land and capital. The division of the land in Indonesia is still deeply unequal, often with very high rents. The Jubilee principle asks for a just re-distribution of the land and calls for low-interest capital to be made available to the poor. And that is not only an ethical principle, but an economic device. For only in that way can corruption and extreme luxury be substituted with real consumption and savings by the millions who are now poor. This is also the path by which a dependency upon foreign global capital can be diminished.

c) **the principle of care is the last and maybe the most decisive ingredient.** It is basic to the deep richness of traditional Indonesian society that it is built on the care for land - a foreigner can just look to the sawahs to see that - and on the mutual care for the people of your own family and neighbourhood. Here lie the roots for a community-based and cooperative economic development, more in the style of a fruit-tree economy than in that of a tunnel-economy, and so leading in the end to a far more promising economic future than in the West. For preventing social misery and environmental harm - that is far more efficient and economically wise than to try to correct it later on, or to compensate for it by the use of a lot of money (when the harm is already done). The Biblical principle of oikonomia stands therefore over and

against the recklessness of the Western tunnel-societies and their style of globalization; it is much closer to the traditional wisdom of the East. Indonesia should really use this enormous hidden source of social capital if it wants to overcome its present misery.

3. The Role of Churches and People Movements.

On this foundation some guide-lines can easily be formulated to indicate the role which churches and people-movements should fulfil in our time. I see three guidelines.

- *Churches have to uphold in all circumstances the confession that only Christ is Lord, and to proclaim that therefore not any power (like global capital) or institution (like the market-mechanism) is entitled to rule over us and to determine our lives and future. This is not against capital and markets as such, but it is to oppose viewing them as decisive compasses for the future which have to be obeyed when they make continual requests for sacrifice. For then they have become idols (like money) which take away the hope of the people;*
- *Churches and people-movements should try to follow the above outlined principles of Home, Jubilee and Care in their daily practice. YBKS for instance should try to illustrate that at all levels (not only the national level, but also the regional and the local), hopeful economic alternatives are possible on the base of a caring, sharing and daring type of community life. People need several encouraging examples to be able to go on in these days;*
- *The era of globalization is one in which not only the economic future of countries is threatened, but several aspects of our common existence are at stake; as well as the natural environment, our social, cultural and political wellbeing are under threat. Think about the lack of human rights protection - of women, of children, of ethnic minorities and refugees. Therefore churches and people movements in our time should develop a deep willingness to cooperate with all those groups in their own society and in the world who are really choosing for the poor, the weak and for nature. For when you stand united you stand stronger against all forms of oppression, exploitation and violation of human rights.*

I conclude by wishing the Indonesian churches and YBKS shalom; the peace which is promised in the Gospel for all who are willing to go the ways of His coming Kingdom.

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