

90. Ethical Dimensions of a Globalising Economy

Bob Goudzwaard, Amsterdam

"Ethical Dimensions of a Globalising Economy" in Fritz Erich Anhelm (Hg) Gerechtigkeit - oder die Frage nach gerechten Beziehungen, Die Okumenische Bewegung im Prozess der Globalisierung Tagung zu Ehren Philip Potters, (Justice as Right Relationships: the Ecumenical Movement in the Process of Globalization: Conference in Honour of Philip Potter 2nd Sept 2001) Evangelische Akademie Loccum, 53/01, pp 49-61

Emancipate yourself from mental slavery (Bob Marley)

Good friends of Philip and Barbel Potter know, that the name and music of Bob Marley brought them together in an unexpected way. And they know as well, that one line of his will stay forever in their memory, namely where he sings: 'Emancipate yourself from mental slavery'.

The theme of our working group is about the ethical dimensions of a globalising economy. And that seems to bring us at first sight in an entirely different world: not of soft music, but of the play of hard business in new emerging markets; a world not of the rhythm of the tango and the quickstep, but of the volatility of the movements of global capital. But does that turn the advice of Bob Marley 'to emancipate ourselves from mental slavery' into a worthless device for this world? I seriously doubt that. For that would imply that we deny already beforehand any possible relationship between present dominant pattern of globalisation and the existence of some kind of mental enslavement.

Therefore it may be a good choice for us to take indeed this possible relationship as a starting point for our discussion on the ethical dimensions of globalisation. But we can only do that if we are prepared to avoid the risk of giving in to easy answers. Of course, the present dominant style of globalisation is narrowly related to materialistic and competitive attitudes. But that is still far away from a common state of mental slavery. For always in history there have been times and places of personal enrichment, and of rivalry between people in the quest for more power and possessions. No, in my view we can only speak of a state of emerging mental slavery, if human beings with all their intellectual capacities or economic powers are caught in the trap of a clear and distinguishable narrowing of their own consciousness. For only if some concrete forms of closing of the human mind are present, only then people begin to follow illusions instead of listening to the voice of reality. But that seems hard to prove in relation to the present process of economic globalisation. How much the descriptions of globalisation may differ, they all refer not to a process of narrowing but of widening the human perspective: for globalisation is about opening your economy to the reality of global markets, combined with an increasing freedom of movement of capital around the globe. So where on earth could this consciousness-narrowing tendency come from?

To avoid suggestive language I propose therefore to you to concentrate firstly on the existence of some strange, hardly explainable developments in reality itself. We have to think together about some factual paradoxes, which take place in the context of our globalising economy. For a lot can often be learnt by studying them. Francois Lyotard has even created a separate word for that study, he calls it *paralogy*. For looking to the paradoxes which arise in your own society is, as if you look into a mirror indirectly to yourself, it is as if you reflect on your own position via a thought from outside ('la pensee du dehors' as it is called by

Foucault) . And indeed, some very paradoxical or obviously contradictory elements² occur to us in the present process of globalisation. Enigmatic developments which cannot easily explained by an appeal to the modern mindset, in any case not by the mindset as we find it in the ruling social and economic theories. I will mention three of those paradoxes.

The first paradox is *the paradox of increasing scarcity*, and I take that paradox from the work of Hans Achterhuis, a well known Dutch philosopher. Globalisation as we all know, stands for an worldwide intensification of the process of economic growth. And that holds in principle the promise of a more efficient use and allocation of the means of production, so that more needs are fulfilled and scarcity is reduced. But there is an increasing lot of evidence that the awareness of scarcity in modern society is not diminishing but has sharply increased in the last two decades. Just look to the content of our national newspapers or TV bulletins. They bring us the message of a constant lack of money for almost all necessary provisions, especially in the realm of care and education. Which is strange, because our material living standards in the West almost doubled in the last twenty years. Then you should expect less instead of more scarcity. In the same line lies that strange recent experience of the deepening of various kinds of poverty in our time of globalisation, not only in a continent like sub-Sahara Africa, but also within the richest societies on earth. It is for instance a well known fact, that one out of four children in the US has a direct experience of hunger, and that the life expectancy of a child born in Harlem, New York, was in the mid nineties even lower than of a child born in Bangladesh. An exuberant material economic growth can obviously go parallel with more instead of less scarcity and poverty and with less economic room for the poor. And that is a paradoxical result, it contradicts all rational predictions of present economic theory.

Another strong paradox reveals itself in relation to as well *time as nature* in this epoch of rapid globalisation. The amount of possible free leisure time, so we learnt from standard economic theory grows potentially with the increase of labour productivity. But in our modern society we see increasingly the coincidence of a higher labour productivity with the omnipresence of utmost haste. We live in the days, to speak with Juliett Schor, of the presence of the overworked American. We can also note an increasing stress in almost all modern working-places on our globe; in the Netherlands in one of six jobs people are called overstressed or burn-outs. Why more stress, more haste in a time of great wealth and therefore less economic urgency than in the past? We seem to have lost control of our own disposal of time. But also the control of nature seems to diminish in our epoch. More technological possibilities imply in principle a growing potential to master our environmental problems, so it is said. But exactly in the global realm our environmental problems are not diminishing but accelerating. They simply begin to grow above our head.

I mention at last the most awkward paradox in or around present globalisation, and that is no doubt the continuous *expansion of global finance*. Regardless which economic textbook you choose, you will always find some passages in which there is a plea for a harmonious development between the so called real sphere and the financial sphere in the economy. There should be at least some kind of balance between the long run rate of material growth in the global economy and the international supply of liquidities. But that balance is now fundamentally broken. Less than 5% of all international money transactions are now related to the trade in goods and services, and more than 95 % is directly used to facilitate the

fantastic autonomous growth of the financial sphere with all its so called derivatives. And that is indeed highly paradoxical. For it implies that the economic pyramid, which has its base in the real economy and finance at its top is totally reversed, so to say turned upside down. The so-called real economies of the world, especially those in the South -think of the so called Asian crisis - are now increasingly subdued to the movements and the often extreme forms of volatility of the financial markets. Subjective financial expectations have now begun to steer the real economy, and that is indeed extremely paradoxical. For how to explain that, and what is the meaning of that? For the future of all our real economies is so increasingly exposed to the power of global capital flows which push some nations or economic branches up to crazy heights, just think of the ICT branch, but also possibly pushes other nations, or even the same branches later on, down into the deep abyss. Let us please see all these developments not as simple 'facts of life' in a globalising economy, but let us firstly see them as parts of a really threatening factual paradox, which is entirely contrary to all good theoretical advices and jokes with all earlier undoubted economic predictions.

Three paradoxes I mentioned so far, which are all very interesting and even intriguing. But we can only come further in our inquiry if we also find something of a common ground, a common denominator in them, and moreover one which is narrowly related to the project and process of globalisation. Only if these paradoxes are deeply interrelated, only then we can hope to find traces of some kinds of a general narrowing of the public consciousness in relation to the growth of globalisation. And reflect upon the ethical choices and positions which are implied by that.

If we look with this in mind to our three paradoxes something strikes us almost immediately. They are not only all narrowly related to the dominant role of the economy in modern society, but they are also all, and even more explicit, related to its strongly dynamic character. Paradoxes like these seem to jump up in the tension between what belongs to the givens in or for a human society, which cannot easily change, and what at the other side is strongly on the move, financially, economically, technologically, and therefore asks for constant and un-negotiable adaptation of the givens. Take for instance the second paradox which is related to time and nature. Time and nature can both be used, but they cannot be produced as if they were economic goods. They belong from themselves not to the man-made universum of artificial growth. But that implies that time and nature can easily reveal themselves as painful limits or restraints for a dynamic productive universum. For if increasingly more claims are laid by that growing universum on these two given factors, then the thus arising problems can of course no longer be solved by just somewhat more production or the existing technological dynamism. So that a real paradox becomes alive. And is something similar not true for that unexpected rise of poverty in the midst of especially the economic and technological most dynamic societies? For the main characteristic of this rise of so called new poverty is that it is always related to some form of exclusion. Not all persons and not all nations can cope well with the speed and the corresponding claims of an hyperactive economy. Which implies that poverty indeed can grow not only because of, but also as a consequence of the rate of economic dynamics. And it is also not accidental, that now especially in the richest societies the sectors of care and education run into financial problems. For they grow less in productivity than all other economic sectors, and so become increasingly more costly. Which implies that also their scarcity increases.

But how then, you could ask, does this analysis work out for the strangest -paradox⁴ of all, namely the paradox of the excessive growth of the role of global finance? Also here in my view the difference in paces of development plays indeed an crucial role. Global finance could climb in power and take the core-position in this new worldwide productive universum not only because it is related to the supply of capital, but also because it is in this supply so extremely dynamic. Compared to its pace of development even now the real economy seems to lag behind, just as within the real economy the less productive sectors lag behind. It looks therefore as if economic globalisation so to say forms its own set of layers which are build around its most dynamic centre, finance. Layers which vary according to their own capacity to maintain a sufficient speed. But which, how further they are removed from the dynamic centre, and how more near they are o the givens of a human society, how more they run into problems. There the paradoxes present themselves as clear warning signs that life is more than an exercise in financial and technological dynamics.

But this, highly respected friends of Philip Potter, is and cannot be the full story about the present dominant style of globalisation. Especially not as far as ethics is concerned. For where we find ourselves as human beings, also spiritually? Are we and others, to put it bluntly, mentally - here the word mentally comes indeed back again - are we placing ourselves and others within our outside that dynamic universum?

Let me try to explain this unusual question. If you sit in a spaceship which has an enormous speed, you will experience around you in the ship itself a kind of relative stability. The only way in which you perceive your own fantastic speed is by looking out of the window, where you will see that the surrounding stars are moving behind. This metaphor makes clear that we have always at least two options to see and observe a dynamic reality. Seen from outside, it is the enormous dynamic speed which primarily catches the eye, and with it the possibility that the whole movement will at some moment be stopped by or crash against any kind of external obstacle. But seen from the inside the dynamics itself is the given element. So that all the less dynamic elements are seen and perceived as not in rest, but just as going back, as lagging behind.

And here we reach together a first painful indication, that also modern global citizens can in a time of dynamic economic globalisation be easily captured by a process of narrowing views, looking not from outside but from within to. Which at last can take the form of mental slavery. I give you some examples, which are just meant as a test.

How far do you, do I, do our politicians and business-people relate to the Southern countries as countries which in fact are just lagging behind, are less developed in the whole process of globalisation - while in fact they represent cultures and civilizations often older than ours? And how far are we and others increasingly irritated by the existence of as well environmental, social and natural limits to our growth - in stead of adhering to the wisdom of almost all other civilizations in the world which see nature primarily as a mother who feeds us all, and gives us enough to live from? And lastly: how do we and others relate to the poor, to the elderly? Do we see and treat them primarily as non-actives, as persons who consume more than they produce, or as invaluable sources of solidarity and wisdom in our society?

I hope that you feel where I am pointing at. Economic globalisation not only forms increasingly a set of economic layers around itself. It also contributes to the rise of

a kind of mentality, a dynamistic and economic habitus of reasoning and acting.⁵ In that mentality this globe, its people, its cultures and its nature are seen as somehow inferior, as lagging behind in comparison with the superior cult of an always ongoing process of financial, economic and technological dynamics. It is this mentality which brings with it elements of mental slavery. For we see now that even sharply thinking intellectuals are now caught in this way by the belief, by the *Aberglaube*, that we can and should value everyone and everything according to its or his or her dynamic achievements, preferably measured in money-terms.

Dynamics in a society, said otherwise, is not the deepest root of our problems; not even the dynamics of a globalising economy. But the attachment to it as a core value is such a root, especially if it is related to the faith in the endless expansion of markets. For then it inevitably leads to a mentally captivating ideology, which in practice pulls several extremely risky factual paradoxes in its train.

This reference to the power of ideologies is especially valuable to deepen our insight in the last paradox, the paradox of global finance. And actively working dynamistic ideology is namely a remarkable phenomenon. As all absolute ideologies it tends to absolutize its pre-set goals, which take the place of a kind of ultimate meaning. But next to that it also tends to bend the norms and values in life into tools to further the cause of the pre-set goals. Ideology, as Adorno once said, is legitimation. And last but not least it never leaves the means the same. In an absolute ideology they always get an elevated place in society, and are followed as infallible guides. For without them there is no hope, no possibility to fulfil the project.

And that explains that extremely strong role of global finance. Finance, capital, it has always been seen by economic theory as just a means to further other more real economic goals. But in a reality the project of a global market dynamism has become, or at least is suggested to be the real hope for the entire world community. And then finance just cannot stay a modest means, too much depends from it. And so a strange kind of new obedience to the financial markets has begun to develop itself in our days. As if the financial markets are something to which you have always to listen carefully, because they hold a wisdom which you cannot have and will not have. They are followed as guides, not only by business corporations, but also by governments. A new big brother syndrome is indeed developing itself our time, which centres around the new burning question: how to stay in the grace of the financial markets? For how to survive if and when the global capital flows can leave your economy overnight? Fear reigns, and it is a fear which leads several governments to a conscious lowering of all existing taxes on profits, just to remain attractive for the flows of global capital. The financial means have become the new gods which have to be feared by all. The deepest root of the paradox of global finance has therefore religious traits.

But this leads us straightforward to the ethical dimension. How can we live, what should we do, as we want to emancipate from also this kind of mental slavery? Two comments I want to offer as conclusion in relation to this important question.

The first comment is of course about the necessity to fight against this narrowing of the public mind, and to demask the rising blindness of a general economic dynamism. Sometimes we are impressed by the immense power which illusions can have, also in a case like this. But let us not forget, I am inclined to say, that they are built on the weakest possible foundation, namely on their own misinterpretation of reality! It is realism, not idealism, which can give them a vital blow. In a time

full of false illusions the place of the church is in my view therefore not primarily⁶ at the side of idealism but should be at the side of realism. Its first task is to break through the veil which has been gradually laid around reality. In this spiritual battle the concrete, real paradoxes of our time should not only be seen as problems, but also as our uneasy allies. They so to say can help us to demask this artificial reign of new globalising illusions, this empire of secularised faith in the powers of market, money and unrestrained technologies which continually suggests that no alternatives exist.

By so choosing for reality we also follow the trace of the ecumenical movement from its earliest beginnings. Reality is namely always seen by the ecumenical movement as a place which has to be kept in high honour. For it is in reality that God is working, and it is in that place that the Spirit of God is willing to manifest Herself. The Spirit who as Rene Girard has taught us, takes always her position at the side of the innocent victims. Rene Girard refers for that explicitly to the well-known words in the Gospel of John, where Jesus says that as soon as the Spirit comes, she will begin to act as God's advocate in the court of history. For it is there that she will deliver the convincing proof of guilt, justice, and judgment for all nations, starting her plea by what happened in this concrete reality with Jesus, the prey of the powerful. Could it not be, so I ask you, that in our time the Spirit leads us again to see reality as it really is? As a place in which the poor and the needy of the world, the ecosystems, and most other and older cultures, are all pushed to the side of what could and should be sacrificed for the so called wellbeing of all? Paradoxes may be a sign, that the spirit of God is even today judging the present dominant style of globalisation.

Which leads immediately to my *second comment*, which is about possible alternatives for the present style of globalisation. One of the things for which I am deeply thankful to Philip Potter are his remarkable Bible-meditations. In one of them he points out is that our Lord upholds so to say an own globalisation-plan. For in Ephesians 2, so he wrote, you find not only a direct reference to God's own economy, to His own *oikonimia* or administration of the times, but also to the still unfulfilled mystery of the coming of a worldwide pastoral Kingdom. And the two are related. For in His own economy of time

God wants to recapitulate everything on earth under the Lordship of our good Herder Jesus Christ.

This insight is in my view extremely important. For it implies that in this way concrete meaning comes to us all from the End. It comes from *das Letzte* into *das Vorletzte* to speak with Dietrich Bonhoeffer. And that implies also a change in ethical principles. For in the perspective of the coming of that Pastoral Kingdom the principle of the survival of the fittest has to give way to the principle of healing of what is wounded and of the survival of the weak.

This also points to the probably only - realistic- way-out to escape in the coming decades from the grip of the now cruelly growing paradoxes. For it is quite clear that the *dunamis* of the present dominant form of globalisation will go on to create and deepen the paradoxes if not a change takes place within its dominant style and trend. Three dimensions I mention here, and with them I conclude also my contribution of this morning.

The first dimension of an alternative path is that the present extravagant and fearful dominion of the financial means and markets has to be broken. Money is a means to serve, but it becomes a whimsical tyrant and idol if it is allowed to rule.

The outrageous flows of international liquidities should therefore be brought back to captivity. Money supply should again obey strict rules which are related to given monetary standards. You can compare these with the rules of the golden standard in the past. But the new rules of money supply should now be firstly related to the many unfulfilled basic needs which still exist on this earth. The growth of international liquidities should be kept in pace with what is needed to finance their gradual satisfaction. It is a perverse distortion of the present economic and political mind to think and act as if newly created money should always firstly grow in, via, and for the most dynamic and richest countries on this earth. All that additional capital works for them like an awful trap.

The second dimension implies a change of goals, and that as well on a political as a cultural level. For even redefined political goals for the international community like the reduction of poverty and the preservation of the environment - which for instance Gorbatsjow had in mind when he spoke of the open and serviceable house of Europe - will clearly fail if the holy grail of an always rising material wellbeing in the rich countries remains the centre of our, also the christian obedience. As an economist I think here of the inbuilt wisdom which each simple growing tree possesses but which seems to escape us, namely that you can only bear fruit if you does not wish to grow into heaven. Because that strive would take away all your biological reserves to set fruit. This holds in a similar way for all present rich societies. Only if they are willing to restrict their consumption per head in the long run, only then they make lasting room for net-investments in the preservation of the social and natural fabric of their own societies, and will be able to redirect the remaining capital to the East and the South to fulfil its basic needs.

The third dimension of the way-out is related to the own character of following a way. A sincere way-orientation in the sense of *Nachfolge* stands over and against the power of all world-conquering ideologies, which always stress absolute goals which have to be reached at all costs. Following a way is in the heart of our christian faith. But it is seldom realised that this way-orientation also offers an entry-point of concrete solutions which fall outside the realm and perspectives of ruling dynamic goal-obsessed ideologies. Carl Friedrich von Weiszaecker wrote once in a critical article about building models for a new world, that there is a kind of short-sightedness in the prevailing view, which seeks its security in what you plan as goals for the future but ignores what may happen between now and then. Are justice and peace, so he asks, primarily goals to be achieved? Now, they are firstly ways or paths to walk on. And so they sustain hope. For by each step which you make in walking on these ways your stock of information is growing, so that new steps after the first steps become possible. It is as Dietrich Bonhoeffer once commented on Psalm 119: I have seen an end to everything on this earth, but your way, your path is widening.

But how? Just look to the simple fact, so I ask you, that so many problems related to the present dominant style of globalisation are interconnected, and increase each other burden. Already in the Brundtland report we find the sigh that there is not a separate energy problem, a separate poverty problem, a separate environmental problem, but that all these problems are in fact one. Problems, especially if they are of a paradoxical nature, aggravate each other, as if they are caught in one inescapable spiral of death and decline. But if something like a spiral of death exists, why then not also a spiral of life? If problems strengthen each other, why would not something similar hold for their solutions?

The cancellation of the debts of the poorest nations is in my view such a step. It

opens a way to the diminution of poverty in the South, but in fact benefits also the⁸ global environment . It diminishes the amount and pain of migrant flows from the South to the North. And so also starts a concrete economic path in which more forms of healing can be practically expected. Justice is a way, the way to walk on. So that we can become really free from all forms of present mental slavery.