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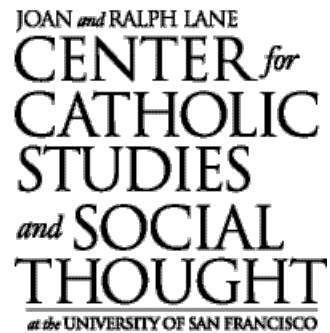
Globalization & Economic Justice

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The Second Vatican Council encouraged all members of the church to become more astute observers of world events and trends. Its “Pastoral Constitution on the Church in the Modern World,” or *Gaudium et Spes*, urged us to be attentive to “reading the signs of the times” and interpreting them in the light of the Gospel. One of the premier signs of our times in this new millennium is the phenomenon of globalization, a worthy topic for this lecture in a series on “Catholic Social Concerns” sponsored by the Joan and Ralph Lane Center for Catholic Studies and Social Thought at U.S.F.

The three parts of this lecture are as follows: 1) an examination and definition of globalization in its many aspects; 2) a survey of the attempt on the part of official Catholic social teaching to address the reality of globalization so far; 3) evaluating the strengths and weaknesses of the message of Catholic social thought regarding globalization.

1) What is Globalization?

Walk into any good bookstore and you will likely find an entire shelf of books on the topic of globalization. Scan the titles of those volumes and you will soon find that, as the post-modern reality it is, globalization and everything about it is a site of contested interpretations and construals. Among all the claims and counter-claims regarding this phenomenon are several prominent definitions of globalization. Here I offer a small selection of the most revealing attempts to define globalization.

In his several books on the topic, British scholar David Held emphasizes how globalization at its root involves the transformation of the spatial organization of the world, so that inter-regional flows of goods, capital and even people are more common in this age of globalization than ever before. The boundaries between countries are not only stretched thin, but indeed have become practically irrelevant today. American social critic William Greider, in his influential book *One World, Ready or Not*, makes the simple assertion: “The world is now one place.” He stresses that this closeness to other people and regions is not only objective, a matter of improved transportation and

communication, but also subjective, involving human emotion and commitment. The advertising slogan, “we are all connected,” has indeed become a central fact of life. Finally, economist and journalist Thomas Friedman in his seminal book *The Lexus and the Olive Tree*, offers the quip that globalization is “everything and its opposite.” By this, Friedman calls attention to a number of countervailing forces that offset globalization by emphasizing the local and particular. We cannot understand globalization without acknowledging the so-called “glocalization” that it has inspired. For example, the phenomenon of “identity politics” demonstrates that people are increasingly proud of their ethnic and regional particularities, which they do not want to forfeit to a homogenized world order. Still, it seems nowadays that everyone is eager to plug into global flows of goods and cultural products to take full advantage of them.

What images commonly come to mind when one hears the term globalization? To make the concept a bit less abstract, consider these six examples of globalization, images and experiences I have selected for their vividness rather than comprehensiveness. First, perhaps the paradigmatic image of globalization is the movement of production abroad, as factories pack up and reopen in nations or regions with lower labor costs and fewer safety and environmental regulations that encumber the manufacturing process. Multinational corporations increasingly have the ability and flexibility to engage in a process of seamless outsourcing and “off-shoring.” A recent documentary on globalization, called “Life and Debt,” featured video footage of a textile factory in Kingston, Jamaica that was, without advance warning, dismantled literally overnight and moved to another nation with lower prevailing wages. This left its now jobless former workers utterly puzzled when they arrived the next morning to find only an abandoned shell of their former place of employment. The uncertain future facing these victims of runaway capital is emblematic of worldwide anxieties regarding the stability of local economies that find themselves dependent on corporations that exhibit no loyalty even to longtime employees.

A second image of globalization involves the financial force that makes possible all the other aspects of this phenomenon. Picture an investment broker at his or her computer, discerning the most optimal use of investment dollars for self or for clients. With the mere click of a mouse, millions of dollars can be transferred around the world, or stocks bought or sold to direct resources to the most profitable sectors or corporations. Thomas Friedman famously began referring to this rapid and often large-scale international arbitrage of investment dollars as the operation of “the electronic herd.” Even while acknowledging some potential drawbacks of this brave new investment environment, he heaps lavish praise on the technology and investment market innovations that made possible this unprecedented capital flexibility.

The third image may be more familiar to most of us who do not manage huge financial portfolios. If you are like me, your participation in markets more often involves a supermarket or neighborhood grocery store than bewilderingly complex financial markets. But even here, the evidence of globalization is unmistakable. Consumers nowadays have vastly greater options for the purchase of goods from around the world than ever before. This allows us to enjoy, for example, tropical fruits the year round,

imported from a dizzying array of places. We are increasingly taking for granted our access to these goods, but it is something that people of earlier generations and even recent decades did not experience, and constitutes an undeniable benefit of globalization.

A fourth image calls attention not just to the variety of goods we might purchase, but the actual make-up of many of those goods, especially those items that undergo extensive manufacture. Check the product history of any appliance, computer or automobile and you will discover that its components likely come from not one but many different places, and it may have undergone assembly in yet additional locations. The Ford Escort contains parts from fifteen different countries, to provide just one example. This complexity in the production process is not unusual, as transnational corporations take advantage of differences in labor and capital markets as well as regulatory environments in various nations to cut costs and to maximize efficiency and hence profits in delivering products to markets around the world.

A fifth image is a horrific one: the picture, burned into the imagination of all of us by now, of the jet planes crashing into the World Trade Center on September 11, 2001. Those terrorist attacks were also manifestations of globalization, involving people from around the world and reflecting international realities that at once bring people closer and allow deep-seated hatreds to wreak havoc in tragic and large-scale ways. Similarly, our sixth item, the fears of internationally transmitted epidemics like Mad Cow Disease, Avian Flu, the Ebola virus and even AIDS, are further proof of a world order that is globalized, for better or worse. These last two items, then, remind us that globalization contains bad news too, as it enhances our vulnerabilities to worldwide phenomena that could readily do us great harm. Whether natural or artificial, sources of fear like terrorism and pandemics are part of the message that events anywhere in the world now affect all of us, so that there is indeed “no place to hide” from global developments.

Globalization, then, is about enhanced relationships with people the world over. In the interest of clarifying further the definition of globalization, let us note briefly these four sets of relationships that are increasingly undergoing globalization: 1) economic; 2) technological; 3) political; and 4) cultural. Each aspect of the way we relate to people around the world contains its own ethical challenges, as we shall note below.

We have already described some of the major aspects of economic globalization. The easier flow of finance capital and goods has accelerated the rate at which regional specialization of production has increased, and this means that the global work force is experiencing a sharper and sharper division of labor. This has a constructive side and a potentially detrimental side. On the positive side of the ledger, we all benefit from enhanced efficiency and economies of scale that accrue when nations follow their comparative advantage in production of those goods most suited to their natural endowments. But on the negative side, ethical concerns arise regarding the way workers are treated by predatory global capitalism. In the relentless search for ever cheaper labor, do corporations disregard fair standards and practices? Are local governments not tempted to participate in “a race to the bottom,” offering the most favorable conditions to corporations to attract their capital and to expand the tax base, even when this allows

worker exploitation, environmental degradation and a lowering of the bar in health and safety regulations? Plenty of evidence has been compiled to suggest that the forces of globalization have a tendency to exert a downward pressure on wages, to promote income inequality and to produce a more sharply divided society when they have been allowed to run free and unabated.

Second, the technological aspect of globalization is the one that in a sense drives the others. It too has potentially profound ethical consequences. The computer-facilitated “information arbitrage” that drives financial markets also makes them on occasion excessively and tragically volatile, as we discovered in the 1997 East Asian financial crisis. High-tech communication and transportation technologies facilitate and exacerbate many of the most intractable problems of our age—terrorism, pollution, investor panic, the spread of disease and other public health crises. If we are to address such environmental concerns as over-fishing, global warming, deforestation and threats to biodiversity, then concerted global action will have to be undertaken to harness technology, turning it from destructive to constructive uses. In all of this, technology is by no means a neutral thing, but rather entails profound ethical questions at every turn.

Third, the political aspects of globalization raise profound questions involving the very future of the nation-state as we know it. For 350 years now, since the Peace of Westphalia in 1648, the sovereign nation-state has been the basic unit of organization of international politics. We are witnessing the end of this era, as the boundaries between nations are becoming increasingly porous. Some have gone so far as to claim that the inability of countries to control the flows of goods, money and even people across their borders is increasingly rendering them irrelevant as entities. While the most sweeping versions of this claim about the powerlessness of national governments are probably exaggerations, it is nevertheless true that national sovereignty is diminished today, and that other entities are gaining in prominence. Some of these are sub-national groupings of people and special interests, while others are supranational organizations such as multinational corporations, international agencies, etc. In short, many new forces and entities constrain the ability of national governments to play their accustomed role as guardians of national interest and the common good within their borders. This raises many ethical questions regarding the best ways to adjust to this new situation in world politics.

Fourth, the cultural aspect of globalization involves both promise and potential perils. On the positive side, we all benefit from the exciting possibilities for greater cultural interchange, exposure and mixing. The ease of movement and communication across borders enriches the experience of all of us with opportunities for knowledge of other cultures and their products. But on the negative side, there is the danger that these same new realities may promote a sterile monoculture, the “McDonaldization” of the world. Walk into a shopping mall these days, and note how difficult it is to distinguish whether you are in New York, Toronto, London, Buenos Aires, or even Singapore—same brands, same franchises, same piped-in music, too few distinguishing characteristics for comfort. Ultimately, nobody wants every place to come to look like every other place, but certain inexorable forces unleashed with the advent of globalization tend to favor an

indiscriminate mixing that marginalizes more exotic contributions to global cultural interchange. It is no secret that the voices that come to drown out the others are generally Western and specifically American cultural influences, from music and film to food and fashion. Those most concerned about the loss of cultural diversity usually focus on ways to reduce rampant, even if unintentional, Western cultural imperialism. As with the other three aspects of globalization, the cultural aspect contains profound ethical challenges that admit of no easy resolution.

Because the potential drawbacks of a globalized world order are so great, a movement to oppose globalization in all its forms has sprung up, with its most visible manifestations in large-scale protests at the sites of meetings of international financial institutions. Everyone remembers the mayhem in the streets of Seattle, Davos, Genoa and Washington in recent years, as anti-globalization protesters attempted to disrupt meetings of world leaders. While we might well admire their attempt to exercise social responsibility as they understood it at the time, their efforts too often seem misguided, as if they were undertaking a project that amounted to an attempt “to put the toothpaste back into the tube.” As most well informed commentators now recognize, the question of *whether* to globalize is hardly a live question anymore. Since there is no way to turn back the clock and huddle in a corner far away from globalized reality, our efforts are best marshaled in the effort to answer this question: *How* may we globalize in a way that respects the full range of values we hold and that achieves the greatest measure of justice for all people?

While many voices around the world have already begun addressing this question in various ways, the Catholic Church has offered a distinctive contribution to the task of discerning a way forward in a globalized world. While church teaching on globalization is still very much in its infancy, undergoing gradual development as it gropes its way forward, a look at what the church has said so far about this topic will contribute to our understanding of the ethical issues at stake in our new era.

2) Catholic Social Teaching: Its Response to Globalization

Perhaps the best place to start is with two quotations regarding globalization taken from Pope John Paul II, who clearly spent much time reflecting on this topic in his last years. First, in his World Day of Peace Message for 2000, the late Pontiff noted:

Globalization, for all its risks, also offers exceptional and promising opportunities, precisely with a view to enabling humanity to become a single family, built on the values of a single family, built on the values of justice, equity, and solidarity.

In his April 27, 2001 address to the Pontifical Academy of Social Sciences, John Paul offered this further reflection:

Globalization, a priori, is neither good nor bad. It will be what people make of it.... It is necessary to insist that globalization, like any other system, must be at the service of the human person, it must serve solidarity and the common good.

Note in each of these brief excerpts the Pope's awareness of the positive and negative aspects of globalization. Our new era is a time of both risk and promise. As a leader of a global Christian community, John Paul II was most interested in addressing the implications of a globalized world order for the achievement of social justice. Wishing neither to be a knee-jerk apologist for those who benefit from globalization nor to join the ranks of the anti-globalization protesters, on several occasions he acknowledged both the gains and dangers from global capitalism. Above all, he consistently directed attention to the key question as we move forward into the future: How may we manage globalization so that it serves people and promotes the great social values we find in our Christian tradition? The focus is thus diverted from efforts to lay blame and find fault, on one hand, and from the desire simply to celebrate achievements and serve as a cheerleader for globalization, on the other hand.

In a recent article in the publication *Blueprint for Social Justice*, I reviewed the content of 24 church-based statements on globalization. Of these, 13 are papal statements and 11 consist of a variety of documents from other Catholic sources (church-affiliated think tanks, religious orders, conferences of bishops, pontifical councils, etc.). This article, titled "Judging the Juggernaut: Toward an Ethical Evaluation of Globalization," has since been reprinted in two journals, but appears most conveniently at the *Blueprint* website at http://loyno.edu/twomey/blueprint/vol_lvi/No-01_Sep_2002.html. The appendix to that article contains complete bibliographical references to all 24 items I studied. As I noted there, the two most common phrases that recur throughout these documents are "the globalization of solidarity" and the "humanization of globalization," terms popularized by John Paul II and frequently repeated by others. Together these emblematic phrases signal the desire of many church voices to insure that globalization works for the benefit of all people, not just a select few at the reins of power.

Catholic literature on globalization also exhibits a curious tendency to use an array of rather vivid verbs to call for an ethical outcome to the globalization process. A right ordering of economic priorities in our world today will insure that we perform the following verbs upon the globalization process: "harness," "control," "tame," "bridle," "yoke," "curb," "circumscribe," "domesticate," "discipline" and "restrain." This impressive list suggests to me that globalization is most commonly conceived as something of a wild animal in need of a rather thoroughgoing program of taming. This metaphor is an illuminating shorthand way of thinking about the ethical task that lies before us in an age when the destinies of rich and poor around the world are becoming so closely linked.

3) Evaluating the Message of Catholic Social Thought on Globalization

As a professor of Catholic social thought in a Jesuit seminary and graduate school of theology, I am of course a sympathetic observer of official Catholic social teaching. The magisterium of the church has done an immense service to humankind in its task of speaking out on social issues, especially in recent decades. The church is clearly still honing its message regarding globalization, so there is perhaps room for a healthy

impatience for future development of these teachings in the years to come. In this final section, I will sketch out three positive features of Catholic treatment of globalization so far, and I conclude with some constructive suggestions for future directions.

First, the church has done a commendable job of adopting an approach to globalization that is neither hard-hearted nor soft-headed. By this I mean that church voices have maintained a healthy balance between the highest ideals and values it proposes, on one hand, and practicalities of a realistic bent, on the other hand. Church voices have neglected neither their heritage of teaching on humanistic values and ethical principles nor their knowledge of the principles of economics that limit the realm of what is possible and feasible in this world of hard choices. As a result these documents avoid the extremes of sentimental dreaming and overly Machiavellian approaches that might sacrifice too many values on the altar of realism. Above all, Catholic voices have continued to consider the situation of both the winners and losers in economic competition in our world today, boldly reminding all who listen that the latter are not to be allowed simply to fall through the cracks of our economic system. A good example of this balanced treatment of global economic realities is John Paul II's treatment of globalization in his 1991 social encyclical *Centesimus Annus*. Here the Holy Father praised the efficiency and gains associated with what he terms a "business economy," but consistently calls corporations and individuals to take action to address the declining life prospects of those who have not benefited, particularly in poor and deeply troubled regions such as Latin America and sub-Saharan Africa. The command of Jesus to love our neighbors, wherever we find them, has not been somehow abrogated by this age of complex global economic relationships.

Second, church teaching has consistently emphasized the point that, for all the practical constraints upon us, we do indeed retain the ability to shape globalization. Against those who might argue that economic forces are somehow inexorable and beyond all human control, church voices remind us that globalization is a matter of deliberate human decisions that can be altered, even reversed, if we muster the political will to protect key values that might be endangered by the free flow of trade and money. Revisiting a point heard frequently throughout the past century of modern Catholic social thought, the magisterium insists that the economy is something that we create, a set of relationships we can still alter and reform. When pressing human needs go unanswered by a given economic order, the correct response is not to throw up our hands in a fatalistic way, but to engage in concerted efforts to change the system so that it more adequately responds to the goals we define as worthy of humanity. We can never be satisfied to consider some people hapless victims of supposedly unchangeable economic laws. Even in an age of bewildering globalization, we have the ability to bring our ethical concerns to bear on the conduct the economy.

Third, Catholic social thought on globalization has emerged as a beacon for all people of good will, not just adherents to the Catholic faith, to evaluate globalization and its effects on all of humanity. Naturally, Catholic social teaching proceeds according to certain well established categories that have been articulated in Catholic circles for decades and even centuries: the common good, social solidarity, option for the poor, and integral human

development, among others. Some of these are grounded in rather particularistic contents of our tradition, such as gospel parables like the Good Samaritan and the cautionary tale of Lazarus and Dives. But these concepts, when stated in their most general forms, are also fully accessible to those of other faiths or none at all. You need not put your faith in the contents of revelation as Christians understand it in order to agree with our claims about human dignity, human rights and economic justice. The Catholic recognition of natural law commits us to a project of building bridges to others who discover these same values in their hearts, even if they do not utilize the same idiom to describe the values and principles they share with us. Ultimately, the hope is that an overlapping consensus on economic justice might be formed around values and priorities that practically all people may share. If so, Catholic social thought may play a key pioneering role in articulating the universal duties to advance principles such as widespread participation, transparency and accountability in our new globalized age. If this hopeful scenario comes to pass, then the interdependence entailed by globalization may be a constructive force, by which all people may truly progress, rather than a situation where millions are marginalized and exploited.

The criticism of Catholic thought on globalization I would express in closing is simply that it has not gone far enough. We have yet to see a full-throated analysis of global economic realities emanating from church circles. For all his awareness of the plusses and minuses of globalization, Pope John Paul II never issued a full-length statement on globalization. In his glancing treatments of the topic, the late Pope rarely reached much beyond several repeated buzzwords and phrases. While it is valuable to appeal to the virtue of solidarity, a maddening lack of specificity regarding ethical judgments and moral obligations to those marginalized by globalization characterizes Catholic statements on the topic so far. As a result, the moral appeals we hear from the magisterium of the church still remain vague and in need of detail.

Of course, at the root of this shortcoming is a problem that has plagued the entire history of Catholic social teaching. The tradition exhibits a methodology that generally keeps it reactive rather than proactive. Reading documents from popes and bishops rarely yields a clear sense of the meaning of justice in any comprehensive or even architectonic sense. This tradition of documents and teachings does great service in surveying the world and identifying the injustices which it boldly denounces, but it is rarely able to propose detailed solutions to injustice beyond issuing moral appeals for individual acts of charity and the practice of social concern and related virtues. Its attention to the reality of structural injustice in recent decades is surely welcome, but many critics have pointed out the church's reluctance to engage in the kind of detailed social analysis that would account for the accumulation of economic and political power that is often at the root of poverty and exclusion. Perhaps this is a path more promisingly pursued on the local or regional level than on the universal level, at which papal social encyclicals are written and promulgated. In any case, many observers have expressed impatience with these shortcomings in the methodology of church social teaching on many issues, and globalization as a topic is no exception to this insight.

Still, none of these criticisms cancels out the great initial contribution that Catholic social teaching has made to the understanding of the ethical aspects of globalization. Even if the church has not yet produced a comprehensive response to the challenges of our new era, it has offered an preliminary set of concerns that allows us to orient ourselves to the future. In the social teaching of the church we find a well-developed yardstick for measuring economic developments and systems. This yardstick includes traditional concepts such as the common good, subsidiarity, participation, solidarity, human rights, and the full spectrum of concern for human dignity. By this accounting, globalization as it has been practiced so far is clearly found wanting. Until the needs of the poorest members of humanity are addressed in the emerging global economic order, our acceptance of globalization must be a conditional and partial one. As we seek to judge the effects of globalization, we continue to “stand upon the shoulders of giants,” using the tools and insights of the tradition of Catholic social thought as a worthy standpoint from which to evaluate our new and bewildering economic environment.