

# Globalization in the Light of Church's Social Teaching

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## Introduction

Today we need a critical awareness of the phenomenon of globalization praised by its proponents as something that all have to accept and believe that there is no alternative (TINA). Witnessing to what it has been doing to people, developing countries, the poor, the labour and environment, we begin to question if globalisation of market economy has become a global agent of exclusion and marginalisation, and of the divide between the powerful rich and the powerless poor between nations and within nations. Globalization divides people and works against solidarity.

Global market economy operates on the principles of liberalization, privatization, deregulation and withdrawal of subsidies.

Liberalization means that a country that has accepted the regime of global market economy has to open the country as a market for all those who are actors in the global market. Privatization means that industry and business go into private hands. The State must withdraw more and more from these areas. Deregulation means that the State facilitates liberalization of market by withdrawing its controls and its role so that economy is regulated by market forces. In this process, the supreme law is competition for markets. The motive is maximization of profit and accumulation of capital. There is a growing demand especially by the powerful and multilateral institutions as World Bank

and IMF including WTO for withdrawal of subsidies by the State to agriculture, welfare programmes such as health care and education.

Moreover, global market economy is a capitalist model of economy inspired by the ideology of neo-liberalism. The agents of production and trade focus on luxury goods targetted on the middle-class with purchasing power. It promotes consumerism and competitive ethos. By aggressive advertising, it imposes homogenisation of tastes, life-styles. It views people basically as consumers. More and more people and countries are made to think that there is no alternative to global market economy. It also shows, as economist theologian Xabier Gonostiaga observes, that today "we are suffering a crisis of paradigms ... there is an avalanche of the North upon the South, of capital upon labour. We are faced with a profound crisis of civilization." Faced with such a crisis we cannot remain passive onlookers resigned to the "determinism" of the market economy and the market forces. We do not accept economic determinism. Every activity of the market economy is a human activity, and therefore human persons are responsible for what the market economy does to people. Human persons, not the market forces, are the masters of economy. The Social Teaching of the Church affirms this principle.

We have to question a paradigm of economy which bypasses this principle. An economy that cannot function within a framework of just, participatory, humane and peaceful society, will not contribute to justice and to the common good. This is becoming gradually but painfully true of globalization of market economy. The agents of the free market economy with its demand for liberalization, privatization and deregulation and with its withdrawal approach propose it as a model of economy into which all countries are under pressure to integrate themselves.

But the negative impact on peoples, the poor and cultures is so massive that the volume of people's critique and resistance to this model of economy and development is gathering momentum. The poor, the workers, the *minjung* in different countries are coming together into solidarity to fight against all forms of exclusions and marginalization, resulting from the global market economy. This would promote an alternative towards a humane value-friendly economy that includes all and marginalizes none, especially the powerless, poor, labourers, and which does not destroy the integrity

of nature and which strengthens the solidarity of peoples and cultures. From the Gospel point of view, an economy that excludes and marginalizes, aggressively promotes profit-maximization and accumulation of capital for a few, a system that makes few rich richer, many poor poorer, therefore an order that divides human community in this way is on the side of Mammon, not on the side of God who is covenanted to the poor (cf. A. Pieris, *God's Reign for God's Poor*, p. 47).

### **Church's Social Teaching and its Response**

1. When we look at the Social Teaching of the Church, we need to recognise 2 levels of teaching: first at the level of (universal) papal magisterium and second at the level of the magisterium of the local church. The latter teaching is not a mere application of papal magisterium to local situations (cf. *Oct. Adv. 4*) but also a teaching which is the fruit of the local churches and pastors reflecting together with the laity and with those deeply involved in social issues and movements and questions of justice, peace and development in their situations. Insights and perspectives gained from experiences of actions and struggles constitute social teaching from below and from the soil of the local churches. It provides guidelines for a relevant and adequate response and praxis. In the latter, social teaching and context are clearly correlative. In this approach there is no dichotomy between facts and values. One cannot speak of globalization in a value-neutral manner. In a mechanistic paradigm of economy and production, one can easily separate the values and disvalues from the phenomenon of globalization. In our reflection, we consider the social teaching on these levels in an integrated way. We draw upon the resources of religions, cultures and the poor. Social teaching is becoming truly catholic (common), ecumenical and interreligious. In our situation, we need to learn a new relevant pattern of response.

Church's fundamental stance towards the human, the world and nature is derived from biblical faith, above all from the good news of God's Kingdom announced and made real in Jesus in our history. In so far it embodies authentic humanum in a normative and paradigmatic manner, it will be for us a dynamic and valid criterion to judge all human progress.

2. Economy is a human enterprise. All human activity is moral and responsible. Globalization of economy is a human activity engaged in freedom driven by motives of gain (profit and accumulation of capital). The human and moral character of economic enterprise is clear. Humans are responsible for what they do in this area. There is no room for determinism beyond human agency.

Similarly "development cannot be limited to mere economic growth. Authentic development becomes real only when it is integral i.e. the good of every person and of the whole person" (**Populorum Progressio**, 14).

The basic position of the Church is that economic activity and growth are inseparable from the human and development, from the civilization in which it exists. In this the Church holds that human person, every human person, every group of human persons, nay the whole of humanity is important(P.P.14).

Development calls for not merely more and more technicians and technology, but more importantly "deep thought and reflection of wise men in search of new humanism" which focuses on a vision of higher values of love, friendship, prayer and contemplation(P.P.20). We stress solidarity against economic anthropology which promotes *homo-economicus* defined as a consumer.

3. Economic activity at the local and global levels is to be positive in the sense of its being promotive of human well-being. The human and moral character is clear. It is rooted in community, solidarity, harmony and interdependence.

In this connection, I have to say a word on human rights in the economic realm. Human rights (understood in a comprehensive and holistic sense) can be violated and weakened in the area of economic activity (e.g. the rights of workers, esp. women, children, migrants, refugees, including consumers). Positively economic activity to be human should function in harmony with our common humanity, in the language of the social teaching of the church, always in service of the common good. In Third World human rights need to be

understood in a liberation paradigm. It means that unjust and inhumane structures of society that deny people their rights and freedom must be changed.

4. The way of the Church is the way of the human (R.H. & C.A) adequately understood. If so, the Church is pro-human, pro-life, pro-poor. It is a liberative and inclusive stance for God's people (all people) and all life and all creation. No marginalization, no exclusion.

### Option for the Poor

5. Option for the poor is constitutive of this liberative and inclusive stance. Preferential option for the poor is an inclusive option. Integrity and wholeness of justice is an expression of the option for the poor. Justice to the poor is the way of justice towards all (*sarvodaya* through *anttyodaya*). We know that globalization has tremendous negative impact on the poor, the subaltern and other powerless groups. Globalization with its approaches of liberalization, privatization, deregulation, with progressive withdrawal from welfare services, is affecting the States' responsibility towards the poor. In this context welfare is seen less and less as the duty of the State. The 1998 World Disasters Report of the International Federation of Red Cross and Red Crescent Societies states that there is considerable decrease in state aid to disaster relief, a fallout of globalization (see *Frontline*, July, 31 1998, p. 74).

In our approach to the poor, we affirm that "Jesus is God's covenant with the Poor" (Pieris). They are "the privileged vicars of Christ" (Mt 25), "the privileged carriers of the Lord, the principal heirs of the Kingdom with the potential to evangelize all nations and the Church as a whole" (Puebla, 1147).

6. Awakening of subaltern groups (*minjung*) is a hopeful sign. It holds promise for a new society. Preferential option for the poor demands listening to their voice, the values of the awakened subalterns and the solidarity it calls us to.

In listening, we learn a number of things. Remarkably subaltern groups marked by pluriformity and decentralization

challenge the opposite trends of centralization and homogenization of life, society and culture as seen today increasingly in the context of present globalisation and liberalisation. The strong sense of community marks their ethic. It is connected with promotion of life. For subalterns, life is always life in the community of men and women. Their solidarity is an expression of their deep humanity marked by an inner sensitivity, sharing, caring, concerns for others, generous sacrifice for others' well being, all of which disappear in the dominant homogenizing process of globalization. Subaltern groups are guided by an ethic of affirmation of life and community. This heritage is transmitted from one generation to another.

7. The experience of peoples at the periphery of modern society, their awakening, their perception of values of life and community, their struggles, their interpretations of reality hold promise not only for transformation of social consciousness vis-a-vis the neo-liberalism of the market economy that devalues social consciousness, and become resource for re-envisioning a just, participatory, harmonious and peaceful society. The standpoint of the subalterns, the poor and the marginalised should become a decisive criterion in the assessment of the globalization of economy. Here I refer to an observation of Shiv Viswanathan in a review article on "Narmada Dam and Taming the Waters" (*Biblio*, March-April, 1998, p. 26). He asks insightfully, "Is the victim only a document, a voice, or also a theorist? If so, can his notions of well-being be woven into the economist's model?"

Having reflected on the victims' perspective in a theology from below, I affirm that victims of injustice raise their cries not only against injustice but their cries embody their understanding of a just and humane society. It means justice and dignity for all. In their empathy they wish that there be no victims of injustice. Their cries and hopes contain an embedded theory and theology of justice for restructuring society that would not exclude or marginalize many to the benefit of a few but which would promote the well-being of all in a just participatory and

peaceful way. Such cries of the victims contest and protest against structural adjustment programme (SAP). What they ask for is change of society and structures, not adjustment of structures.

### **Justice Perspective in Production and Distribution**

8. Pope Paul VI says that in the last analysis the only *raison d'être* of production and its increase is the service of man (P.P. no. 34). In this connection I'd like to make some critical remarks on the linkage between production and distribution. Often we hear that the problem is not so much production but equitable distribution. The question of equitable distribution evokes the issue of social justice and the common good. We are critical of the distribution of the fruits of development from the point of view of justice to the workers and to the poor. But in the context of globalization of market economy, we need to question the production process itself and its goals. The primary goal of market economy is maximization of profit supported by liberalization, privatization and deregulation. Production is chosen and engaged in with a view to capturing the market. It is the latter that determines the priorities regarding production, not the needs of the people. The State accepts the principle of privatization and deregulates the processes of licensing and liberalizes for more competitive market space. In market economy the production of big corporations targets on the middle-class and the affluent, and their products are dictated by profit and consumerist goals. Hence production is heavily weighted in favour of manufacturing consumerist goods for profit. Production for meeting the needs of the people, especially basic needs of the poor is not a priority. Hence the rights of the poor to life and to basic needs will not be respected. David Hollenbach in his study of Catholic Tradition of human rights speaks of three strategic moral priorities of which the first one is: "the needs of the poor has priority over the wants of the rich" (Hollenbach, *Claims in Conflict*, p. 204). If this priority is not respected in national and global economy (this seems to be case in the countries of the South), the rights of the poor are violated. Paul VI insists that production as an economic activity should be at the service of human person (P.P. 26).

9. Globalization raises another important moral question in the present divided world we are in. Global market economy through its agenda of aggressive advertising and philosophy of consumerism collapses the distinction between basic needs and luxury wants. Luxury wants are trumpeted as needs without which we can't live. In a world divided into the rich and the poor, if the distinction between needs and wants collapses, all our efforts for promotion of social justice which includes option for the poor will be stultified. It will affect public policy adversely. In such an approach, the needs of the poor will be pushed to the periphery.
10. In Asia, women's point of view must critique globalization of market economy. We usually associate sound and liberative ecology with feminism. We need to value the insights and imperatives that originate from the feminine closeness to the sources of life which ought to enlighten us on the goal and quality of economic activity, esp. the models or types of production and help us judge if they are supportive, generative and regenerative of life. Feminism focuses on issues of life. We can therefore ask how far economic activities contribute to generation and quality of life. In the social teaching of the church insights of eco-feminism need to enter substantially.
11. In Asia, the sense of community is strong, especially among indigenous peoples. It is opposed to competitive egoism. We stress the relational aspect of our humanity. Solidarity stressed by the present Pope is a demand of our human relationality (cf S.R.S.39, 40). We believe that to be human is to be interhuman. Interhumanness flowers into solidarity. We also speak of our inter-dependence. We consider healthy, liberating and humanizing relationality as harmony, as *shalom*. Economic activity and development can become human only in the context of community, solidarity, harmony and interdependence. These values belong to an ethic of Justice and the common good. Humanized development belongs here.

### **Interreligious Perspective**

12. Economic question involves fundamental ethical and religious perspectives. Pope John Paul II is confident that even people who

have no religion will contribute to the ethical foundation. Also different religions can contribute to building a society worthy of human persons. In Asian theology of liberation, there is genuine and serious search to recover the liberative values and meanings present in the foundational experiences of religions and their prophets and sages. (cf. **Liberation Theologies of Asia** by M. Amaladoss). They need to be taken into account.

13. Market economy survives on consumerism, competition, individualism and "having more" whereas Christianity (Lk 12) and Asian religions stress "being more." In the N.T., *epithumeia* (covetousness or greed) and in Buddhism greed or desire is the source of all evil and suffering. Real beatitude is non-greed (Peieris). Liberation (*nirvana*) includes removal of possessiveness (*lobha*), hatred (*dosa*) and mental confusion (*moha*). In Buddhist tradition, selfless giving (*alobha*) forgiving love (*adosa*) and discerning wisdom (*amoha*) (cf. Pieris, pp. 47-48) are important spiritual sources to counteract the forces of greed for profit, competitiveness individualism, etc. It is also an ethic of sharing and mutuality. Buddhadasa calls it dharmic socialism (cf. M. Amaladoss). It is an ethic of being-counterculture to acquisitive impulse, possessiveness and "having more" ethos of consumerism.

### **Critique of Capitalism**

14. Market economy is capitalist. It is constructed primarily on the motive of profit or profitable returns including accumulation of capital. Economic progress is measured by this motive. Competition is the supreme law of economics. In the globalization of market economy, competition for markets and between markets is the rule, and it considers private ownership of the means of production as an absolute right without social obligation (G. et Spes 69; P.P. 22; SRS 42). This is unchecked neo-liberal market economy. It is being imposed globally. It leads to dictatorship which Pius XI denounces as producing "the international imperialism of money" (cf. P.P. 26). Today the international capital through Foreign Direct Investment (FDI) in the countries of the South becomes a speculated capital controlling and keeping the economies precarious with the threat of withdrawal on account of speculative trends. Today it

can be called "international imperialism of speculative capital (cf. P.P. 26). In this process, the multilateral financial institutions of IMF, WB. etc. actually serve profit maximization and capital accumulation for the North which itself brings an imperialism of control and dominance.

Paul VI affirms the need to avoid the risk of increasing still more the wealth of the rich and the domination of the strong "whilst leaving the poor in their misery and adding to the servitude of the oppressed" (P.P. 33).

In this connection P.P. makes an important linkage between wealth and domination of the strong resulting in the misery and servitudes of the poor. Both are connected. I am reminded of an observation of Julius Nyrere. The division in the world is not just division into the affluent and the poor. The division is a power division. That is to say the rich nations have power over poor nations verifying the phenomenon of "international imperialism of money" (P.P. 26, Pius XI in Q.A.) and neo-colonial imperialism in the world of global market economy (P.P. 52; Pope Paul VI refers to the neo-colonial imperialism in the world of global market economy, economic suzerainty and dominance).

15. P.P. (no. 33) states clearly that "individual initiative alone" (cf. the individualism of free enterprise) "and the mere free play of competition" dominating the market of goods generating consumerism for the affluent and the middle-class and the financial market of speculative capital crippling local lending agencies and banks on whom depend the local industries and labour associated with it "can never assure successful development."
16. IMF, World Bank and WTO are human institutions and actors behind the present world economic order. Hence they have to come under a social audit in a democratic and participatory society to ensure that they remain human, moral and responsible, i.e. they serve justice and the common good. This would demand transparency and participatory process in their decision-making structures and responsibility to assess, evaluate and reorient policies and change direction of these

institutions, especially regarding the impact of their policies on the poor, labour and environment (cf. **Resurgence: Open letter to IMF**). This is all the more necessary when for instance the conditionalities set by IMF for lending money to developing countries are heavily influenced by the countries of the North leading to negotiations on unequal terms. It traps countries in debt bondage.

All these institutions are accountable to the human community for equity in transactions and trade relations, just and proportionate support to poor economies, and the nature of their policies and directives by which they operate, all of which demand regular assessment according to criteria of social justice and the common good. The burden of the social teaching of the Church is that all economy and its institutions serve social justice and the common good (R.H. 17.3). That this may be effective, there is need for democratic governance, participatory action of people, esp., the workers, the poor, social movements, committed NGO's and their network of solidarity.

17. Financial activity in relation to capital in economic growth and progress is also a human activity. It should serve human person, justice and the common good. In this connection John Paul II has stated a very fundamental principle regarding capital in relation to labour in his encyclical **Laborem Exercens**) namely, "priority of labour over capital" (cf. L.E. no. 13.4; 15). Human labour is not a commodity or a means to be bought and traded on as capital and material goods are. L.E. states: "labour is inseparable from capital" (no.15). It means finance and capital like all other economic activity are to be guided by the value of justice and the common good and serve human persons, communities, esp. the poor. In P.P. (34) Paul VI says that "economics and technology have no meaning except from man whom they should serve." Economic growth is very much linked to social progress.

### **Centesimus Annus and Market Economy**

18. In the aftermath of the collapse of East Europe and Soviet Union, C.A. does not seem to have probed into the depth of the global market economy in a divided world. Even here the Pope makes a few critical remarks on the economic order a la market

economy: absence of stability of government, corruption of public officials, improper sources of riches for growing rich, easy profits from illegal or purely speculative activities (speculative capital) will be main obstacles to development and to the economic order (we should say just and humane economic order). C.A. points out that the State has to guarantee the security of the above things. One may think that the Pope is soft on market economy. After a decade of market economy, a number of criticisms of the above points of the Pope have been made. Yet in no.48 the Pope states an important point which if well-understood and well-articulated can provide basic correctives to market economy in relation to justice. He says that "the task of the state is that of overseeing and directing the exercise of human rights in the economic order." The interventions of the State are always to be focused on the common good. Regulation, not deregulation, according to the common good rests on the State. This will question a fundamental imperative of globalization, namely deregulation by the State.

In No.58 of C.A., the Pope says that in the context of globalization, the economy should be overseen and directed towards the common good. In the context of today's experience of globalization of market economy, we can ask if the common good (which is social justice including option for the excluded and the marginalised) is really served. Offering aid or grant doesn't touch the structural aspect of market economy. In the light of this the role of the State as an agent of deregulation for the benefit of the market economy must be resisted.

### **Resistance to TNA**

19. We say 'no' to "There is No Alternative Syndrome" (TNA) in relation to globalization. We have seen emergence of alternative ways of being and living together, in community and in solidarity in just and peaceful ways among subaltern groups, peoples movements, NGOs, strengthening ways of participatory democracy and solidarity. There is no ready-made blue-print of a new alternative. Definitely our faith, the social teaching understood dynamically esp. that which comes from

below, from the local churches and from subaltern groups, people's movements, committed action of NGOs, insights coming from indigenous peoples, cultures and religions of Asian peoples, all these do provide value indicators. They can help us towards a social audit of globalization with a view to humanization. They can help towards promotion of just, participatory, democratic ways in the economic realm of trade, business, industry, money transactions, lending and borrowing, aid and grants, etc. They can also help tame the market forces and call to accountability its main dominant actors. They can call us to new life-styles, spirituality of sharing, solidarity, generosity and sacrifice. Thus they can gradually subvert the ways of mammon dominant in the market economy including the financial markets.

20. The alternative of generative and regenerative paradigm of life for development (cf. Kappen):

In modern society, development is based on the predominance of production, efficiency, profit, techno-view of nature with concomitant result of homogenised development model and culture. Recent nuclear bomb tests in India and Pakistan belong to the dominant male bully paradigm with total insentivity to life and its sustainability. Nuclear weaponization for mass destruction of life, devouring big money and proclaimed arrogantly as the power of a nation — a huge falsehood concealing the poor millions in both the countries is an apostasy of human development.

21. The big challenge is a paradigm shift to an alternative mode of perception, interpretation and culture of humanity, a new paradigm of human life, community and progress which aligns itself with processes in which generation and regeneration of life and its sustainability are the guiding perspectives. The pre-dominant male paradigm focuses on production subjected to the dominance of mechanistic processes with no sensitivity to the generative and regenerative paradigm of the feminine. In the latter, there is concern not only for generation of life but also for its nurture, its sustenance and growth. The generative and regenerative paradigm of the feminine provides a perspective to the re-orientation of human development.

22. We need a paradigm shift. We are in search of an alternative approach and counter culture in the present context of globalization which has also brought about the present crisis in developing countries. The elements of this alternative are not available in a computerised data-base, but in the processes of generation and regeneration of life in nature and in humans, in the wisdom, cultures of subaltern groups, indigenous peoples and the poor and in people who are involved in daily struggle for life and survival. When we reflect on how to respond to globalization, we realise the need for a paradigm shift, alternatives and counter-culture in the sense of prophetic innovations, initiatives in the light of the Gospel and of the Social Teaching of the Church, and of globalization from below, from the standpoint of the poor, subaltern groups for the promotion of justice and the common good. The latter points to *sarvodaya* through *antyyodaya*.

Globalization from below calls for structural transformation, not structural adjustment programme (SAP). The Holy Father speaks of "globalization without marginalization" and "globalization in solidarity" (Peace Day Message, Jan 1998). If this is to be realised, the present globalisation needs to go through structural transformation. A reformist approach which can accommodate SAP will not do because the main agencies and actors of globalisation of market economy are the powerful economies of the North and the multilateral institutions for finance and trade regulations dominated and controlled by them. Globalization without marginalization demands that it be globalization from below in an inclusive sense. It means the standpoint of the poor, their dignity and their participation play decisive role in globalization so that it is globalization in solidarity with all and of all. We need to work for globalization of solidarity, not only in solidarity.

23. In chapter 6 of C.A. the Pope says the social message of the Church is the source of her preferential option for the poor" (C.A. 57). Love for others, esp. the poor "is made concrete in the promotion of justice" (C.A. 57). Its goal is to empower the excluded to enter into human development. For the same purpose the Pope calls for the change of "the established

structures of power which govern societies" (no.58). It is a significant statement on the part of the Pope. All this will modify what the Pope says in Ch.5 of C.A. on market economy.

Dignity of the human person is at the centre of the social message of the Bible, and the social order (hence economic order) should be "free of oppression and be based on a spirit of cooperation and solidarity (C.A. 61). Finally the way of the human person is the way of the Church (C.A. 62; cf. also *Redemptor Hominis*, n. 14).

### **Concluding remark**

The future of humankind does not hang ultimately on market economy but on humankind's need to be human. We have no other future to choose except the option to be human and inter-human, a civilization of solidarity. Such civilization can come from below, from the solidarity of the marginalised, the excluded, the *minjung* of every country when they become active participant subjects in economic, political and civil life of society and responsible agents of humanised development.