

## GLOBALIZATION AND THE COMMON HUMANITY: ETHICAL AND INSTITUTIONAL CONCERNS

MINA M. RAMIREZ

This Report tries to present a synthesis (without entering into the technical aspects) of the phenomenon of globalization, underscoring the negative and the positive aspects as well as the Challenges of Globalization gleaned from the topical discussions of this assembly with special reference to the most affected – the monetarily poor of the world.

### *The Approach to Globalization*

The objective of the assembly is to highlight the findings of Social Science with regard to Globalization offering these to the Catholic Church for the development of her Christian Social Teachings (President E. Malinvaud).

The approach should be balanced, avoiding two extreme attitudes: 1) to resist globalization without understanding its nuances, and/or 2) to subtly reduce it to one of its many aspects. As an Academy, the PASS wishes to contribute to the Church the positive and negative implications for developing countries of Globalization through the analysis and critique of its underlying values and ethics. PASS at this stage is not looking for unanimity. It is rather challenging one's certainty and bringing out ideas in its plurality. (Prof. L. Sabourin). A great task, it nevertheless is watching for converging points.

Rev. Fr. Prof. Johannes Schasching, S.J. brought to light the historical evolution of *Christian Social Teachings (CSTs)*, the Church's actual point of view and latest development in relation to her all inclusive nature, addressing herself not only to the hierarchy of the Church, but also to other churches, all religions and all women and men of goodwill. By so doing, Fr. Prof.

Schasching set the line which the thinking of the members of the Assembly could pursue given the information and knowledge by outside experts and commentators on the topic being investigated.

*Central Points of View of CST's latest development*

1. Globalization is not just a plan to be discussed but an opportunity for international agencies to effectively realize the common good.

2. To achieve the above, international organizations should give sufficient assistance to countries needing support for their development.

3. CST views Globalization as an instrument to promote the well being of humankind by working out the equitable distribution of material good.

4. Free international market does not guarantee the common good. Thus the market is in need of rules and the Law from institutions on national and global levels. The reality is that even if big economic powers agree to contribute to the common good, these powers can be vulnerable to political pressure and vice-versa, politics could be subjected to merely economic goals.

5. Markets are to be safeguarded not only by economic but also by social policy.

6. The principle of subsidiarity should be observed in the collaboration of ethical social forces of society to work for the common good with particular attention to the role developing countries can contribute to it.

7. CST requires economic and political measures based on ethical principles and motivation therefore infusing a new economic spirit in life.

8. Important is *to globalize ethical forces*, to bridge the gap between the rich and the poor, to create intergenerational solidarity in relation to preserving nature and sustain a balanced ecology.

9. The main preoccupations are the following:

1.1 The benefits of globalization reaches only a small part of humankind.

1.2 Tension exists with the domination of big countries over smaller and weaker ones.

1.3 Globalization undermines cultural identity of smaller nations.

1.4 Globalization is viewed in a limited way and not seen as a multidimensional reality.

1.5 Society and State are being controlled by financial markets and speculation.

The Church offers her collaboration without imposing its views. She,

however, needs to be in touch with human problems. The positive sign is the rapprochement between East and West. Both enter a period worldwide and together could search for a moral framework and more importantly a motivation to transform persons, families, communities and society.

### *The Topics of Discussion*

To assess the reality of globalization outside experts have been invited to address the following topics with two or three commentators on each topic and an exchange of ideas among the academicians:

1. Globalization and Ethical Approaches by Prof. David Crocker.
2. Globalization and Human Development: Ethical Approaches by Dr. Zephirin Diabré.
3. The Global Economy: Emerging Forms of (Inter)Dependence by Prof. Paul Dembinski.
4. The Impact of Globalization on Poverty and Cultural Identities by Prof. Pedro Morandé.
5. Globalization and Institutional Change: a Development Perspective by Prof. Stephany Griffith-Jones.
6. The Impact of Global Financial Flows on Developing Countries by Prof. Jorge Braga de Macedo.
7. Globalization and the Church's New Challenges by S.E.R. Mons. Josef Homeyer.

### *The Ethical Approaches*

It is a consensus of the Academy that one needs an ethical framework in order to shape globalization in the positive direction such that human dignity will be respected, cultural identity will be nurtured, and human rights protected and defended. The paper of Prof. David Crocker is a resource material for ethical principles which should underlie any decision and activity that aims to bring about authentic human development of people and social transformation.

On this topic, Prof. David A. Crocker, highlighted since the 1940s the moral assessment of the theory and practice of development identifying the theorists from Gandhi (1940) Gunnar Myrdal (1960s), Denis Goulet (1971) to Amartya Sen and Nussbaum and Glover (1995) with special focus on the reality of the poor especially in the developing world. Among the many questions being posed starting from a question of the concept

of 'development' itself, significant in the context of globalization implying the 'gap between the rich and the poor' are: 'Who should bring about development – a nation, government, civil society or the market? What role – if any – should more affluent states, international institutions, and nongovernmental associations and individuals have in the self-development of poor countries?'

Amidst the suffering, misery and deprivation experienced in the world, it is a hopeful sign that indeed the 'globalization of ethical forces', i.e. scientists and/or 'wisdom keepers' like Gandhi in different parts of the world, albeit still few in number, reflecting on ethical dimensions – becomes possible. These scientists/wisdom keepers believe that their enterprise should be international. From many nations including poor ones, they are seeking to forge an international consensus. They emphasize a commitment to alleviating worldwide deprivation. While instituting certain development principles and procedures deemed relevant for a poor country, there is a call for sensitivity to the specific country's historical, cultural and social context.

Despite certain agreements with regard to Ethics of Development – that takes into consideration both the quantitative ('having' – satisfaction of physical needs) and qualitative ('being', deeper meaning in life) – specific controversies need to be resolved in this age of globalization, such as: '1) socio-economic model from the North perceived as imposition on the South, 2) specific issues to be addressed: international trade, capital flows, migration, environmental pacts, military intervention and responses to human rights violations committed by prior regimes 3) link between military intervention, and that of international institutions to absolute or relative poverty; and 4) the importance of the ecological issue'.

A continuum has been drawn in relation to development ethics – on the one end 'there is more commitment to the values of individual choice, tolerance of differences, and public deliberation about societal ends and means; and, at the other end, more normative guidance about the good human life but less room for individual and social choice'.

The Church as an expert of humanity will likely accept the empowerment principle articulated by Amartya Sen:

With adequate social opportunities, individuals can effectively shape their own destiny and help each other. They need not be seen primarily as passive recipients of the benefits of cunning development programs. There is indeed a rationale for recognizing the positive role of free and sustainable agency – and even of constructive impatience (Sen, A., [1999] *Development as Freedom*, New York: Knopf, p. 11, cited in Prof. Crocker's paper).

The foregoing process which is balanced in relation to both rich and poor will each have its role in bringing about transformational change both personal and social.

*The converging point with the Church in the context of globalization is the ethical view and criterion for evaluating 'development' work – respect for the human and divine dignity of person and integrity of creation, the ultimate 'why' of a commitment to promoting the well-being of all, and not just a few. However, the empirical reality brings out the truth of experience of the gap between the rich and the poor. Hence, a call to all women and men of good will to find out the nature of the gap and to strive to close the gap through a facilitation of 'self-development' or 'self-empowerment', drawing out the best of the inner-giftedness of the person. The more apt term for this undertaking according to Prof. Crocker is not 'development' but 'social transformation' (sociology) 'self-actualization' (Psychology), and in theological language, 'conversion'.*

#### *The Phenomenon of Globalization*

1. The phenomenon of globalization has not started only at the end of the 20th century. As treated by almost all speakers and commentators, globalization has historical antecedents which could be traced at least 500 years back in the period of colonialisation, expanding territories and trade. The qualitative change in trade between then and now is the free flow not only of goods and services but also of financial capital which due to the communication technology makes possible instant transfer of information as well as decisions affecting networks of people and businesses across the world. Thus a financial crisis in one country can produce a domino effect worldwide.

2. Globalization is a complex multi-faceted reality. Well put by Prof. Paul Dembinski, globalization has been driven by 'technological progress; supremacy of the ethos of efficiency; and 'open society' and free market ideology' leading to the unlimited expansion of economic activity. The volume of trade in money is very much more than trade in goods and services. Together with the World Trade Organization are the main key players of Globalization which are the transnational business corporations or the 'Very Big Enterprises (VBEs)'. By the fact that they master markets, have a command of technology, and maintain an access to finance makes other smaller enterprises dependent on them.

3. Expressed by experts are hopes that Globalization holds a vast potential for the growth of the economy in developing countries. However, fig-

ures and facts especially of the UNDP Report 1999 presented by Dr. Zephirin Diabré show that there is a trend for a widening gap between the rich and the poor among countries and between countries and an increase in insecurities and vulnerabilities of people in these countries. Moreover, there is a tendency for homogenization of culture. Highlighted by Prof. Pedro Morandé in the area of homogenization is a bridging of distance in the processing of information between person and the machine and by virtue of rapid processing of information, social life is organized in 'real time'. Instant communication becomes possible causing tensions (due to simultaneity of processing of thought and decision-making) in intergenerational dialogue. Homogenization expresses itself in the difficulty of governing bodies to legalize new facts not proceeding from them thus tending to resign themselves to 'consequentialists', with the effect of losing trust in historical tradition and national culture. In the realm of education, there is also the tendency due to the global concern for economic profit to do away with 'classical education' in favor of highly prestigious technical disciplines while technology offers new possibilities for understanding complexity and human possibilities to adapt to social changes. While the phenomenon of cultural homogenization is taking place, there is a way for culture to assert itself in different situations leading paradoxically to both homogenization and 'heterogenization' (Prof. Margaret Archer). It is, however, important in my opinion that people are trained to be reflexive and discern which of their cultural elements should be incorporated in the new situations fully conscious of life-values in their culture which will need to be tapped or harnessed for authentic development, inculturation or transformation.

4. That the capital inflows do not make a difference in the growth of a great number of countries is attributed to the lack of fulfillment of requirements for globalization to be successful. Cited by the UNDP report are the following preconditions for globalization to work: comprehensive plans to attract long term investments. "These plans should include a stable political climate, an educated labor force, active technological policies and clear priorities on what sectors foreign direct investment should go to and incentives for domestic firms, and control of speculative movements of short-term capital" (Dr. Diabré). But above all, a most important pre-condition for globalization to work is good governance (Professors Diabré, Braga de Macedo & Griffith-Jones).

5. Good governance is important to alleviate poverty. And corruption is the biggest factor that hinders good governance. It is also governance according to Prof. Jorge Braga de Macedo that promotes institutional

reforms. It has been found out in a study of OECD that corruption spells 'bad' governance and is associated with unsuccessful Globalization: 'Countries perceived to be more corrupt are less open to imports, have a lower degree of integration in the international financial market, but do not necessarily seem to have a less liberal trade policy, at least according to the particular trade policy index used' (Prof. Braga de Macedo). This finding while not implying a causal link between successful globalization and corruption, was debated upon. Academicians from developing countries made explicit their own assessment of the variables involved in the link between corruption and globalization. Professor Paulus Zulu in his commentary expounds on the equally complex phenomenon of lack of good governance (not to be attributed mainly to corruption) in developing countries. That governments in developing countries do not represent interests and divergent views of a people was expounded. In the same vein, regional organizations do not truly represent the interests of the great majority with Africa as a case in point. The complexity of the phenomenon of corruption as main indicator of bad governance was elaborated further by Prof. Juan Llach. His paper threw light on a seeming circuitous way of reasoning largely from the side of 'big business'. Despite the empirical evidence presented by the study of Prof. Braga de Macedo, there are many variables that have not been touched as causing unsuccessful globalization seen from the point of view of developing countries: These are: 1) Agricultural protectionism and subsidies on the part of the developed world, 2) Limitations to the free movement of people, 3) Global warming, and 4) Barriers to knowledge access. There seems to be a need of a more holistic analysis from two perspectives – the side of the 'developed' countries and those of the 'developing and underdeveloped' countries to resolve the issue of globalization and the well-being of peoples.

6. Prof. Stephany Griffith-Jones argues for more support for the concerns of developing countries with regard to Globalization. She is of the opinion that international financial intermediaries could create a new financial architecture for their benefit. She has informed the assembly that standards in the area of transparency are being pressed upon developing countries to improve information for markets without equal corresponding obligations however for disclosure by financial institutions. While Prof. Hans Tietmeyer likewise agrees to requiring transparency of operations and moderate supervision of financial institutions, he warns those who are advocating to set up the IMF-Contingency Credit Lines (CCL) to developing countries. According to him, this can be quite problematic. He believes that

'any country seeking to avail itself of such a facility signals to the markets that it is susceptible to crises, and may well therefore do itself harm'. He calls on developing countries to realize the importance of unambiguous and updated information. For crisis prevention and crisis management, according to Prof. Griffith-Jones, there are moves to introduce some standards for developing countries to observe; and also a move to make representatives from developing countries to participate in the deliberations regarding regulations. This is endorsed by Commentator Prof. Kenneth J. Arrow as long as participants of developing countries really represent the interests of the people. The paper of Prof. Griffith underscores the move to focus on low-income countries instead of just concentrating on middle-income countries.

#### *Challenges from the Commentators*

1) An appeal to an understanding of globalization from the point of view of a heightened consciousness and reflection on collective past historical experiences: the unfolding consciousness of the human person of others in other lands (colonial period), deepening of connection with others of a political and legal nature that shifted relationship from force to negotiation. From a consciousness of remoteness, there is a simultaneity of space and time through Internet (Prof. René Rémond; Prof. Morandé); a greater consciousness of different people of difference and values attached to differences, the consciousness of the 'first world' as against the 'third world' and the role of the former to the latter in a spirit of 'solidarity' leading eventually to a radical form of liberalism as demonstrated in Seattle. There is thus the evolvment of Ethics of Development calling for Challenges and defining meaning that the person is determining his/her history. To this phenomenon, John Paul II appeals to the idea of humankind as optimistic in assigning meaning to events (Prof. Rémond).

2) The need for many more evaluators and reflectors in Asia (and in the world at large) – of the phenomenon of 'colonialism', and the growing consciousness of the peoples of Southeast Asia of having been manipulated by 'developed' societies, with an appeal to a development ethics that fosters nationalism which is humanizing and creating a responsible civilizing movement in the world (Prof. Wilfrido Villacorta).

3) An appeal to a discernment – a type of assessment from the standpoint of the poor on their realities – wages, employment of women and men, structural adjustment – social justice as major concern, a call for



more simple lifestyle and the culture of human welfare (Prof. Sergio Bernal Restrepo).

4) The call for graduate education from where political leaders and other leaders are coming from to be a catalyst in society, assisting all sectoral leaders of Civil Society to have a comprehensive understanding of the situation, reflect and act on it in order to develop a theory of social transformatory praxis; they need to have a spirituality of caring, solidarity, and compassion, a call for bringing together the energies of peoples' gifts of minds and hearts (Prof. Mina Ramirez, Prof. Taketoshi, Nojiri). This may be perhaps the meaning of authentic 'intellectualism' (Prof. Ann Glendon) in service of the mission of total salvation of the world by us who make up the Church.

5) The urgency on the part of Catholics in the world to proclaim His Holiness, Pope John Paul II's World Day of Peace Message (2000) to give 'a soul, meaning and direction' to Globalization, 'with a view to enabling humanity to become one single family, built on the values of justice, equity and solidarity'. Solidarity is to be understood by Christians as 'overcoming sources of division' wrought by personal and structural sins (Prof. Glendon).

6) Attention to experts from the first world to get grounded in the reality of the developing country for they may still not realize the 'logic' of the 'deficient' attitudes and behavior in developing countries (suggested by commentaries of Llach, Zulu, McNally, Restrepo). On the other hand, it is important that persons in the 'first', 'second' and 'third' worlds do not just become the victims of economic globalization. In and through faith, they are not to be victims of their suffering, but in the words of the Church, they 'will take up the cross' and work for a continual rebirthing towards the triumph and joy of the resurrection.

7) Take note of non-market economies in developing countries where there is an unwritten sustained contract and social norms revolving around credit, labor, insurance, use of grazing lands and forestry. It is important to study whether the social norms of indigenous communities are benign to all – to chieftains as well as to women and children (Prof. Partha S. Dasgupta).

8) A gentle persuasion for experts to immerse themselves in the concrete lives of the poor in the developing world. Information from such contact gives a qualitative basis for micro or macro policy (suggested by commentaries from Prof. Jerzy G. Zubrzycki, Hon. Justice Nicholas J. McNally, Prof. Ramirez).