



RESOLUTION ON **JUST**  
**GLOBALIZATION**  
JUSTICE, OWNERSHIP, AND ACCOUNTABILITY



Approved by the 217th General Assembly  
of the Presbyterian Church (U.S.A.)



**2006**

## **RESOLUTION ON JUST GLOBALIZATION**

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Approved by the 217th General Assembly (2006)  
Presbyterian Church (U.S.A.)

Developed by  
**The Advisory Committee on Social Witness Policy  
of the General Assembly Council**

Published by  
**The Office of the General Assembly**  
100 Witherspoon Street  
Louisville, KY 40202-1396



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Printed in the United States of America  
Cover design by the Advisory Committee on Social Witness Policy (ACSWP)

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## ***Resolution on Just Globalization: Justice, Ownership, and Accountability***

### **RECOMMENDATIONS**

Globalization and international trade are realities of today's world. In this report, globalization is defined as the process by which people, nations, and economies throughout the world become ever more connected and integrated. Although often driven by economics, globalization includes spiritual, cultural, political, and human welfare dimensions. This report and the recommendations are to provide ethical insight for individual Christians and a set of responses for churches and the larger church through its agencies.

As Christians, we understand that what happens to people in the process of being "integrated" is a key criterion by which globalization must be measured. We seek a kind of globalization that reflects justice, community, and the sustainability of creation. Thus we approve measures to (A) strengthen our own discipleship in an international context, and support measures by the community of nations and our own government that will (B) improve international governance, (C) manage technology for the common good, (D) support fair exchange in trade policy, (E) make development assistance more effective, (F) protect workers and vulnerable groups, and (G) encourage congregational, governing body, and missional responses.

From this perspective, the Advisory Committee on Social Witness Policy (ACSWP) submits this report to the 217th General Assembly (2006) and recommends that the assembly approve the report, "Resolution on Just Globalization: Justice, Ownership and Accountability," for study and with it the following recommendations:

**A. In order to join Presbyterian congregations with Reformed and ecumenical Christians worldwide:**

- 1. Receive in fellowship the paper, "Covenanting for Justice in the Economy of the Earth" of the World Alliance of Reformed Churches (WARC) and the "Alternative Globalization Addressing Peoples and Earth" (AGAPE) paper of the World Council of Churches (WCC) as a way to help members of the Presbyterian Church (U.S.A.) understand how other Christians see us and how we may participate in common works of justice and compassion.**
- 2. Direct the Stated Clerk to publish this report in its entirety on the PC(USA) website, making available a copy for each presbytery, synod, and requesting session, and further notifying the church of its availability online.**
- 3. Direct the Office of the Stated Clerk to transmit this document to our ecumenical partners and appropriate interfaith bodies and to pursue with them a continuing process of dialogue and action on ways to encourage forms of globalization that contribute to justice, peace, and the sustainability of creation.**
- 4. Direct ACSWP to prepare an accompanying study guide, which would include diverse responses on the issues presented in the paper.**

**B. In order to support improved governance in a shared world, through the Office of the General Assembly, the United Nations Office, and other appropriate PC(USA) agencies:**

- 1. Call upon the governments of the G8 countries (the summit group of those with the largest economies) to initiate in all official international trade and development organizations a process by which greater participation in decision-making will be extended to less-developed countries, through adjustments in proportional representation in voting and other measures.**
- 2. Reaffirm the Presbyterian Church (U.S.A.)'s commitment to the rule of international law and objectively high standards for health and safety, security with justice, and environmental protection, specifically by urging the United States Congress and the President to:**
  - a. re-engage the Kyoto Protocol on Greenhouse Gas Emissions as a significant step in protecting the environment and moving towards sustainable development by measuring and reducing carbon dioxide, methane, and other greenhouse gas emissions of the United States, the world's top emissions producer;**
  - b. support international regulation designed to protect native peoples from cultural and resource exploitation by transnational interests and to protect shared international resources from misappropriation by private interests;**
  - c. sign and implement the U.N. Convention for the Elimination of All Forms of Discrimination Against Women (CEDAW) treaty;**
  - d. lead international efforts to establish a small tax on international capital transactions (the so-called Tobin Tax) as a way to discourage currency speculation and stabilize global financial systems; and**
  - e. cooperate more closely with other countries and international organizations in creating guidelines and mechanisms to help balance appropriately the interests of transnational corporations and of host or trading nations with weakened internal governance structures.**
- 3. Call upon the Stated Clerk to support a role for U.S. courts as an important venue to seek enforcement of international law and human rights in cases involving transnational corporations.**

**C. In order to manage technology for the common good, through the offices of the Stated Clerk, the Washington and U.N. Offices, and other appropriate agencies:**

- 1. Concerning Public Domain Intellectual Property:**
  - a. Call upon the United States government and transnational corporations to cooperate internationally to ensure that a much larger portion of medical research and development funds be devoted to diseases prevalent in less-developed countries and that resulting drugs and treatments be made available to even the poorest persons. The United States should refrain from dissuading other countries from producing drugs needed to fight HIV-AIDS or other epidemics.**
  - b. Support the concept of "public domain intellectual property" through legal research, conferences, and corporate social responsibility efforts by**



church agencies and advocate similar development of appropriate legislation by Congress, the Executive Branch, and the United Nations; such legislation to protect donations of shareware, open source technology, and other intellectual products for use by disadvantaged peoples and nations.

**2. Concerning Agricultural Technology**

- a. Call upon governments, including our own, to enforce restraints on commercial activity in genetically modified foods until these crops are certified as safe by appropriate international, science-based organizations and in the United States, to include such “GM” food products under the Food and Drug Administration’s jurisdiction for testing and approval.
- b. Call upon governments, including our own, to ban the development and marketing of “terminator seeds” because of the genetic and economic risk they entail for the food production system and the livelihoods of farmers.

**3. Concerning the Internet:**

Direct the Stated Clerk to call upon the Internet Corporation for Assigned Names and Numbers (ICANN) of the United States Department of Commerce to continue its work in increased cooperation with other countries under the aegis of the United Nations.

**D. In Order to Support Fair Exchange in International Trade:**

1. Call upon the United States and other developed country governments to abandon the use of tariffs and other trade barriers that favor the exports of advanced economies and discriminate against those of poor countries, and to participate in systematic debt relief for poorer nations without requiring massive privatization and other export-platform policies, while seeking to prevent the accumulation of crushing debt by repressive governments.
2. Reaffirm the request of the 215th General Assembly (2003) for the Advisory Committee on Social Witness Policy to continue the monitoring of trade agreements and support for efforts that strive toward international cooperation on fair trade, respect for diversity and common concerns for a peaceful, just, and sustainable world.

**E. In support of more effective and substantial development assistance, noting that President George W. Bush offered U. S. support for the eight Millennium Goals for development of the United Nations, September 14, 2005, (see Appendix C, p. 52, and [www.millenniumcampaign.org](http://www.millenniumcampaign.org));**

1. Urge the U.S. Administration and Congress to commit to full support of the call for developed countries to provide annually seven-tenths of 1 percent (.7 percent) of gross domestic product in economic assistance to less developed countries rather than its current 0.16 percent of gross national product (well below that of all other developed nations), and to appropriate annually such funds beginning by Fiscal Year 2008, without requiring that these aid funds be used to purchase U.S. products (de facto subsidies to U.S. producers).

- 2. Reaffirm the General Assembly's 1996 policy encouraging "governmental, nongovernmental, and multilateral development assistance agencies, together with the governments of developing countries, to give high priority to extending and improving educational programs and systems ... such as literacy programs; schools and facilities at all levels; extension programs in sustainable agriculture; training in technologies for energy efficiency, resource conservation, and environmental protection; and adequate preparation and compensation for teachers, specialists, and community-based trainers" (*Hope for a Global Future*, p. 111, Resolution 5).**

**F. In order to protect workers and financial systems at home and abroad, again through the appropriate agencies of the church:**

- 1. Urge United States government agencies and authorities to increase the minimum wage toward a living wage and enforce minimum wage laws, worker safety regulations, and rights of workers to organize and bargain collectively, in accordance with longtime General Assembly support for such measures, and support the inclusion of similar worker safeguards within all of U.S. bilateral and multilateral trade agreements, as is already the case in European Union trade agreements.**
- 2. Urge U.S. agencies and representatives, as well as individuals and congregations, to engage in efforts to end the sinful exploitation of people, especially children and women throughout the world by forced labor, inhumane working conditions, drug trafficking, prostitution, and other forms of involuntary servitude and degradation.**
- 3. Express continuing concern for social inequities in the current U.S. income tax system and support for equity-based reforms, consistent with previous General Assembly policies (1977, etc.).**
- 4. Urge U.S. government agencies and authorities to enforce provisions of the Sarbanes-Oxley accounting standards and to develop additional transparency for offshore financial transactions possibly designed to launder illegitimate enterprise profits and/or exploit tax havens and tax shelters for corporations and individuals of great wealth.**
- 5. Challenge congregations, presbyteries, and synods to:**
  - a. Study this report in conjunction with parallel statements by our ecumenical partners in WARC and WCC (printed elsewhere in assembly materials) as a basis of understanding globalization from a world Christian perspective.**
  - b. Develop study sessions that encourage dialogue among members representing business, labor, and community groups to understand better how globalization impacts their own community and lives.**
  - c. Undertake cross-cultural dialogue within their communities as well as through partnerships arranged by the Worldwide Ministries Division with churches and indigenous groups in other countries, in order to understand other cultures and assist them in their struggle for survival.**

- d. **Prayerfully consider their own lifestyle and consumption patterns and the impact of advertising and consumerism on themselves and their children.**
- e. **Become actively engaged in learning about and supporting fair trade and sweat-free products. Advocate in their communities and businesses for vendor contracts that support fair labor practices from suppliers.**
- f. **Become informed about practices of companies in which they hold stock as well as the practices of the U.S. government that shape globalization, using PC(USA) program materials on Mission Responsibility Through Investment (MRTI) and environmental justice among other resources. Plan worship and pray for a just and sustainable world with enough for everyone.**
- g. **Encourage Presbyterians engaged in global production and trade to utilize codes of business ethics for themselves and their subcontractors that protect workers, the environment and host communities and cultures, working with local nonprofit organizations such as ~~[COVERCO]~~ [the Commission for the Verification of Codes of Conduct (COVERCO)] in Central America to monitor workplace conditions and safety~~[, intentionally looking for partner organizations that uphold human rights principles]~~.**
- h. **Encourage the following [General Assembly committees and] offices and agencies of the General Assembly Council, as resources allow, to be guided by relevant sections of this report in their work:**
  - (1) **The Advocacy Committee~~[s-on]~~ [for] Women's [Concerns,] ~~[and]~~ [the Advocacy Committee for] Racial Ethnic Concerns~~[,]~~ and offices of Justice and Compassion goal area to monitor and advocate against the exploitation of women and children in the work place, unsafe working conditions, drug trafficking and prostitution.**
  - (2) **The Office of the General Assembly, the General Assembly Council, and other agencies of the assembly to review their procurement policies to assure vendor compliance with church policy.**
  - (3) **Worldwide Ministries Division and its Hunger Program continuing to educate Presbyterians on fair trade, Enough for Everyone, sweat-free and fair trade products, and the plight of Christians worldwide.**
  - (4) **Curriculum Development and Presbyterian Publishing Corporation cooperate with ACSWP in the preparation of study and advocacy materials for all ages on the issues of globalization and trade highlighted in this paper.**

## INTRODUCTION

It is the responsibility of the Christian church to be a critical participant in every political and economic system. We are not cheerleaders of any status quo, nor are we believers that every social change is good. We do not believe in globalization; we support a particular kind of globalization that reflects justice, community, and sustainability for all creation. This is the vision, rooted in Christian faith, that we urge members of the Presbyterian Church (U.S.A.) to advocate in every social, economic, and political arena.

Almost everyone now is familiar with the power of the world market system; yet the Christian tradition speaks of the whole earth as God's household—the oikouménē—from the same New Testament Greek word from which we get economics, ecology, and ecumenical. Along with the many wonders of the microchip and instant communication, globalization also brings intensifying economic, technological, educational, and political division among and within countries, including our own United States. Finance capital flows in and out of industries and countries far faster than we can assess the impacts of these shifts; democratic governments can hardly keep up; the diversity of peoples and cultures is threatened; and the spiritual consequences of time pressure and human inequality grow immense.

The biblical vision begins with the picture of one God creating one humanity, and includes God's redeeming work in Christ reconciling across divisions: between us and God, and among human beings. Martin Luther King Jr.'s image of a "world house" was his version of the Bible's vision of a world made new and at peace. We believe that the vision and values of the "world house" are more encompassing than those of the "world market," and we also remember Jesus' warning that "no city or house divided against itself will stand" (Matt.12:25). Hence this study and its recommendations propose ways to overcome the divisions that otherwise mean more economic and environmental vulnerability for generations to come.

The General Assembly's specific assignment was to look at accelerating economic and environmental trends in light of the 1996 policy statement, *Hope for A Global Future*, which anticipated much of what is now commonly called "globalization." The Advisory Committee on Social Witness Policy (ACSWP) appointed a knowledgeable and diverse study team to review past policies, to study recent economic data, and to reflect on the challenges and opportunities they present for Christian faith. Additionally, the General Assembly Committee on Ecumenical Relations asked the advisory committee to help our church respond to statements on globalization produced by the World Alliance of Reformed Churches and the World Council of Churches.

The study team included a program manager in the high tech field, an immigrant director of urban mission programs, two ethicists (one seminary, one college), a senior World Bank human development specialist, an expert in ecumenical theology, the director of an interfaith institute on labor justice, a retired corporate chief executive officer (CEO) who also edited a major business magazine. Support was given by ACSWP staff, with assistance in drafting the document provided by an international development specialist and former missionary (proper names and offices in Appendix B). As is our church's tradition, all but the consultant and staff were volunteers, themselves drafting sections of the study and meeting face-to-face and by conference call five times over an nine-month period. United in faith, these Presbyterians also share broad experience in a globalized world through travel, work, and family connections. Their joint effort in producing this document was also enriched by a range of studies and by previous General Assembly policy statements responding in Christian conscience to various economic, environmental, and political realities.

The theological core of this work is Christian realism about sin, a particular gift of the Reformed tradition to the worldwide Christian community's witness. Because no nation or people or king or pope or company or economic system is without sin, all need accountability. The recipe for this is still in our theological ethos as a church whose polity is rooted in democracy and representation. Democratic accountability is what all power needs, lest it overreach in selfishness or pride. The values of sharing, sufficiency, and sustainability make for a stewardship society more than an ownership society; the image of covenant still reflects both our accountability to God and, by God's grace, the redeeming energy of the Holy Spirit that responds to our needs, giving hope, imagination, new life—and even new institutions.

Globalization describes an all-encompassing and hard-to-define fabric of interconnections. This study understands the term this way:

Globalization is the process by which people, nations, and economies throughout the world become ever more connected and integrated. Although often driven by economics, globalization includes cultural, political, and human welfare dimensions.

In this document, we address globalization's spiritual dimensions from the point of view of our understanding of the scriptural framework of covenantal accountability. We are deeply indebted to the world Christian community, that oikoumene that is both the mystical body of Christ and a fragile international network of churches. We offer our work to be part of the study and action called for in recent statements on global economic issues by both the World Council of Churches and the World Alliance of Reformed Churches. We affirm the spiritual solidarity that we have with ecumenical partners and recommend further study of their documents. (See [Recommendation A.1., p. 1](#))

This work is guided by fourteen principles drawn from *Hope for a Global Future: Toward Just and Sustainable Human Development*, an extensive policy statement by the 208th General Assembly (1996) (see [Appendix A, p. 50](#)). It is also informed by the larger body of General Assembly reflection on economic life. Particularly relevant to our task were: the *Report on the Church and Transnational Corporations* (1982); *Towards A Just, Dynamic and Caring Political Economy* (1985); *God's Work in Our Hands* (1995); *We Are What We Eat* (2002); and a set of research papers by ACSWP, (*The Globalization of Economic Life, The Employment Effects of Free Trade and Globalization, Globalization and the Environment, and Globalization and Culture*); *Debt, Jubilee and Two Thirds World*, edited by Peter Sulyok; *Voices from Korea, USA, and Brazil: The Reformed Faith and the Global Economy*, edited by Jean S. Stoner.

Following recommendations for General Assembly action, this report highlights the profound and dynamic moral challenges of the rising global income gap among and within nations, starting with the United States. Assessing and responding to that reality must begin with understanding a complex, interdependent reality that resists ideological simplification. The paper describes the economic framework of globalization focusing on international trade, investment and finance, contrasting new developments with earlier periods. Particular aspects and challenges of globalization are considered before turning to key proposals for improving the framework and governance of global institutions. The role of the church and individual Christians is lifted up, both near the beginning and at the end, pointing to specific recommendations and acknowledging the perspectives of our international ecumenical partners. This report offers a significant challenge to our members and congregations. Responding to God's call is rarely easy but it is always rewarding. United with our ecumenical partners and people of faith around the world, it is possible to shape globalization in ways that reflect justice, community, and sustainability for all creation.

## RATIONALE

### Theological Prologue on Globalization

The church has no choice but to be concerned about and involved in contemporary issues of globalization if we are to be faithful to our biblical roots and theological traditions. The Bible knows nothing of a spiritual life distinct from earth, history and human relationships. The opening chapters of Genesis portray a unity in all that God has made. The creation is to be tended, protected and nurtured by its human participants who have unique responsibilities because they bear their Creator's image.

Stewardship, therefore, is the starting point of a biblically inspired understanding of economic issues. A globally organized system of production and consumption cannot be embraced apart from the overriding human responsibility for transmitting the creation as God's gift to successive generations.

Nothing is more characteristic of globalization than the need to facilitate exchanges among peoples and nations with formal agreements. That modern reality is prefigured in the Scriptures by the dominant theme of the covenant. Whether between God and humankind or between family members or near strangers, a covenant involved mutual promises, responsibilities, and commitments. God's covenant with Abraham was not to show favoritism for one person, family, or nation; it embodied a promise for all people.

Now the Lord said to Abram, "Go from your country and your kindred and your father's house to the land that I will show you. I will make of you a great nation, and I will bless you, and make your name great, so that you will be a blessing." (Gen. 12:1,2)

Christians see in Jesus the personification of God's intent to break the bounds of nationality, race, ethnicity, and geography, to include all peoples and nations in the covenant of justice. Covenant theology reminds us that while faith is personal it is never merely individual. We are called to the community of faithfulness that is engaged in doing justice and in seeing that justice is done.

The Greek word *oikos* is the common root of our words economy, ecology, and ecumenical and points to the inseparability of God and God's people from the goal of just social and economic relationships among peoples and nations. If we are to have a global community, it must be based on global justice.

. . . God, who made heaven and earth, ... who keeps faith forever; ... executes justice for the oppressed; [and] ... gives food to the hungry. (Ps.146:5-7)

. . . what does the Lord require of you but to do justice, and to love kindness, and to walk humbly with your God? (Micah 6:8)

Economic justice in the human community begins with sufficiency. Biblical faith is not at its heart ascetic. Israel endured the harsh privations of forty years in the desert while forging its understanding of God and community, but the vision was always of a land flowing with milk and honey. Fasting is practiced as a spiritual discipline, but hunger and destitution were never idealized. Poverty was not regarded as a divine blessing but the result of human oppression and unfairness.

Those who oppress the poor insult their Maker, but those who are kind to the needy honor God. The wicked are overthrown by their evil-doing, but the righteous find a refuge in their integrity. (Prov.14:31-32)

Gustavo Gutierrez, John Cardinal O'Hara Professor of Theology at Notre Dame, summarized the biblical tradition's challenge to modernity: "Poverty is an evil, a scandalous condition which in our times has taken on enormous proportions. To eliminate it is to bring closer the movement of seeing God face to face in union with other humans" (*A Theology of Liberation*, Maryknoll: Orbis, 1973, pp.295-96).

On the other hand, there is no biblical encouragement for unrestrained acquisition. That was one lesson of the dramatic account of manna in the wilderness. Everyone was to have enough, but hoarding turned that which was good, putrid. Money, the modern store of value, does not rot, but it can distort life.

Jesus said, "You cannot serve both God and money" (Matt. 6:24 TEV).

Sin separates us from God. In the biblical witness, this is seldom an abstraction. We do not know God face-to-face, by intuition or by our own initiative. God is revealed to us. God's own self-revelation in and through history. Separation from God almost always involves separation from other people, from the community. Growing economic disparity between the world's wealthy few and the impoverished majority is a reality of the present global system. Whether that breach of community is sin or happenstance is a crucial theological question that greatly determines how the church engages the global economic order.

Theologian Reinhold Niebuhr noted that the heart of sin is pride and the lust for power. This will-to-power is the inclination, if not the ability, to insulate oneself from the vicissitudes of life, and ultimately from God, by making all relevant events and persons subject to one's own will. When vast difference in economic power leads to the ability of the few to "play God" with the lives of others, sin has entered in. That, of course, has been and is the tendency of nations as well as individuals.

Thus says the Lord: "For three transgressions of Israel, and for four, I will not revoke the punishment; because they sell the righteous for silver, and the needy for a pair of sandals..." (Amos 2:6)

Sin makes freedom problematic in the social order. Liberation is a persistent theme of the biblical narrative, whether from the bondage of slavery in Egypt or from the powers of sin and death in the New Testament. Biblical freedom is not about rugged individualism or the unrestrained right of consumption and accumulation. It is about life in community where all can be delivered from the social, economic, political, and spiritual powers that keep life from being everything God intends.

The struggle for freedom from economic oppression is a way of life. Rosemary Ruether, a theologian teaching at Garrett Theological Seminary, put it: "Within the bounds of present life, the struggle itself is its own reward. It is in the process of struggle against debased existence, with the attendant demands for moral sensitizing, self-discipline, and constant resetting of one's sights upon the vision of salvation that one is closest to the secret of human life" (*The Radical Kingdom*: New York: Harper & Row, 1972, p. 288).

Those who call today for trade and investment free of controls seek a world that is a far cry from the biblical vision of community that provides hope for a just society encompassing the whole inhabited earth. A global economy of biblical dimensions would be a community of shared values and commitments that transcend geographic, political, ethnic, and cultural divisions.

Thus, the church has never accepted a marketplace stripped of moral considerations. The classic economic model of competing self-interests determining most efficiently the price, quantity and quality of goods was still imbued with "moral sentiments" (Adam Smith). But increasingly there is an insistence by some that markets should also be trusted to make all relevant decisions about what is produced, whose needs are met, and how the benefits and burdens of society are shared. Some of the market's most vigorous advocates thus demand that it be unencumbered political or moral structures and rules.

To imagine a sphere of life from which moral scrutiny is excluded, however, is to abridge God's sovereignty and create an absolute that rivals God. Biblical faith acknowledges no such rival. An unfettered world market is not a biblical vision. The biblical goal is not maximization of the freedom to seek individual benefit, corporate profit, or national advantage in a global society. As Theologian Emil Brunner reminded us:

The primary purpose of economics willed by God is to minister to human needs, service to life. This implies that the economic order is a means and not an end...(I)t is the duty of each individual...and of the community as such, to see to it that the economic order is not allowed to make itself absolute, or to lose its purpose of service to humanity. (*The Divine Imperative*, London: Lutterworth, 1937, p. 402)

The moral test of today's globalizing economy is whether it serves the human enterprise and the larger creation. Undoubtedly, international exchange made life easier, more pleasant and more interesting for those with resources to participate. But huge segments of the world's population do not have such resources. Worse yet, many are further impoverished by the ordinary functioning of the globalizing economy.

That does not necessarily result from mal-intent. The competing demands of a high-consumption society and the constant pressure of stockholders for increased profits in effect

commission business activity that will deliver goods at lower prices, without having to know or divulge the economic, social, and environmental consequences. At the level of theory, capitalism is allowed simply to ignore immediate inequities by positing that unfettered competition will resolve them in the long run.

Biblical faith grants no dispensation for the delay of justice. The Jubilee year of forgiven debts (Lev. 25; Luke 4:18–19) illustrates the principle that no economic arrangement is to be allowed to impoverish permanently; the future must not be made hopeless. In that fiftieth year of Jubilee, when land is to be restored to the dispossessed, and seeks to satisfy the promised trend toward inequality. On this model, every system of exchange must be subject to moral critique and intentional transformation. Periodic corrections are to be made to reestablish economic relationships that restore freedom, opportunity, and hope.

Christian hope is not wishful thinking. Simply positing that all will work out well is not prudent when human welfare and the fate of the earth are at stake. Christian hope is in God and God's purposes, not in unalterable and supposedly automatic systems. Christian hope is about God's preferred future, a vision of life glimpsed in the Bible's final chapter:

[Then he] showed me the river of the water of life . . . On either side of the river, is the tree of life with its twelve kinds of fruit, producing its fruit each month; and the leaves of the tree are for the healing of the nations. (Rev. 22:1,2b)

Abundance and variety, shared in equity and peace, is our global vision. It comes from the One in whom we place our hope. Nothing short of that is acceptable.

In March 2005, the World Council of Churches released a powerful and probing background paper titled "Alternative Globalization Addressing Peoples and Earth." Known widely as "the AGAPE Document," the acronym results in the New Testament word for selfless love. It reminds us that God's unbounded love or grace is ultimately the basis of Christian involvement in economic affairs. In God's love, the beauty and treasure of the earth are given to each generation in trust for God's chosen future. All who share the stewardship, i.e., all 6.5 billion of us, are placed in one another's care. It can truly be said that the Christian economic ethic is one of love not law, yet love is always in danger of becoming the instrument of cheap grace—feeling righteous without doing justice. Thus, we are always goaded by agape, the call to selfless concern, but in global affairs, we must at least as Christians demand well-crafted laws that provide greater fairness as an interim measure, because love never falls short of justice.

When the church addresses economic realities, it does not claim the technical competence of specialized institutions, though it gains insight from members in those organizations. The church as a body can and should, however, engage in an ethical analysis of economic laws, customs, and proposals; denounce morally unacceptable economic outcomes; name the sin that is causing pain; and insist that more fair and humane policies be sought and implemented. That is an authentically biblical task for the community of faith in the economic arena—whether the market is local, national, or global. (Hence, this effort, to analyze the real world, as a part of our faith seeking understanding.)

## **Globalization in Context**

One of the first acts of humankind in the Genesis creation narrative was to name the other creatures that shared the Edenic economy of the garden. There is a power and even stewardship in naming things. Thus, while all economic orders are human and not divine creations, we face similar issues in naming and defining "globalization." Accepting a common name for a dynamic social reality gives an illusion of consensus that does not exist. "Globalization" has become an international catch phrase to sum up the happenings of the decade of the 1990s and a term to launch an outlook for the twenty-first century. It is more an awareness than a movement or a program. Yet, because it clearly points to a major social phenomenon, we understand the term in this way: "Globalization is the process by which people, nations, and economies throughout



the world become ever more connected and integrated. Although often driven by economics, globalization includes cultural, political, and human welfare dimensions.”

That last phrase is significant. When the church reflects upon complex social realities our interest is neither academic nor ideological. Where others may regard globalization as an inescapable force of history or technology, we by faith are called to participate in forming the structures of both the present and the future. What happens to people and communities in the process of being “integrated” is the key criterion by which this, or any, social phenomenon should be judged. One need not be an economic determinist to understand that economic forces drive almost all re-castings of social relationships. What we currently call globalization is no exception. Economic decisions, institutions, and power are paramount in creating and manipulating international flows of information, technology, money, people, and expressions of popular culture. That is nothing new. What is new is the speed with which these decisions and actions reverberate around the world and the consequent immediacy of their impact on human life and behavior. This narrows the gap between cause and effect, thereby reducing humanity’s scope for thoughtful assessment of these matters and increasing the chances of inadequately informed actions as the pace of change accelerates.

The period from 1870 to 1914 was, even by today’s standards, an era of globalization. Harvard historian Niall Ferguson writes,

The mobility of commodities, capital and labor reached record levels; the sea-lanes and telegraphs across the Atlantic had never been busier, as capital and migrants traveled west and raw materials and manufactures traveled east. In relation to output, exports of both merchandise and capital reached volumes not seen again until the 1980s. Total emigration from Europe between 1880 and 1910 was in excess of 25 million. People spoke euphorically of ‘the annihilation of distance....’

The last age of globalization resembled the current one in numerous ways. It was characterized by relatively free trade, limited restrictions on migration, and hardly any regulation of capital flows. Inflation was low. A wave of technological innovation was revolutionizing the communications and energy sectors; the world first discovered the joys of the telephone, the radio, the internal combustion engine, and paved roads. The U.S. economy was the biggest in the world, and the development of its massive internal market had become the principal source of business innovation. China was opening up, raising all kinds of expectations in the West, and Russia was growing rapidly. (Niall Ferguson, “Sinking Globalization,” *Foreign Affairs*, March/April 2005, pp. 64, 66)

Still, we sense that there is something new in contemporary globalization that goes beyond previous expressions of international business, international travel, and international politics. That newness consists of the potential, if not yet the capability, of individuals, organizations, and business entities to engage one another without the cultural constraints of community or the institutional restraints of the state, and with little regard for geography, history, faith, and culture. The ultimate logic of such globalization would transform the world experience from being an interaction of the peoples of 193 countries and perhaps as many cultures, to that of the interaction of six billion plus individuals. It is a dazzling vision fraught with an immense challenge of social reorganization.

What are we as a faith family to make of this challenge? By its nature, the gospel breaks the bonds between faith and nationhood, and instead perceives the whole world as the arena of God’s glory and of human accountability. We, therefore, tend to be internationalist in our outlook and in our hope. On the other hand, our understanding of the biblical vision is that human life cannot be reduced to the sum of individual actions; God calls us to life together, life in community. Does that make us opponents of change and thus enemies of a new age of globalization? Not at all, but it does mean that we insist that globalization, this new way of thinking and acting, as with all previous and present systems, must be measured against our understanding of God’s intent in creation and God’s pursuit of that intent in history.

The advent of globalization is not the first time the Church and the Reformed tradition have faced what seemed a cataclysmic restructuring of societies. When feudalism was in the process of being replaced by an incipient capitalism, the social structures of a thousand years were being

undone. That was the world in which our theological progenitor, John Calvin, lived. He was able to make an uneasy peace with the emerging capitalist order in a way that other reformers were not. The difference lies in Calvin's fundamental, unshakable confidence in the sovereignty of God. Because God is sovereign, Calvin felt no need to defend the old order of feudalism or lament its passing. Because God was sovereign over the emerging order, Calvin could see in it potentially positive values and legitimate opportunities for the exercise of the Christian calling. Peace could be made with market forces, although only a cautious peace.

Calvin's approach to economic life and thought is the principle that no economic system is to be regarded as permanent, absolute, or inevitable. His twenty-first century heirs are not those who insist that laissez-faire principles are above criticism or that a particular kind of globalization is our unalterable future. His true heirs are those who are pragmatic in their insistence that new opportunities and new dilemmas require new approaches to guiding human participation through the chaos of change. But the goal is always the same: to use the economy and all human tools to glorify God through the achievement of God's purpose for all of life and all of creation.

Shortly before he was assassinated, Martin Luther King Jr. called for a global war against the unjust poverty of the world. He asked for a sustained, thoughtful, non-paternalistic program of aid utilizing 2 percent of GNP of the major industrialized nations for ten to twenty years to overcome the poverty that kills. All were interdependent and the poor could be helped without rendering them puppets of the rich. He noted that, "The first step in the world-wide war against poverty is passionate commitment" (*Where Do We Go From Here; Chaos or Community?*, Boston: Beacon Press, 1967, p.178).

That perspective was embraced in 1996 by the 208th General Assembly of the Presbyterian Church (U.S.A.) in its statement, *Hope for a Global Future: Toward a Just and Sustainable Human Development*. It called for just and sustainable human development defined as "the comprehensive enhancement of the quality of life for all, present and future; it necessarily involves the integration of economic, social, political, cultural, ecological, and spiritual dimensions of being" (p.95). Here we focus on a number of current issues of globalization that have economic, social, and political dimensions because it is in such arenas that an authentic biblical and reformed faith must be lived: income gaps within and among nations; international trade, aid, and investment; employment and workplace concerns; migration of peoples; technology and the ownership of information and ideas; the environment; the politics of ruling, governing, and guiding a global economy.

## **The Global Income Gap**

Jesus responded to Satan's temptation to turn stones into bread saying, "You shall not live by bread alone...." What he did not say is that humankind can or should live without bread. It is no mystery that "bread" is a modern English slang term for money. In our world, most people cannot live without it either. Who receives how much is more than a matter of scorekeeping; it defines the kind of life available and becomes a proxy-measure of human worth in national and global society.

### *A Nation Divided*

The distribution of wealth and income is not just an economic issue; it is a moral concern even in a country like ours. The nation is rich, but its bounty is shared so unevenly as to make it hard to cling to our historical pride of belief in the basic fairness of our economic system. The U.S. Census Bureau annually reports on how the national income is shared among five equal population segments called quintiles. A report by the Congressional Budget Office for the years 1979-1997 summarized its findings in this way:

Average household income before taxes grew in real terms by nearly one-third between 1979 and 1997, but that growth was shared unevenly across the income distribution. The average income for households in the top

fifth of the distribution rose by more than half. In contrast, average income for the middle quintile climbed by 10% and that of the lowest fifth dropped slightly. Furthermore, income growth at the very top of the distribution was greater yet: average income in 1997 dollars for the top one percent of households more than doubled, rising from \$420,000 in 1979 to more than \$1 million in 1997. (“Effective Federal Tax Rates, 1979–1997”, Chapter One, Commentary on Figure 1-5)

The Census Bureau makes clear the human impact of all this: In 2003 the number of people living in poverty rose by 1.3 million from the year before to 35.9 million persons. This represents one in every eight of us (12.5 percent). The plight of children under 18 years is worse; 17.6 percent live below the official poverty lines. That is the second highest child poverty rate among the twenty-six nations ranked by *The Economist* magazine; only Mexico is worse (March 5, 2005, p. 104). That cannot be dismissed as merely the effect of several years of a bad economy. While child poverty grew, the heads of America’s five hundred biggest companies received an aggregate 54 percent increase in their average total compensation. That brought the figure to just over \$10 million per CEO for the year (Forbes.com). By contrast, a job at the national minimum wage for a forty-hour workweek produced just \$10,712 for the entire year. This vast difference in compensation results from both long-term structural imbalances in the U.S. economy and a value system that seldom challenges them.

There has not been such a concentration of wealth and income in America since the days of the robber barons of the late 19th and early 20th centuries. According to economist Peter Drucker, the disparity between top and bottom incomes has changed from forty-two times to more than five hundred times (Jeffrey Sachs, *An End of Poverty*, Penguin Press, New York, 2005). Sachs further suggests that an increase of just 5 percent for those in the top tax brackets could generate billions of annual tax revenue. By most assessments of the economic data, the gap between the rich and the poor in U.S. society is widening. Some readers, desiring to justify our economic system, point out that America’s poor are at least better off than the poor in most countries. If life as a nation were only about survival, that might be enough. But nationhood is not about separate existences, it is about life together.

That sense of wholeness cannot be achieved and maintained in the face of an economic structure that is inured to increasingly separate and different life experiences of those at the top and at the bottom. We in the United States must begin to ask whether we are willing to see forty-seven million of our number continue to have no assured access to medical care and treatment, or 20 percent of our children who are poorly nourished. Can those of us doing well live at peace knowing that vast numbers of others among us are just a paycheck or two away from family or personal disaster?

### *Consumerism and Personal Responsibility*

When most Americans ask, “How much is enough?” they envision neither mere subsistence nor barebones living. They mean, “How much is enough to live comfortably, or securely, or to be proverbially middle-class?” To that question society has no fixed answer. When sufficiency is reached, more becomes the dream. Enough calories to survive will satisfy only for a while before visions of dinner out at a nice restaurant come to mind. For most people, owning a basic automobile for getting around will not long satisfy when the dream of an SUV seems obtainable. When a better job comes along, the comfortable bungalow quickly gives way to the mansion. A good public school education, once the uniting force of American society, is yielding to more costly private education where personal choice in school-mates or religious ideas can be guaranteed and where gaining an advantage in getting into a “better” university can be presumed.

Such is the quest of “enough” unless it becomes a moral, rather than an economic, quest. In today’s rich countries, that requires living against the tide of culture. Consider the moral implications of the following chart.

	\$U.S. Billions
Basic education for everyone in the world	6
Cosmetics in the United States	8
Water and sanitation for everyone in the world	9
Ice cream in Europe	11
Reproductive health for all women in the world	12
Perfumes in Europe and the United States	12
Basic health and nutrition for everyone in the world	13
Pet foods in Europe and the United States	17
Business entertainment in Japan	35
Cigarettes in Europe	50
Alcoholic drinks in Europe	105
Narcotic drugs in the world	400
Military spending in the world	780

Causes of Poverty (<http://www.globalissues.org/TradeRelated/Facts.asp>), June 11, 2005

The actual spending of nations is in large measure the product of the consumption habits and political preferences of individuals and families. Those habits and preferences are not in our nature; we learn, indeed we are taught, to consume in some ways rather than other ways. The media advertising bill in the United States is now more than \$234 billion per year—more than \$800 per person. ([www.admedia.org](http://www.admedia.org) —an on-line resource) More than \$2 billion is spent annually just targeting children. The intent of advertising is not merely to differentiate one product from another but continually to stimulate total consumption. We are taught to want more and need more, to define worth by doing, having, using, and owning. We have moved from the idea that being requires consumption to the notion that consumption defines being. That is a moral leap that changes our relationship to all things and all people.

Few people would likely make a moral argument that it is better or right for people in rich countries to spend more on ice cream or pet food or alcohol or armaments than on pure water, sanitation, basic health, and basic education for the whole world. Nor would most people affirm the rightness of supplying the demand for ever larger homes in the United States while there is a growing deficit of affordable housing for the poor and even the middle class. Yet, that is the consequence of our spending. The market system is not designed to meet human need; it is designed to serve those with needs or desires and the money to act upon them.

### *Private Consumption and Public Consequences*

The way and the amount we Americans consume make clear that consumption is not just about need or adequacy for life and health. Consumption is also about how we define ourselves and the class to which we aspire. It unites us with some and divides us from others. That is as true of the nation as it is of families and individuals. America is perceived as rich because so many people can and do consume at extraordinary levels as compared to those in most other countries.

The drive to consume more and more is having adverse personal effects. Nearly two-thirds of American adults are overweight or obese due in no small measure to the “super-size me” phenomenon expressed at both fast-food restaurants and home tables. This is fueled by increased incomes and diminished self-control.

The desire or pressure to have more has been a major factor requiring two-income families and longer working hours to finance higher lifestyles at the loss of time to enjoy what one has. The average American worker now spends 350 hours a year more on the job than do their European counterparts (“Culture of Consumption,” *Christian Science Monitor*, June 12, 2003). A more stressful life seems to be a price we are willing to pay for a higher consumption lifestyle.

Private consumption levels also have important implications for the economy as a whole. We have become a society that lives for today and thinks less about tomorrow. Personal savings in America dropped from 10 percent of earnings in 1980 to just 3.7 percent in 2002, mainly to finance increased consumption. Worse yet, most Americans not only spend what they have, they spend what they do not have and may never get. Consumers on average owe almost \$9,000 in credit card debt alone, up by more than half since 1995 (“Culture of Consumption,” *Christian Science Monitor*, June 12, 2003). Federal Reserve Chairman Alan Greenspan noted, “the debt-to-income ratio in the United States has been rising for a least a half century” (<http://www.federalreserve.gov/boarddocs/speeches/2004/20040223/default.htm>) It should be noted that in some cases bankruptcy and credit card debt is caused by lack of adequate health care insurance to cover expensive illness. While that worries many economists, policy makers are afraid to move seriously to curtail debt-driven consumption for fear the entire economy will collapse.

The drive of individual Americans and families to have more and more also has an impact on the global environment, on the way business is done, and ultimately on workers both domestically and in other countries. Consumers want lower prices. That pushes companies to produce goods more cheaply. In order to do that while defending their market share and profit line, firms seek ways to trim costs—cutting wages, reducing or eliminating health benefits, and increasingly moving production abroad. When competitors do the same, firms are not always careful about the safety of their workplaces or their care of the environment in less developed countries where unions are often weak and national laws often poorly enforced. Thus the insatiable demand of the world’s wealthier consumers for more products and services at ever lower prices, coupled with an appetite of corporations and their stockholders for profits, too often creates a downward spiral in the quality of life of the weakest participants in globalization.

#### *Personal Responsibility for Closing the Consumption Gap: Charity and Its Limits*

The reality is that under our present economic system, meeting human need depends heavily on the decision making of those who have more than they need. Until those with more than enough adopt a different set of spending priorities, those at the bottom of rich-country economies and the majority of people around the world will have little hope of meeting minimal human standards of water, food, health care, and education.

The deception in that statement is that it makes it seem that closing the economic gap between classes and nations can be accomplished by the voluntary transfer of funds from those of plenty to those of need. The principle of private philanthropy is powerful in our country. In 2004, charitable giving reached a record of almost \$250 billion, and 70–80 percent of Americans contributed to at least one charity. The nonprofit organizations that are the beneficiaries of that largesse employ 10 percent of the country’s labor force; that is twice the number of federal employees. This American commitment to private charity is far greater than in other industrialized countries and is based in part on the assumption that nonprofit organizations undertake some of the functions that are the responsibility of governments in other societies (Giving USA Foundation, <http://www.aafr.org/gusa/index.cfm>).

It is not surprising, therefore, that charitable organizations have been accorded a special place in the U.S. tax code by making contributions tax deductible to the giver. About 35 percent of American charity dollars go to religious organizations, 14 percent to education, and 1.8 percent to international affairs and development. The remaining 49 percent goes to others of the more than 600,000 entities recognized by the Internal Revenue Service as tax exempt (Giving USA Foundation, <http://www.aafr.org/gusa/index.cfm>).

The opportunity of a tax deduction for “doing good” has been a boon to nonprofit organizations of all sorts. Churches have joined others in loud protest when, occasionally, it has been suggested that the charity tax-break be rescinded. While many socially useful things are done

with tax-subsidized charitable donations, in the aggregate only a small part goes directly to benefit the poor or to help close the nation's income gap.

A major weakness of our tax-supported system of private charity is that individuals are allowed and encouraged to establish their own priorities of need for society. Gifts to elite universities, to ideologically oriented think-tanks, and to churches that never look beyond their front doors are accorded equal tax-break status with disaster relief, food pantries, and job training programs.

People of faith are obliged to invest their personal philanthropy responsibly by seeking opportunities that adhere to recognized ethical standards and deliver maximum funding for good work being done. Effective charities typically have low administrative costs, enabling more of the contribution to reach its intended recipient. They will also typically include recipients in the design process to ensure a good fit between the solution and the problem.

Contributing to charity is certainly one way for persons of faith and conscience to help those in need, but the business of charity may also be oriented toward other less noble goals. The exhortation to help the poor has always been tolerable to the privileged, those who have money to give, because it is left to them individually to decide how much should be given and how that is to be done. The essential relationship between wealth and poverty is left intact.

Thus, people of faith and conscience have another duty to the poor. Charity alone has rarely corrected broad-based social and economic inequity. Where individual effort falls short, good government ought to enter in. That is the second front of the faithful: to urge government efforts to help meet human needs that markets cannot or will not address; to advocate for adequate government budgets, including adequate taxation, to accomplish that task.

Closing the economic gap in the nation and in the world is a moral challenge. As ethicist George Thomas put it over a half-century ago: "Christians must supplement the individualistic ideal of equality of opportunity with the more humane ideal of equality of consideration. This is the principle that everyone should be genuinely taken into account in the distribution of social benefit and should be helped by the state to develop his capacities and fulfill his needs as far as possible" (George Thomas, *Christian Ethics and Moral Philosophy*, NY, Scribner's, 1955, pp. 317–18).

### *Living in Different Worlds*

Looking beyond our own national situation hardly increases the sense of well-being. The economic divide between more and less developed countries and the gap in the life circumstances of their peoples is even more stark and of greater concern than that within our own country.

A globally integrated economy makes assessment of these inequities more complex. In many cases, encouraging macro-economic news at national levels masks growing inequality among social groups. The total income of the fifty-two countries representing 90 percent of the world's gross domestic product is on the rise. China and India are becoming more powerful international economic actors. Average per capita income in middle-income countries has risen modestly over several years. Even many African economies are showing signs of life. But studies dealing with how the increased national income is being shared are less publicized. There are more cars on city streets, and urban dwellers seem to be consuming more of the things that we in the West assume are good, but what is happening in rural areas where most people eke out a living often remains outside our view.

Clearly hundreds of millions of people are being left behind even with the modest progress reported in national data. The differences between the richest and poorest individuals around the world are growing. Recent data show that the richest 5 percent of people receive one-third of

total global income, as much as the poorest 80 percent (Branko Milanovic, *Worlds Apart: Measuring International and Global Inequality*, Princeton University Press, 2005). Per capita income has risen sharply in Asia and the Pacific since 1975 but has actually fallen by about 20 percent in Africa. Over the same period, life expectancy in Africa has returned to the average 45 years characteristic three decades ago. Despite India's new and profitable role in technology outsourcing, more than 40 percent of its people are undernourished. The United Nations Food and Agricultural Organization estimates that 852 million people worldwide share that reality, and more than 5 million children die each year from hunger-related causes. Another eleven million children in developing countries die annually before the age of five, most from diseases medical science knows how to prevent. More than one hundred million children remain out of primary school, 60 percent of them girls, though primary education is widely recognized as one of the most dramatic development solutions available. Although the number of persons living in extreme poverty dropped by more than 20 percent between 1981 and 2001, 1.2 billion people still live on less than \$1 per day, and their average daily income has actually fallen from 64 to 60 cents (World Bank, *World Development Indicators*, 2005.). Even in less poor countries like South Africa, most people struggle. There, almost half the Black majority population is unemployed and more than 55 percent live in poverty (Data from the South African Institute of Race Relations).

As summed up by *The Economist* magazine:

Hundreds of millions of people in the world are forced to endure lives of abject poverty—poverty so acute that those fortunate enough to live in the United States, or Europe or the rich industrialized parts of Asia can scarcely comprehend its meaning. Surely there is no more commanding moral imperative for people in the West than to urge each other, and their governments, to bring relief to the world's poorest. (March 13, 2004)

This is not just a matter of benevolence for rich countries; it is in our own self-interest that the global economic gap be closed. No amount of tax money spent on the military or homeland security can insulate us from a world of desperate and angry people. Assuming that the world can be intimidated indefinitely into accepting an unfair sharing of the earth's resources and humanity's ingenuity is both moral bankruptcy and political shortsightedness.

It is not enough to soften poverty's edge in our own country. Jesus' teaching that the neighbor is beyond, as well as within, the community of faith and nation transforms the way we think about the world. We shall not fully experience God's shalom, and the world cannot be at peace, until the economic order(s) under which we live contribute to a sense of wholeness and well being among peoples and nations. There may be legitimate debates about how that can best be done, but there can be no debate about the need for addressing the human desperation present in the world's economic divide.

## **Economic Tools of Globalization**

National economies are being integrated into something resembling an increasingly seamless network for the exchange of money, products, services, and to a lesser extent people. This results mainly from the economic interests of governments, the profit-seeking drive of corporations and, to some degree, the acquisitiveness of ordinary people. Whether the traditional international economic tools of trade, investment, and aid can be bent to serve the end of a just and sustainable economy that bridges the divides of geography, politics, cultures, and generations is the issue before both church and world. The faithful proclamation and living out of the biblical demands of justice, compassion, and the stewardship of creation can be a powerful contribution to the debate about globalization.

### *International Trade*

Trade has expanded at rates almost double the increase in global income. Between 1979 and 1988, world output grew at an average annual rate of 3.4 percent while trade grew 4.3 percent.



In the following decade, income growth fell back slightly while the value of trade grew even faster at a 6.2 percent rate (Data from U.N. and World Bank sources cited by Gordon Douglass, *The Globalization of Economic Life*, ACSWP, 2001, p. 3). Breakthroughs in technologies of transportation and communications have created the opportunity for genuine global thinking, marketing, and managing. Whether it is good or sustainable for global trade to continue increasing more than global income is a question that cannot be ignored.

### *Developing Country Concerns*

Global trade figures include both imports and exports. When looked at from that perspective, the so-called developing countries have seen their share of world trade rise from about a quarter in the 1970s to about a third today. That seems encouraging, but looking only at total trade distorts the economic reality. What a poor country sells is the more crucial element in measuring the benefit being derived. Of the world's exports of goods and services, the advanced industrial countries account for 72 percent, with 28 percent coming from developing countries (International Monetary Fund data cited in *The Economist*, June 4, 2005, p. 98). But, in 2004, China alone accounted for more than 21 percent of the developing world's total. While India has begun to increase sharply its share of global trade, mainly in technology and services, other developing countries are struggling just to maintain their position, and African countries as a whole continue to lose ground.

For developing countries, the drive of current trade agreements for specialization of exports creates additional security risks as these countries lose their ability to be self-sufficient in some core areas such as feeding their own citizens. This results in making nations dependent on dynamics beyond their control. Trade agreements tend to favor larger countries that can more quickly adapt to changing global conditions such as new technologies or new international suppliers. The resulting changes by trading partners often leave developing countries vulnerable to an oversupply of their traditional export products and to a shortfall of export earnings. Consider the case of Madagascar. In this southern Africa country of fourteen million people, 70 percent live in poverty. Eighty-eight percent of the labor force is involved in agriculture and depends on a few traditional crops. Natural vanilla has been the largest export earner. The world market price of \$180 per kilo in 2004 dropped to \$50 per kilo in 2005 despite a good harvest and high expectations of increased export earnings ("Madagascar: Economy continues to grow," IRIN-news.org, a publication of the United Nations Office for Coordination of Humanitarian Affairs, [http://www.irinnews.org/report.asp?ReportID=47538&SelectRegion=Southern\\_Africa&SelectCountry=MADAGASCAR](http://www.irinnews.org/report.asp?ReportID=47538&SelectRegion=Southern_Africa&SelectCountry=MADAGASCAR)). Instead, the nation was devastated by a surge of sales of imitation vanilla, a technology against which it could not compete and over which it had no control. Rich country consumers benefited from lower prices while poor country farmers and national budgets were crushed.

Developing countries hoped that the July 2005 meeting of the G8 industrialized nations would make significant breakthroughs on several fronts that affect them. There was some encouraging news on debt reduction and aid, but on trade, the most important issue of all, nothing has changed. Poor and developing countries are left with many concerns about the current state of international trade. Key among them are these:

- ♦ Despite all the talk about "free" trade in the U.S. and other developed countries, their trade barriers still remain high to many of the products of developing countries. The mechanisms vary from discriminatory tariffs against processed and manufactured goods from developing countries to subsidies for domestic agriculture that make similar products from abroad non-competitive. A World Bank release ("Global Economic Perspective," September, 2003) notes, "Industrial countries charge on an average 1.0 percent on their sales to other industrial countries while exporters from South Asia pay 8.0 percent." Meanwhile, developed country governments channel nearly \$1 billion per day into subsidizing their farmers. Such barriers are no small matter. The World Bank concludes that "a trade deal that addresses the concerns of devel-



oping countries could spur growth and reduce the number of people living in poverty by as much as 144 million by 2015.”

- ♦ Many poor countries are still disproportionately dependent on the export of foods and basic commodities whose prices continue to lag in world markets. Oil is the major exception, but most developing countries are importers, not exporters of oil. The real price of agricultural commodities has declined over the past forty years, and several other commodities exported by developing countries fell in the late 1990s to their lowest levels since the Great Depression (Food and Agriculture Organization, “Commodity markets: global trends, local impacts,” 2005). World commodity prices have recovered from post-2000 lows, but it remains to be seen whether that will be a permanent improvement or merely another temporary rise in the global trade rollercoaster. The long-term reality is that farm subsidies by developed countries and their control of the processing of agricultural commodities has kept prices paid to farmers in less developed countries artificially low and prevented them from sharing fairly in international trade.

- ♦ Recent decades have brought a dramatic change in the very nature of international trade as an exchange which governments control to a system increasingly managed by large corporations to benefit their own profitability. This “signals a transfer of power and control away from national governments which, for all their failures, can be influenced by the general public” (op.cit., Douglass, p.4).

- ♦ Poor countries, especially in Africa, continue to fall behind in education; that bodes ill for their gaining a larger place in a global trading system increasingly driven by developments in technology.

At the December 2005 World Trade Organization (WTO) meeting in Hong Kong there was an agreement that “substantial” cuts would be made in export subsidies by the end of 2013. Rich countries are to eliminate tariffs and quotas by 2008 on 97 percent of their import categories for goods from the world’s fifty poorest countries and on cotton as well. Additionally, rich countries are to provide aid to poor countries to help them adjust to international competition. At this writing, it is unknown whether the United States Congress will agree to these proposals or if it will be implemented worldwide.

When looking at the trade concerns of developing countries, it seems clear that *Hope for a Global Future* was and still is right in its conclusion, “Trade rules that enable affluent nations to profit at the expense of poor nations or that do not contribute substantially to the reduction of poverty in all nations cannot be accepted ethically” (p.26).

#### *U.S. Perspectives on International Trade*

The plural in “perspectives” is important because there is no single, national viewpoint. In recent decades, both Democratic and Republican administrations have been leaders in efforts to liberalize the global trade environment to allow a freer flow of goods, services, and investments. That has not been a hard position to take given the general advantages that trade brings to the U.S. national economy. Not all those affected, however, share in that general economic benefit. Congress, being more sensitive to local economic concerns, has been more divided.

Much of the national debate about trade in recent years has focused on ratification of hemispheric agreements negotiated by the White House. The NAFTA (North American Free Trade Agreement) was finally approved by Congress in 1993 after a long and fractious political struggle and became the model for creating special trade ties with other countries in the hemisphere and beyond. The goal was to eliminate tariffs and other trade barriers, establishing a common set of rules that could not be superseded by the laws or actions of any one country. Proponents insisted that NAFTA would have dramatic, positive effects for the Mexican economy and for consumers in all three countries without adversely affecting U.S. agriculture and manufacturing.

Critics in the United States insisted that NAFTA, as negotiated, would greatly increase the mobility and flexibility of U.S. corporations, undercut environmental standards, provide an incentive for moving production jobs from the U.S. to Mexico, weaken U.S. commitments to good working conditions and workplace safety by creating competition with sweatshop conditions abroad, and force down wages in U.S. manufacturing by facilitating trade with unequal partners.

After ten years of NAFTA, there is still no resolution to these conflicting perspectives, but the following data are significant: (Data from official U.S. and Mexican sources cited in Sarah Anderson and John Cavanagh, "Rethinking the NAFTA Record," Institute for Policy Studies, Washington D.C., October 2004)

- Total trade among the three countries has more than doubled;
- Net direct foreign investment in Mexico has increased fivefold;
- The value of Mexican exports to the United States has increased almost threefold;
- Mexican manufacturing wages declined by 9 percent while productivity rose by nearly 50 percent;
- The small United States trade surplus with Mexico in 1994 fell to a \$40.6 billion deficit in 2004. (U.S. exports grew slightly, but those of Mexico grew far more);
- Wages in the United States have increased only slightly despite low unemployment and high corporate profits;
- More than 400,000 U.S. workers have qualified for NAFTA trade adjustment benefits;
- Mexican immigration to the United States has remained high with funds sent back to their families a major stimulus to the Mexican economy.

None of this is to indicate that NAFTA is the sole cause of such realities. There are undoubtedly many factors involved. But such data indicates that NAFTA has fallen far short of its promised benefits to the three countries that are signatories.

Despite this mixed record, the United States government has not slowed its attempt to expand NAFTA-like arrangements to other areas. After contentious debate, the U.S. Senate narrowly approved the Central America Free Trade Agreement (CAFTA) as one step further south. The Andean-FTA negotiations are following the same lines, and the logic would be fulfilled by the Free Trade Area of the Americas (FTAA), which would make the whole hemisphere (minus Cuba) a single trade zone. Discussions began in 2003 for the United States-South Africa Customs Union free trade area (U.S.-SACU FTA) to extend the bilateral and multilateral agreement strategy to other areas of the world.

With each extension, the resistance to ratification has stiffened. Large-scale U.S. agriculture interests argue for protection of such crops as sugar, soybeans, and cotton from cheaper production areas. Workers continue to fear that wages and jobs are threatened by unfair labor practices in some countries, and that gets a political hearing in states and congressional districts that are doing poorly in the globalizing economy. Textile manufacturers want their U.S. markets protected. Many environmentalists are concerned that hard-won standards will be lost if adequate safeguards are not included in the trade agreements. Economists of almost all stripes worry increasingly about the effect on the national economy of a growing trade and balance of payments deficit, an issue dominated currently far more by concerns about trade with China than with other countries.

The General Assembly of the PC(USA) opposed NAFTA and CAFTA as originally negotiated. *Hope for a Global Future* captured the underlying concern in a single sentence, “The goal is not free trade, but just and sustainable trade” (p.26). In the end, most criticisms and fears about the push for liberalizing trade come down to the question of whether the sharing of potential benefits needs to be shaped and directed or whether we can simply trust the workings of an unfettered market alone to serve fairly the interests of all. Various General Assemblies have shown little confidence that unguided economic mechanisms will shape a just society. That spirit was captured in the 2003 assembly’s statement on the Free Trade Area of the Americas:

[The assembly] demand[s] that all trade agreements incorporate workers rights, human rights, food safety, and environmental standards, and that they allow governments and sovereign indigenous peoples to regulate corporations to protect the common good. (*Minutes*, Part I, 2003, p. 618)

Optimal exchange occurs between societies that share similar social and economic goals and institutions. Critics of the U.S. strategy of merely expanding the number of bilateral and multi-lateral trade relationships maintain that it fails precisely because the focus is solely on moving goods, services, and money. Many point to the approach of the European Union (EU) as a more sound strategy because it is based upon the assumption of a much broader social commitment. European Union states are to comply with high standards on labor rights, gender equity, racial discrimination, health, safety, and environmental issues. By setting a floor of expectation for the region’s social and environmental policies, the EU has tried to encourage a high-road path to development instead of facilitating competition based on exploiting conflicting and weak standards in individual states. Though not yet legally binding, these standards are invoked in EU directives and regulations that are to be reflected in national legislation (Sarah Anderson and John Cavanagh, “After the FTAA: Lessons from Europe for the Americas,” *Foreign Policy in Focus*, June 23, 2005, International Relations Center and Institute for Policy Studies, Washington, D.C.).

The position of the faith community regarding trade agreements and other economic issues is rooted in lifting up the vision of a just, compassionate, and environmentally sustainable society as the model of global community that should be pursued in all types of international relationships.

### *Private International Investment*

The step from international trade to foreign corporate investment is natural and unavoidable in our global economy. More than one-third of all U.S. imports and exports, for example, occur between divisions and subsidiaries of the same company. That creates a circumstance where “trade” is less an exchange between countries than an exercise in the internal logic of enterprise about how goods should be priced and where profits will be allowed to accumulate to reduce tax liability. Often that means taking advantage of weak governments, poor legislation, and desperate or venal public officials. When governments offer extraordinary tax incentives or exemption from environmental regulations to attract foreign corporations, their citizens and communities risk betrayal by greed, corruption, or misleading counsel in the guise of development advice or even economic theory.

Along with trade, private investment represents the other major factor in international economic relationships. On any given day, \$1.2 trillion crosses national borders. Only a percent or so relates to long-term business investment. This small share is nevertheless a powerful force in the global economy. By far, most of these productive investments are made by a few hundred corporations.

In 1970, there were seven thousand transnational corporations (TNCs). Now there are 64,000 with 870,000 affiliates around the world. Most of those firms are relatively small, but the aggregate sales of the largest two hundred alone equals more than a quarter of the value of the world’s total output of goods and services. Comparing the national income of countries and

the sales of large corporations, fifty-two of the world's one hundred largest economic actors are corporations; only forty-eight are countries (op. cit., Anderson and Cavanagh, p.38). Although national income figures and corporate sales figures are not totally comparable, such comparisons still give a sense of the importance of transnational corporations in the global economy.

Most of this foreign investment results from the companies of one rich country operating in another rich country. France, Germany, Japan, the United Kingdom, and the United States account for almost two-thirds of the assets of transnational corporations abroad. Even so, almost one-third of these investments are made in less developed countries. Foreign investment flows fell sharply after the stock bubble burst in 2000 but picked up again in 2004. The so-called emerging economies received \$279 billion, an increase of 32 percent from the year before and the highest level since 1997. That amount far exceeds the \$47.8 billion in development aid of all sorts and from all sources (*The World Factbook*, CIA, Washington, DC, March 2005).

Not surprisingly, investment by transnational corporations has been highly sought by developing countries desperately seeking ways to create jobs, gain access to modern technology, and garner a larger share of money to be made from the sale of products in the world market. A handful of countries, mostly in Asia, have captured most of that investment over the years. Currently China and India rank number one and two as the location of foreign investment in manufacturing (*The Economist*, January 22, 2005, p. 106).

But transnational corporations are not development organizations. Their decisions about where and how much to invest are driven by determinations about how to profit from the location of raw materials, the cost of labor, gaining access to developing country markets, and utilizing favorable tax structures. Thus, the corporate interests can be antithetical to the espoused goals of countries involved. Developing nations may want jobs, but wherever TNCs produce they tend to use the same labor-saving technologies developed for their home markets. Developing countries may seek a toehold in the world of modern technology, but corporations have a vested interest in preserving proprietary knowledge. Developing countries seek tax revenues while corporations want to minimize tax liability and may facilitate that by using third-country tax havens to shelter earnings from realistic taxation anywhere.

The issue in all this is not illegality or corporate mal-intent but the mismatch of goals. This creates opportunities for transnational corporations to root themselves in the cracks between nation states where mechanisms to safeguard the public good do not exist. More than thirty years ago, Richard Barnett and Ronald Muller argued that TNCs represent the first serious attempt to rationalize the world economy (*Global Reach*, Simon & Schuster, NY, 1974). Changes since then have done nothing to undermine that assertion. One noteworthy shift is that no longer do all transnational firms hail from rich countries. The World Bank estimates that companies from developing countries made \$40 billion of foreign direct investment in 2004. Following the pattern of older transnational corporations, about two-thirds of those investments are in advanced industrial countries and one-third in less developed countries like themselves. Many of these new transnationals, like the old, use global tax minimization strategies to enlarge and shelter their profits. A report by the United Nations Commission on Trade and Development (UNCTAD), for example, notes that about two-thirds of Brazil's \$53 billion of overseas investments in 2002 was to be found in bank havens like the Cayman Islands, the Bahamas, and the British Virgin Islands. Economic development is occurring, but the quest for corporate profitability clearly takes precedence over the needs of poor countries and peoples.

The global vision of many transnational firms is one that makes company interests paramount and seeks to build a world to accommodate itself. If we choose a world where the effects of this kind of self-interested activity are minimized, the power of moral suasion may have some effect, but changing and enforcing the allowed standards of performance will likely be greater. In the end, the issue is that corporations, as in all human institutions, are driven by interests larger than those of individuals who manage them and therefore need to be governed by appropriate principles and structures. More about this in our discussion of governance.

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*International Finance*

Nothing so exemplifies economic globalization as the huge growth of international financial markets. As noted previously, on average, \$1.2 trillion moves across national borders every day, literally at the speed of light. That is a new reality of recent years that has had a variety of economic and social consequences—some unsettling, some perverse.

*Capital Flows and Financial Stability*

The idea and practice of the free flow of capital is not new. Indeed, a century ago it was the norm. The great worldwide depression of the 1930s ended that, and most countries placed limits on the purchase of foreign securities and how much their citizens could invest abroad. By the 1970s, the depression seemed a dim memory, and the vast amount of newly generated petrodollars that had to be recycled into the economy created pressures for a more liberal attitude toward global capital movements. Economic expansion was occurring in several countries, particularly in Asia, and American financial institutions wanted a larger share of the action and the profits. United States politicians were more than willing to accommodate. In 1985, President Reagan declared, “Our task is to knock down barriers to trade and foreign investment and the free movement of capital.” President George H.W. Bush built on that spirit in pressing Latin America for free and open capital markets as “crucial to achieving economic growth and lasting prosperity.” The Clinton Administration took that agenda and made it a worldwide goal, the universal economic solution, and the necessary standard for all countries of all sizes and of all circumstances (Nicholas D. Kristof with David E. Sanger, “How U.S. Wooed Asia to Let Cash Flow In,” February 16, 1999—Second of a four part *New York Times* series on “Global Contagion”).

Thus, the new economic world of the free movement of capital was born. Developing countries were encouraged by aid agencies and international institutions to finance long-term projects with international, hard currency loans, leaving governments vulnerable to a freefall in local currency devaluations. Hundreds of billions of dollars flowed into developing countries in just a few years with little concern about the need for them to reform, strengthen, or modernize their banking structures or increase government oversight. Without those changes, billions of dollars were just as free to flow out when property, stock, and export growth bubbles burst because they were built more on hopes akin to pyramiding schemes than on analysis. Foreign speculators registered huge profits and sought to protect them by pulling out of vulnerable countries like Indonesia, Thailand, and South Korea even at a huge financial and human cost to their people. That saved some of the speculators’ investments but it fueled an economic disaster for people and governments. Disillusioned by the experience in Asia, speculators soon began pulling finance capital out of most developing countries, including all of Latin America, even though conditions were quite different and on the whole more economically sound.

Calls for liberalization of international markets remain at the heart of U.S. foreign policy and few countries dare to venture into debate about increasing governmental controls over capital flows. The general explanation is that the markets have learned their lesson; governmental regulation is not necessary; investors are now more cautious. The same argument has been made before only to be followed by other market excesses when memory dims or the hunger for profit overwhelms sound judgment. Unless “learning our lesson” is accompanied by changes in the way markets are allowed to function, human greed will find ways to subvert their supposed self-correcting mechanisms.

It has often been suggested that market adjustments are needed to act as disincentives to speculative capital movements that threaten both economic development and banking institutions. One of the proposals much debated by economists and policy makers was made more than two decades ago by Nobel Laureate James Tobin. He posited that speculative investments would be far less attractive if a small transaction tax were placed on all international capital move-

ments. (He suggested a tax of one-half to one percent.) Accumulated funds would be used to offset sudden capital outflows like the Asian contagion of the late 1990s and thus strengthen the international banking system. Others have suggested that an accumulation of funds beyond that need might be used to promote economic development in poor countries that are left undercapitalized by both private investment and multilateral aid.

Others insist that beyond such market-administered corrections, there is a need to take a step back from the principle of international trade liberalization and reassert the legitimacy of national or regional regulation, particularly of capital movements. A larger measure of stability in international finance will serve both more- and less-developed countries. Many observers worry greatly that even the United States is not sufficiently protected from the results of sudden capital movements. Two decades ago, the United States was the world's largest creditor. Now it is the world's largest debtor. The growing trade and balance of payments deficits are being financed heavily by foreign government holdings of U.S. government securities. Should any of the large foreign holders, such as China, decide to pull their money out, it might well precipitate a panic akin to that faced by Asia in the late 1990s. Economic globalization has a downside even for today's apparent winners.

All this recalls the wisdom of the moral framework adopted by *Hope for a Global Future*: "No nation should responsibly tolerate totally free trade for it would permit economic enterprises to act independent of the social matrix of accountability...Governments, as the social instruments of order and justice, have the responsibility to establish rules that protect the common good from abuse" (op.cit., p.26).

#### *Debt and Development Assistance*

It has long been recognized that market structures alone will not end poverty and foster economic development in the poorest countries. As a result, for decades, governments, private banks, and multilateral financial institutions encouraged scores of poor countries to try to jumpstart their economies on borrowed money. The lenders paid scant attention when unsound economic advice, misdirected investment, and blatant corruption by bureaucrats, dictators, and their cronies made repayment of loans impossible without taking a devastating toll on the lives and hopes of ordinary people. Instead of recognizing the moral bankruptcy in that logic, new loans were made to pay interest on old loans to keep alive the fiction that the debts could be repaid. The price of denial has been incalculable human damage and the delaying of sound development in the countries most in need of it.

Many of the effects of the debt crisis have had a disproportionate effect on women. For instance, the promotion of export-oriented crops has privileged male farmers who engage in larger scale farming at the disadvantage of female farmers who tend to farm smaller plots of land for food for their families. Also, given the fact that women worldwide are disproportionately responsible for caregiving, government cutbacks on social service (prompted by structural adjustment loan requirements) such as healthcare, childcare, and maternity benefits significantly impacted women's workload and responsibilities.

Some critics—including our ecumenical partners, as noted in the 2004 document of the World Alliance of Reformed Churches—have argued that creating an un-payable debt-load for poor countries was not just bad judgment but a conscious strategy to strengthen domination of the global economy by powerful interests and institutions of the industrialized countries. This has been documented by John Perkins, business school graduate, covert operative for the U.S. National Security Council and overt employee of an international consulting firm. He promoted development projects in developing countries on borrowed money, most of which ended up as payments to large U.S. construction companies. That, he maintains, was the real purpose and result of massive loans to poor countries in the 1970s, '80s and '90s (*Confessions of an Economic Hit Man*, Berrett-Koehler, NY, 2004).

By 1997 more than forty American churches and development organizations joined the global Jubilee 2000 movement calling for outright cancellation of the debt of the poorest countries by the new millennium. That was unthinkable according to most officials in government treasury offices and at the International Monetary Fund (IMF) and World Bank. Their mantra was, "A debt is a debt, and it must be paid." It has taken almost a decade, but finally the denial is ending. There is a growing consensus that the debts cannot be repaid.

It is not enough, however, to end the burden of past debt. New financial resources must be made available to give hope and opportunity to the poorest countries. That, according to British Prime Minister Tony Blair, "is the fundamental moral challenge of our time." There is some encouraging evidence that message is reaching other policymakers and may be translated into programs that can make a difference.

The United Nations Millennium Development Goals to end extreme poverty and its program for their implementation are inspiring. But in the end, the U.N. must convince the governments of wealthy countries to commit the necessary funds to make it happen. Last year's G8 summit of industrialized countries made rhetorical commitments that will be meaningful if carried out. The promises add up to an additional \$50 billion per year in aid (beyond the \$79 billion provided in 2004 by the twenty-two largest donor nations). President Bush has said that the United States will provide \$25 billion in additional aid to Africa, though he has registered doubts that the poorest countries can usefully spend such dramatic increases. Such ambivalence reflects a gap in commitment to do whatever is necessary to reduce poverty.

Despite these encouraging announcements, foreign development assistance provided by most of the rich countries still falls far below the long-standing U.N. target of 0.7 percent of gross domestic product. This is the level estimated to be necessary to alleviate poverty and launch genuine economic development with broad-based social benefits. The current average is 0.2 to 0.4 percent of GDP, representing a shortfall of about \$100 billion per year below the modest U.N. target. Of twenty-two donor nations, only the five Scandinavian countries and Luxembourg are meeting the U.N. challenge. While the U.S. gives the largest amount of aid, it remains last as a percentage of national income, giving only 0.16 percent (less than one-sixth of one percent). President Bush has made verbal commitments that would improve that, but nothing becomes real until Congress appropriates the funds and the administration actually spends them. That may prove politically difficult when hurricane relief efforts, security concerns, and other domestic programs are pitted against international aid in the context of a growing federal budget deficit. The budget becomes a moral battleground between declared intention and actual performance as well as between powerful private interests and the common good.

For decades, some critics have maintained that the main reason the U.S. has a foreign assistance program is that it is a vehicle for promoting the sale of U.S. weapons, food, construction equipment, and technical services. A U.N. study (July 2005) confirms that most countries, including the United States, require that a major portion of aid funds be spent on purchases from the "donor" country. That results in poor countries having to pay 25 to 40 percent more for goods and services than if they were free to shop the world market ("Tied Aid Strangling Nations," Inter Press Service News Agency, July 6, 2005). Without these restrictions, the same level of aid would increase the amount of goods and services that can be acquired.

Clearly, if Americans agree with Prime Minister Tony Blair that ending extreme poverty in the world is "the fundamental moral challenge of our time," we need a great awakening.

#### *A Footnote on Getting Capital to the Very Poor*

It is right to lament the small amount of money rich countries share with poor countries when measured as a percentage of average income or of government revenues. But dispensing a \$100 billion or so per year is no small task even when shared by agencies of a score of govern-

ments, the IMF, the World Bank, and numerous regional development banks. One of the dilemmas is that it takes about as much work on the part of lenders to process a million dollar loan as for a \$1,000 loan. With the responsibility of moving hundreds of millions of dollars, loan officers in traditional banking institutions have a vested interest in dealing with fewer customers and larger loans. That means that it is difficult to get money into the hands of small businesses that have the best record of lifting families out of poverty.

That was the reality grasped by Professor Muhammad Yunus in Bangladesh three decades ago. First as an experiment and then as a formal institution, the Grameen Bank began lending small sums to the very poor who had no collateral and qualified for no help from ordinary banks, much less were they known to international lending institutions. Through 2004, the Grameen Bank has disbursed almost \$500 million in loans to 3.8 million borrowers at little or no interest to establish small businesses. This model of micro-credit has been particularly helpful for addressing women's poverty with 96 percent of Grameen's small businesses owned by women. These loans are often offered to individual women or women's collectives to support the purchase of sewing machines or other supplies that enable women in poverty to create a small surplus of baked goods or clothing that helps to support her family. There has been a 99 percent repayment rate over the years and a small profit has been earned for the bank's depositors. Professor Yunus is quoted as saying, "There are 1.3 billion people on this planet who go through the extreme misery of poverty. If we could somehow bring credit to them, they would take charge of their own lives. They would take responsibility and change their own lives. Why don't we do it?" (Noted at a Brigham Young University website for a conference on micro-credit.)

The World Council of Churches embraced that vision and founded the Ecumenical Development Cooperative Society in 1975 to facilitate micro-credit lending. Today, under its new name, Oikocredit provides more than \$1 million a year in small loans through four hundred project partners. This translates into capital for the very poor who would have no chance of obtaining a loan through commercial banks and would be thought to be poor risks at best. Nevertheless, Oikocredit experiences a 91- to 92-percent rate of payback. The loan funds come from investors, individuals, and churches, who make capital available at a sub-market rate of return. In twenty-eight years, every investor has recovered both principal and interest. But the best advertisement for micro-lending is the endless stream of stories of lives, families, and communities that have been changed for the better by having access to small amounts of credit.

Such stories are inspiring, but they should not be misapplied. Extending micro-credit from private sources to poor individuals is not a substitute for making large amounts of capital available to poor countries for projects of health, education, agricultural, and infrastructure development that serve the common good. Supporting productive international assistance involves both efforts to see that funds are properly used and that sufficient funds are provided by rich countries to make the transformation of economic life possible for entire nations.

## **Globalization—Issues in Transformation**

It is beyond dispute that globalization is having a transformative effect on national economies, human societies, individual persons, and the creation itself. But transformation does not imply assured progress, nor do its benefits fall evenly upon all people and nations.

### *Economic Migration*

Migration is older than history. It is so important in our faith history, from Abraham's journey out of Ur, to the prophets of the exile, to the Holy Family's flight to Egypt, that one writer speaks of "The Bible: The Ultimate Migration Handbook" (Joan M. Maruskin, *Church & Society*, July/August 2005). Under duress in one place, people, sometimes in vast numbers, have sought refuge elsewhere. Some have fled slavery, political persecution, or starvation. More have felt that life must surely be better somewhere else and made their way there.



One of the great asymmetries of economic reality is that even policymakers who vehemently insist on the unqualified benefits of free trade almost always limit it to the movement of goods and capital. The logic seldom extends to the free movement of labor. No country allows unrestricted entry to all. Still it is estimated that 175 million people, about 3 percent of the world's current population, have moved across country borders and stayed longer than twelve months. That number would likely increase if governments opened their borders and if the cost of travel did not keep millions more from trying their luck abroad. Even so, present numbers do not compare with the 10 percent of the world's population estimated to have emigrated in the 19th century (Jagdish Bhagwati, *In Defense of Globalization*, Oxford, NY, 2004, p. 209). The great bulk of these movements represent economic migration—the search for a better life, for work, for income. But the economic benefits are not limited to the workers themselves. Immigrants living in the United States in 2003 sent \$41.1 billion back to families in their home countries. Worldwide such remittances amount to some \$80 billion a year. That is an economic contribution to poor countries far greater than all forms of official development aid (World Bank, *Global Development Finance 2003*, Washington, 2004, p.198).

There are more than fifteen million foreign workers in the United States, approximately 12 percent of the country's labor force (Mary M. Kritz and Douglas T. Gurak, "Immigration and a Changing America," Russell Sage Foundation, 2005, p.1). About one-third are here without official documentation. Some come with a plan to work and save for a few years and then return home with an economic stake to begin a new kind of life. Some actually fulfill that aspiration, but many others who came to make money find that they have made a life here. Somewhere else may still in some sense be the home of memory and of the heart, but self-identification has become entwined with their new homeland. Many take extraordinary risks to come here to work. The news media and our own churches and ministries in the Southwest remind us regularly of the hundreds who die each year in deserts or cargo containers trying to make their way to a job and surer future. Half of the undocumented persons in this country, however, did not sneak across our borders; they came in as perfectly legal tourists or students or workers who simply overstayed their visas and disappeared into U.S. society.

When we Americans think of economic migrants, the vision that most often comes to mind is that of laborers stooping in fields, mowing lawns, cleaning houses and offices, waiting tables, doing construction. But many immigrants, legal and otherwise, do endure great hardships without legal recourse. That is only part of the migration story. Doctors, nurses, medical technicians, engineers, computer specialists, and other highly skilled workers have become an increasingly important part of the immigrant labor force. Like many other countries, the United States has made it much easier for the highly skilled to gain legal entry to work than for the poor and untrained. Emma Lazarus' sentiment on the pedestal of the Statue of Liberty, "...Give me your tired, your poor, your huddled masses yearning to breathe free..." is no longer the message of U.S. immigration, nor of any other rich industrial country for that matter. There is a strong preference for those who bring skills that can boost the national advantage in today's global economy.

In light of these comments, it is tempting to argue that economic migration is generally a win-win scenario: American employers get the help they need, often at a much lower price; foreign workers gain a better wage; families "back home" gain spending power; home country governments gain a larger tax base; willing skilled workers from abroad strengthen the U.S. economy by filling in deficiencies in the labor pool; immigrant workers even pay U.S. taxes of various sorts. The problem, of course, is that nothing has been said about American workers.

Employers often argue that immigrant labor only takes jobs Americans do not want or where there are not enough persons with the requisite skills to fill the available positions. To that American workers, or their unions, might respond, "Pay a living wage for those jobs and many of them would be filled. Stop employers from using a worker's illegal status as a weapon; protect immigrant workers from exploitation, and they too will insist on better wages and working con-

ditions. American workers ought not to be forced to compete against workers from countries so poor or unjust that any U.S. wage above mere subsistence is a bonanza.”

The L-1 visa program is another example of immigration law undercutting American labor. It allows companies abroad to transfer employees from overseas to branches or subsidiaries in the United States where they may legally be contracted out to other American companies. Critics note that in many instances they are actually replacements for more demanding U.S. workers (Becky Gillette, “Foreign Workers, U.S. jobs a complicated mix,” *Mississippi Business Journal*, November 10–16, 2003, p.1). More commonly, the magnet of American higher education brings highly skilled, foreign-born persons into the U.S. labor market. More than 70 percent of international students who earn a Ph.D. here remain in the United States. This may be a boon to American productivity, but the home countries see it from the other side as a brain drain that takes away highly skilled persons, undercuts the national development of their homeland, and delays the country’s repositioning in the global economy.

In 1980 the Presbyterian Church in the United States (PCUS) General Assembly adopted a statement on “Labor Relations” with these among its principles: for all persons the opportunity and responsibility for productive work; for all persons the right to be paid adequately and treated with fairness and dignity; the right of all workers, except those on whom national or community security depends, to join labor organizations and participate in collective bargaining; and the necessity for the church to view economic issues from the side of the lowly and oppressed. Those principles are still valid and should not be abandoned in the face of a surge of labor from abroad.

### *American Jobs*

The greater transformation that globalization has brought to the labor market relates to production abroad of goods for the U.S. market and the outsourcing of service functions and jobs to other countries.

The production of goods internationally by American companies for import into the United States is not new. United States firms establishing export platforms in countries with low cost labor like Mexico, South Korea, or Indonesia goes back for more than thirty years and now accounts for more than 40 percent of U.S. imports. Newer is the highly successful business model of major U.S. merchandisers contracting with companies abroad to produce virtually their entire line of in-house brands. The rapid growth of such relationships has depended on highly developed technologies of communication and transportation that did not exist previously. The result of these developments has been an erosion of U.S. jobs in manufacturing, information services, and high-tech design and science-related sectors.

Globalization is forcing a restructuring of the American labor market to accommodate this transformation of the American economy. It has been and still is a painful process. For decades manufacturing plants have anchored the economies of neighborhoods, small towns, and cities. When a plant moves, entire communities are devastated. Lacking employment alternatives, workers often depart, causing local businesses to lose customers and towns to lose their tax base. This wrenching adjustment process began in the 1980s and continues today.

The manufacturing sector, especially in the north, was highly unionized. Thus, the loss of industrial jobs has contributed to the decline in the percentage of workers organized in unions. As the power of unions has decreased, their ability to voice worker interests and to influence national policies on income distribution, social safety nets, and workplace standards has been weakened. In the process, the lower socioeconomic population in our society has lost an important platform for participating in the give and take of democratic debate on issues of national interest.

Some companies that have thus far maintained their plants in the United States have used the threat of moving production overseas as leverage to reduce wages and benefits while resisting labor organization. When workers consider establishing a local union, more than 70 percent of employers in the manufacturing sector respond by threatening to close the plant (Kate Bronfenbrenner, "Uneasy Terrain: The Impact of Capital Mobility on Workers, Wages and Union Organizing." *Report for the U.S. Trade Deficit Review Commission*, Washington, D.C., September 6, 2000).

The withering of the manufacturing sector and decline of workers' bargaining power are important factors in explaining why the number of good jobs in the United States continues to fall in spite of the country's growing economy, higher levels of education among American workers, and increasing labor productivity. An October 2005 study found that only 25 percent of jobs in this country can be considered "good jobs," defined as paying at least \$32,000 a year and offering health care and pension benefits. Poverty rates in America are rising in large part because 75 percent of the jobs generated by our strong economy are not good jobs (John Schmitt, "How Good Is the Economy at Creating Good Jobs?" *Center for Economic Policy Research*, Washington, D.C., 2005, p. 3).

Job loss and income erosion are not just a phenomenon of the manufacturing sector. In the past decade, new information technologies have enabled a rapid rise in outsourcing of services by U.S. businesses. We have grown accustomed to the interesting accents of person on the telephone, as airline reservations are as likely to be handled by someone in India or Jamaica as in a U.S. hub city. Medical and legal recordkeeping is on a similar path. Elderly patients in New York City may now be reminded to take their medicines by someone using a beeper system from half a world away. Computer data entry is being shifted via the Internet from rich countries to poor countries where labor is cheap for people who do not speak English well but who can type the letters of its alphabet rapidly and accurately. Sophisticated software design can now be done in India for a fraction of the cost of similar work in the U.S.

Most of us marvel at the technology that makes such things possible and enjoy the cost saving it brings but seldom think about Americans whose jobs have been lost in the transition. When only manufacturing jobs were at stake, the conventional wisdom was that displaced workers would be employed elsewhere in the vibrant U.S. economy. Most do find work but often at lower pay, reduced pension benefits, or less medical coverage. Millions of workers, especially older ones, never recover from this experience. Studies by the Institute for International Economics (IIE) conclude that the lifetime cost to a worker affected by trade-related job loss is about \$240,000 (Gary Clyde Hufbauer and Paul L.E. Grieco, "The Payoff from Globalization," Op-Ed, *Washington Post*, June 7, 2005). Now that globalization is displacing a broader range of service, technical, and professional personnel, we can soon expect to see the same human scenario of loss played out at higher income levels.

These studies conclude with this moral and policy challenge to the American public: "The past three decades of trade liberalization and economic integration have proceeded without much government involvement...In a democratic society, the winners may well need to compensate the losers..." (Job Loss from Imports: Measuring the Costs," IIE, Washington, D.C.). Compensating losers in the creative destruction of globalization is good and necessary, but it is not enough. What is required is a new vision for the whole society in which jobs for all and rising incomes at the bottom become priorities of the national economy, the U.S. government and the American people.

Labor, corporate America, and government must leave behind the old model of assuming that a fair sharing of economic benefits will emerge most efficiently from an unending struggle among them. Instead, workers, employers, investors, and government must think together about how best to shape a future that will bring a more just distribution of benefits to our society. Job re-training, lifelong learning incentives, and trade adjustment assistance should be part

of this discussion. Unions and government may need to reframe their objectives, and consequently their roles, in response to the human welfare challenges of globalization. Progress in this area would enable our country to become a more creative and compassionate participant in the emerging global society that no single set of interests and no one country can be allowed to dominate.

### *Workers and Workplaces in Poor Countries*

#### *Corporations and Sweatshops*

Corporations have long engaged in a global search for lower labor costs that will translate into lower prices, improved profit performance and bigger markets. Export platforms in low wage areas have resulted in lost manufacturing jobs in the U.S. and new work opportunities in some countries abroad. More than a few companies have made it part of their business model to resist raising wages by moving to wherever they can produce equally well and less expensively. Mass merchandisers, who do not want to risk public disgrace by being involved directly in sweatshop production, may count on contracting with local owners or third-country suppliers who will drive even harder bargains with labor than they might themselves. Not all production for the global market comes from sweatshops, but the wages and working conditions in many situations can only be described as draconian. Are they worse than other options in those countries? Probably not, and often export platforms become a magnet for workers because they are considered a better opportunity than the next best alternative in that country. However, if we are to have a global system of production, that is not enough. It should be based upon the progress of workers over the last hundred years in the most progressive countries and not upon an attempt to retreat from those improvements. As rich country consumers, we have the moral right to be assured that our lifestyle and the profits of companies in our society will not be subsidized by unfair wages and unsafe or inhumane working conditions.

Some companies have sought to disassociate themselves from the sweatshop image by adopting corporate codes of conduct that pledge more enlightened ways. That may be progress, but whether and how such codes are actually enforced in workplaces abroad is a crucial issue. Some firms have accepted the challenge that outside groups, including some church-related organizations, must be given full workplace access to verify compliance not only with the law but with the company's professed code.

For example, in Central America, a nonprofit organization called COVERCO (Commission for the Verification of Codes of Conduct) works with clothing company GAP and audits its subcontractors, reporting violations and suggesting remedies. According to a GAP executive interviewed for this report, the result is improving their "bottom line" because when the workers are more satisfied with working conditions, their productivity and quality of work rises.

#### *Child Labor*

It is hard to know whether the situation of child labor is better or worse than revealed in an International Labor Organization (ILO) study of a decade ago. In reporting it, the Wall Street Journal (November 12, 1996) title alone is staggering, "Estimate of Child-Labor Levels Triples" over previous assumptions. Some 250 million children between the ages of 5 and 14 are at work in developing countries, almost half working full-time. Globalization didn't create this situation, but clearly it has not diminished it either. Most children work in agriculture, not in family gardens but producing for markets including export from the cane fields of El Salvador, the cotton fields of Egypt, and the cacao plantations of Africa. Others labor in mines and seldom see the light of day. Tens of thousands more children are involved in sewing rugs, soccer balls, clothing, and countless other items for international markets. Darkest of all, tens of thousands more each year are abducted or sold into the virtual slavery of bonded labor and end up tied to machines, sent abroad as household servants, subcontracted out as street beggars, or channeled into prostitution.

In some parts of the world, children may be sent into bonded labor for as little as a \$15 up-front payment to parents; many never accumulate enough to buy their children back. Wages for these child workers are often eaten up by withholdings for room and board and fines for slow work or production errors. What begins as scandalously low-wage labor too often ends as life indistinguishable from slavery.

How can this happen? And how can it be changed? Most experts agree that the cycle begins with the destitution of parents who have no land, no marketable skills, and no reliable job. They are so poverty stricken that the small income stream from children at work often seems the only way to stave off deprivation of the entire family or even starvation. Many assume that, as promised by contractors, children sent to far away cities or abroad are receiving a better opportunity than if they had stayed with families. Employers sometimes claim that a child's small size and nimble fingers qualify them for work adults could not do as well. But as the ILO's expert on child labor says, "Employers are willing to hire children not only because they are cheaper but because they are more docile" (*Wall Street Journal*, November 12, 1996). That is, children do not know enough to protest their exploitation—the pittance paid, the wages withheld, the dangerous working conditions, and being cast aside when no longer of use.

Most experts agree that the world's scandal of child labor will be resolved only when poverty stricken families have better options. Attempts to purge child labor from the global market by sanctions alone will not suffice. There is an equal need for incentives that are at least as great as those that child employers promise.

### *Women in the Global Workforce*

Economic globalization's impact on women has been both extraordinary and troubling. Our global production and marketing system has brought with it a vast expansion of women working outside the home for pay. In many countries that is nothing short of a cultural revolution that, at the personal level, millions of women have found profoundly liberating.

Personal income not only allows personal consumption; it also confers new prestige for daughters in traditional societies that have usually regarded sons as the best hope for economic security. That millions more women are now earning paychecks is not just a personal matter. In most developing countries, family cohesiveness regards an income for any family member as a benefit to all. Typically, daughters who work are more dutiful than sons in sending money home.

Women now make up 1.1 billion of the world's 2.8 billion paid workforce, and their number has increased by more than 18 percent in the past ten years. Growth has been especially strong among young women in developing countries. That is not mere happenstance. Like child workers, women can be hired for less and counted on to be more docile than men. With fewer economic options, young women may value their jobs more than most men and thus do what they must to keep them. For many that has meant enduring sexual harassment from male supervisors, lower wages than men, and a firmly fixed glass ceiling that allows little room for advancement.

The prevalence of economic, sexual, and physical abuse of women workers is far greater when they enter domestic service. That is particularly so if it involves going to another country where being foreign only adds to a woman's vulnerability to abuse of all sorts. In the extreme, recruitment for work abroad is too often a ruse for placing young women into brothels. The growth of sex tourism as a part of the dark side of globalization has made trafficking in women for prostitution a growth industry.

Globalization is not directly responsible for creating these conditions that affect women so significantly and so negatively. But business firms have too often allowed and profited from them, and governments have too often been indifferent. It is fair to say that neither public nor

private entities have done enough to change the reality. Crafting ways to minimize globalization's negative impact on women and to maximize its potential benefits is the work of our time. Not to do so will continue to deprive the whole world of the industry and creativity of half the human society being shunted aside in many countries. But that cannot be the work of the western or economically dominant peoples or nations alone. It must be an effort that reaches across cultural divides.

### *Cultural Diversity vs. Homogenization*

The expansion of global production models and global markets has long been paralleled by fear that it comes only at the price of people embracing the culture of the dominant countries. An example of the dilemma is the impact of globalization on indigenous peoples. Critics charge that the constant search for land and resources by firms producing for export has pushed indigenous peoples further and further into forests to preserve their traditional ways, or forced them to "modernize," perhaps even taking jobs with the companies and making them partners in despoliation. Either way, their culture is forever changed and perhaps disappears entirely. How one feels about that depends on whether either modernity or culture preservation is regarded as a universal value. Some scholars and activists who worry about the genocide of cultures insist that economic interests must not have free reign in restructuring societies.

This is the extreme example, but in some sense, every country has traditions, mores and institutions that are threatened by the rules and homogenizing potential of globalization.

- The emergence of mega-malls in poor as well as rich countries does not mean that the world is one but that those who have the buying power to participate may have created class bonds stronger than those of nation, language, religion, or history.
- English is the common parlance of global commerce from trade agreements to computer software, and its adoption affects most of the world. Many of those who must adapt see the introduction of English for commercial convenience as a devaluation of their own culture.
- Media giants package news for sale to global markets and in the process determine what people in vastly different circumstances will focus on as important and often shapes their perspective as well.
- The American-dominated TV and film industry provides engaging entertainment that often embodies moral and cultural values at odds with those espoused in much of the world—individuality over community and family, indulgent sexuality over restraint, nudity over modesty, and violence as both problem and solution in modern society. Domestic producers in many countries fear being snuffed out by the sheer power of Hollywood. Some countries have reacted strongly to preserve a place for their own industries. France established a 10 percent cinema surtax to use as a subsidy for French filmmaking. South Korea went to a quota system that required movie houses to screen Korean films at least 146 days per year (Bhagwati, p.177). Such actions are technically against World Trade Organization (WTO) rules, and U.S. officials have made threats against countries that fail to open their movie and TV screens fully to American productions.
- Singapore is the quintessentially ordered society. A few years ago, it outlawed chewing gum as a public nuisance only to be forced by the WTO to rescind the ban on grounds that it was an illegal restraint of trade.
- Food and culture purists everywhere deride McDonalds, yet it leaps cultural barriers in a single bound in establishing itself as a business icon in virtually every part of the world.

Such examples might seem merely quaint if they were not symbols of deep underlying concerns.

- Will western production styles change the nature of religion in Muslim countries by making the obligatory five-times-per-day prayer ritual difficult if not impossible to observe?
- Will trade rules ultimately compel countries to accept irradiated or genetically modified foods as the price of membership in the WTO even if there are cultural, economic, and environmental and health reasons to oppose them?
- Is it inescapable that the western ideal of individualism will ultimately replace extended family loyalties and communitarian models of ownership and use?
- Will the pressure of economic privatization and capital requirements disallow state ownership in the development of key industries like oil, mining, and utilities?
- Will “democratization” demand the embracing of minimalist government with little or no official role for social and economic planning?
- Must participating in globalization mean trusting in free markets to mediate effectively and fairly all human concerns that have an economic dimension?

Those are not only questions of today’s developing countries. In many ways they embody concerns of the churches about the allocation of power in society and about how much confidence to place in powerful institutions, whether economic or political. That is an issue taken up more fully in a later section of this statement on governance. A study on *Globalization and Culture* prepared for the Advisory Committee on Social Witness Policy (ACSWP) begins with this sentence: “The Presbyterian Church (U.S.A.) affirms cultural diversity as a matter of conviction and modesty” (Ruy O. Costa, 2003, p.1). The notion of modesty is important. It is a reminder that we have a theological bias against giving absolute status to institutions or social theories—even our own. Compelling cultural conformity or closing out options are risks to be avoided. Cultural diversity is a gift that should not be bartered away in the name of globalization.

### *Stewardship of the Environment*

No topic is more germane to globalization than the stewardship of the natural environment. The earth’s regenerative capacity and its ability to sustain life as we know it is called into question more and more each day. General Assemblies have frequently addressed environmental themes. Of particular note are the 1990 statement, “On Restoring Creation for Ecology and Justice” and the 1996 document *Hope for a Global Future*. The range and gravity of the issues has not diminished, and our Reformed faith has not altered its commitment to just human relationships within a sustainable environment.

### *Population and Consumption*

Global population did not rise to one billion people until about 1800. There are now 6.5 billion people in the world. That is projected to rise to 8.8 billion in twenty years and to more than 10 billion by 2037 (World Population Clock). And, from now until the year 2030, virtually all that growth will be in the so-called less developed countries. Scholars and activists have worried for decades about how many people the earth can sustain. What regularly escapes notice is that consumption in countries like ours is having an even greater impact on the environment than added numbers of people. The 1.3 billion of the world’s population who live in the developed nations account for 86 percent of total private consumption expenditures while the remaining 5.3 billion people make do with the other 14 percent. Strikingly, the poorest 20 percent of the world’s population gets only 1.3 percent of total consumption expenditures (*U.N. Human Development Report 1998*).

What this all means is that the world can't afford many more people like us. The math is eye-opening. It takes six hectares of land per person (approximately fifteen acres) to maintain a U.S.-European consumption style. The problem is that there are only 1.7 hectares of productive land for each person now living (Richard Robbins, *Global Problems and the Culture of Capitalism*, Allyn and Bacon, 1999). Furthermore, lumping American consumers together with others is deceptive. For instance, if we look only at energy consumption, one of the most crucial factors in economic development, the average American not only uses 309 times what the average Ethiopian uses, or twenty-six times the average Indian, or thirteen times the average Colombian, but twice as much as the average German—one of the world's richest countries (Measured by per capita Btu use in 2003 as reported by the Energy Information Administration, U.S. Department of Energy, [www.eia.doe.gov](http://www.eia.doe.gov)).

What is truly alarming is that the amount and style of American consumption is being exported as part of the model of globalization. People are learning to consume differently. Our example and advertising are taking hold almost everywhere. While imitation may be the sincerest form of flattery, it is in this case also a threat to the ecosystem. The Worldwatch Institute estimates that there are now 1.7 billion members of “the consumer class,” i.e., people who can afford to buy regularly in the global shopping mall. Half of those live in the developing world. India and China are the new wonders of the economic age, and only a small percentage of that third of humanity have made the transition to life defined by consumption. What will it mean when the majority joins in and when other countries do likewise? Yet development as we know it depends precisely on that happening.

A quarter century or so ago, issues like these were prominent on the agenda of the church and the larger society. A decade of extraordinary economic growth and half a decade of national security turmoil and war have diverted our attention. Perhaps it is time again to find our voice about the ethics of population and consumption in the stewardship of a sustainable earth. That is the challenge to our denomination by the World Alliance of Reformed Churches: “We invite member churches to receive and respond to our common witness...[which declares in part] We reject the culture of rampant consumerism and the competitive greed and selfishness of the neo-liberal global market system, or any other system, which claims there is no alternative” (“Covenanting for Justice in the Economy and the Earth,” Accra, Ghana, July 3–August 13, 2004).

### *Pollution and Resources*

Around the world and throughout history, economic enterprise has regarded the environment as a free-good, an inexhaustible source of supplies with an unlimited capacity to absorb waste and toxicity. Each day makes it more evident that is not true. The 1996 General Assembly policy statement *Hope for a Global Future* expressed the deep concern of the church about the degradation of the environment resulting from massive failures to handle the problem of pollution as a truly global reality. It laid down the principle that “If all people on this planet are moral equals, responsibilities cannot stop at the water's edge.” Good national policies are not sufficient if our economic activity elsewhere fouls the earth from some other place and puts the lives of poor people in poor countries disproportionately at risk because no one is watching or insisting on higher performance. One suggestion made in the 1996 statement was that firms should be required to do full-cost pricing. “The true costs of production should be measured to include not only the usually reported costs of a business or governmental entity, but also the costs of externalities that damage the environment and may lead to countervailing public expenditures for, say, health-care and clean-up costs” (p.49). Ten years later, it is important to note that there has been no evident progress toward that goal.

It may also be time to consider a corollary of full-cost pricing. We are accustomed to a market system that rewards countries for the rapid exploitation of resources. We have not yet grasped the need for designing economic mechanisms to support decisions not to exploit especially crucial areas. For example, the Brazilian rainforest may possess up to half of all life species



thought to exist. Through its varied and abundant vegetation it also produces a vast amount of the earth's oxygen supply. Yet, there is no serious international effort to find ways to entice Brazil into nondestructive uses of this area. From a moral perspective, it would be ideal for the Brazilian government to undertake the sacrifice as an offering of love to God and the human family. But that will not happen. No one people can be expected to bear such economic and political costs alone. If the nonuse or controlled-use of resources in such regions is important to global well-being, there must be mechanisms designed to help share the burden among the human population best able to bear it. *Hope for a Global Future* put the issue aptly, "A new strategy must be found to engage the developing world in a full and trusting partnership to ensure the protection and rejuvenation of biological diversity"(p.55). We are a long way from making globalization a trusting partnership of peoples and their governments.

### *Climate Change*

The most politically visible attempt to take a global approach to a major environmental issue was the U.N. protocol on Climate Change initiated in Kyoto, Japan, in 1997. Eventually signed by 141 countries, it entered into force in 2005 and commits the industrial nations of the world to a 5.2 percent reduction of greenhouse gas emissions by 2012. Each of those countries agreed to specific targets and dates of compliance. The United States, which contributes more than a quarter of all greenhouse gases to the atmosphere, and Australia were not among the signers. One of the first acts of the Bush administration upon entering office in 2001 was to withdraw from the Kyoto process. (An earlier Senate vote had failed to ratify U. S. signing of the protocol.) President Bush said at the time: "I will not accept a plan that will harm our economy and hurt American workers." Later elaboration made clear the administration's rejection of the idea that developing countries should be even temporarily exempted from making reductions in their polluting activities. In other words, we reserve the right to exempt ourselves even as we insist that others be held accountable.

Less than six months after Kyoto entered into force without the United States, the Bush Administration, in July 2005, announced a separate agreement among six countries—the U.S., Australia, China, India, South Korea, and Japan—to combat global warming through promotion of clean energy technologies. This is regarded by most of the world's environmental community and many political observers as only a gesture designed more to counter international criticism of the U.S. and Australia than to contribute to clean air. Two factors make it hard to take the action seriously. First, there are no specific commitments; no targets, no benchmarks, no timetables. In other words, each country is free to act or not act as its short-term economic and political interests are best served. (Japan, however, as a signer of Kyoto is committed to a 6 percent reduction of greenhouse gases.) That is not an approach that inspires confidence given the poor record of voluntary compliance for the sake of the world when there are sacrifices to be made.

Second, the six-nation agreement is based on cooperating to invent, develop, and sell technologies that will reduce air pollutants. Clearly, such technologies will be needed as a part of long-term transformation. But that need not undercut immediate results that can be had from changes in consumer lifestyle and widespread adoption of cleaner production technologies that already exist. Particularly unnerving is that nuclear power facilities are considered along with wind, solar, hydropower, and geothermal power as desirable technologies. Given the still unresolved dilemmas about the centuries-long, absolutely secure storage required for nuclear waste and growing anxieties about nuclear proliferation, that seems an unsafe and unwise decision. Furthermore, this approach ultimately depends on commercial markets as the best and most reliable arbiter of the most far-reaching social decision humanity is called upon to make. General Assemblies of the church have often acknowledged the important role markets can play in allocating resources efficiently, but that has not been assumed to mean that buyers and sellers can be expected to take into full account the interests of all humanity, all generations, and all creation.

## **Technology and the Ownership of Ideas**

Globalization is not an alternative word for international activity. It is not just about trade across national boundaries or the availability of goods from far away. Nor does globalization mean cosmopolitanism—feeling comfortable with people from other places, the ability to speak other languages, experiencing international travel, and enjoying various ethnic cuisines. Such realities have long existed, at least for some. Globalization is a new way of thinking about the world and relating to it; technology is its nervous system. It is what allows and promotes the first realistic attempt to engage in global, real-time management of money, production systems, and marketing strategies, as well as the daily experience of news, entertainment, and cross-cultural expression. That does not mean that we all consciously choose that kind of globalization; nevertheless, it is the reality that in many ways affects the lives of almost everyone everywhere.

It is more than symbolic that globalization as a new way of thinking about the world began less than fifty years ago with the invention of the semiconductor chip whose etched electronic pathways are consciously brain-like. The microchip is both the hardware and symbol of the technology that is creating globalization. As with other transforming technologies of the past, however, the impacts are uneven and often unfair. Much of globalization is about ideas and information, who has access to them, and who owns them. This is essentially the debate over intellectual property rights, an already contentious issue destined to be even more so until resolved by international agreement.

Here we reflect on three technology-related globalization issues with social and moral significance.

### *Food and Agriculture*

General Assemblies have frequently expressed deep concern about the need to develop and protect an agricultural system that provides an adequate, safe, and locally acceptable food supply for all of the world's people, and to do so in ways that are environmentally sustainable. Those statements have contained measured criticisms of: the growing domination of the food sector by huge agribusiness corporations and trading companies; a push for cash crops over production for local consumption; large scale agriculture that squeezes out small farm operators and makes rural communities unviable; chemically destructive approaches to cultivation; pesticide usage with poisonous effects on human beings and the ecosystem; water-intensive agriculture that endangers water tables and imposes shortages on the rest of society. We acknowledge and affirm those criticisms while focusing on other issues that are particularly relevant to the present globalization debate and that have received less attention from other assemblies.

Genetically modified (GM) foods have become a great divide in economic globalization. Genetic modification is achieved by combining genes from different plants, animals, or bacteria to attain an organism with a set of desired characteristics. The potential benefits touted by some scientists and corporate developers are of staggering significance: the quick improvement of crop yields, pest resistance, or herbicide tolerance to a degree not attainable by traditional methods. Even more far reaching are claims that GM crops can be manipulated to produce synthetic substances. For Africa, that could mean sweet potatoes bred resistant to a virus threatening to decimate this basic food of the poor. Rice might be genetically engineered to carry increased iron and vitamins helping to end chronic malnutrition in many Asian countries. "On the horizon are bananas that produce human vaccines against infectious diseases such as hepatitis B; fish that mature more quickly; fruit and nut trees that yield years earlier; and plants that produce new plastics with unique properties" (Human Genome Project Information, August 4, 2005).

However, GM techniques may also threaten human health, the environment, and the economy. New substances from combining the DNA of different organisms may create new and dan-

gerous allergic responses to the genetically new foods and products. Plants bred to be resistant to pests or herbicides may see those characteristics transferred to wild plants with disastrous consequences for the delicate balance of local and regional ecosystems. There is also the risk that the complex science and expensive technology involved will increase the control that a small number of biotechnology corporations already have over the world's agriculture.

The development and growth of GM crops has been largely a Western Hemisphere phenomenon with 63 percent of world plantings in the U.S., 7 percent in Canada, and 25 percent in Argentina and Brazil together. In Europe there has been a huge public outcry opposing "Frankenfoods" and the European Union has created high bureaucratic hurdles to receiving approval for member countries to grow and market such crops. Corporate developers and their political backers hoped that a large British field test of GM rape seed would convince the public not only that GM food is safe for human consumption but that it would also benefit wildlife in the growing area because of a lower utilization of herbicides. The final report issued in early 2005 proved just the opposite, concluding that both birds and plants would suffer if the new seeds were grown widely in the United Kingdom (UK) (*The Guardian Unlimited*, June 14, 2005).

Still, even in Europe GM foods are making inroads. More significantly, China, which currently plants only 4 percent of the world's GM crops, may be ready to set a new course. A member of the Chinese Academy of Science says that half of the country's agricultural produce will be genetically modified by 2015 (*Ibid.*).

A related issue of great concern is the development of so-called "terminator seeds." By a number of technologies, seeds can be produced that grow plants to maturity but whose seeds will not germinate when replanted. The result will be to end the centuries-old practice of saving a portion of a crop as seed for next year's planting. Farmers who intentionally or accidentally plant such seeds would become annually dependent on the purchase of seeds from suppliers. No convincing arguments have been made that such a system will result in more or better food. Its sole purpose appears to be increased profits to the seed industry. While "terminator technology" has not yet been commercialized, and some companies have disavowed the intent, firms continue to obtain patents for the technology.

Internationally, the 1995 Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPs) requires that all inventions be patentable. The World Trade Organization (WTO) does allow member states to exempt animals and plants from patenting, but this exemption does not extend to new plant varieties—including those produced using GM technologies (Genetically Modified Food—General Principles: Approved by the 38th General Council of the United Church of Canada—August 2003).

### *Pharmaceuticals and the Health of the Poor*

Poor countries bear 90 percent of the burden of the world's diseases. Yet the pharmaceutical industry devotes only 3 percent of its research and development budget to those ailments. The rest goes to meeting health needs in wealthier countries (*The Economist*, April 16, 2005, p.69). This mismatch is not accidental; it is the direct result of the legal right of companies to allocate their energies and resources according to their perception of where there will be the greatest profit. The health, and in many cases the survival, of hundreds of millions of people ultimately depends upon redirecting the world's medical research and development efforts. There is some progress being made through international organizations and private foundations, which firms seem quite willing to encourage while devoting themselves almost entirely to drugs that can be marketed at a larger profit.

An even more scandalous situation revolves around the pharmaceutical industry's determination to exercise patent and intellectual property rights to deny the trading of generic drugs that are of immediate use to poor countries. The most dramatic example concerns drugs known

to be effective in treating HIV/AIDS. The disease has reached pandemic proportions in Africa with twenty-seven million sufferers including 80 percent of the world's children with the disease. Given their vulnerability in many societies, women are fast on their way to becoming the majority of people infected with HIV. Indeed, already globally women make up 60 percent of 15-24-year olds who are HIV+. Virtually all infected persons will die without lifetime treatment. In addition, fifteen million children are AIDS orphans—about half of all orphans in southern Africa. Several countries in Asia seem to be on a similar track and only a few years behind.

The same drugs that have proven effective in controlling AIDS in the U.S. at a cost of \$10,000 to \$15,000 per year were also available in Africa. But for countries that spend an annual average of only \$10 per person on all health care, the availability was meaningless. Under immense public pressure, firms agreed to cut prices in Africa. But even “slashing the cost” to \$350 per person per year remained irrelevant in countries where the common wage may be only a dollar or two a day. Clearly a cheaper supply was the only hope. But when the South African government planned to undertake the production of generic AIDS drugs, then-U.S. Vice-President Gore actually threatened trade sanctions to prevent the action. That was likely a political response to the intense lobbying efforts of pharmaceutical firms in the United States. In South Africa itself, thirty-nine drug firms went to court to challenge legislation that would have authorized ignoring patents on life-saving drugs. In the end, the firms withdrew the action in the face of a global public relations disaster that regarded them as more interested in preserving profits than in saving human life.

Most countries in southern Africa do not have the technical capacity or the capital to undertake a major generic drug production program. But India does, and it has been supplying effective and inexpensive generic copies of AIDS cocktails to Africa. Pharmaceutical companies have fought such exports quite simply because they effectively put a cap on their profits. For the moment, they seem to have won. In 2005 the Indian legislature passed a bill that prohibits domestic firms from making low-cost generic drugs that are under patent abroad. That action is widely seen as an attempt to ensure that India does not run afoul of World Trade Organization (WTO) rules.

It is noteworthy that pharmaceutical firms are now cooperating in cutting their prices on antiretroviral drugs in poor countries—to as low as \$150 per person per year in some cases (*The Economist*, July 2, 2005, p.70). Given the huge number of victims and the fact that the drug regime will have to continue for a lifetime, that still represents a profitable opportunity for products whose development costs have long since been covered by the high prices in rich countries. Thus, the major social issue remains unresolved. How long and to what level of profitability should the possessors of knowledge and patents be able to extend their “rights” in the face of human desperation? And who gets to decide?

### *Intellectual Property in the Computer World*

A similar, though less dramatic, situation exists in the computer world. Microsoft has long been involved with legal disputes over its dominance in the personal computer world. For a majority of computer manufacturers, Windows is the only operating system that can be offered to consumers when they purchase a new system. This can be attributed to Windows' user-friendly interface. But Microsoft's use of bundled software (several programs sold together) has created a monopoly by not allowing competitors to incorporate their software with Windows. Microsoft does not allow manufacturers to remove any programs in its bundled software and substitute it with a competitors equal.

Like the pharmaceutical industry, Microsoft has been successful in lobbying the U.S. government to press its own understanding of intellectual property protection into international trade through the WTO. That means that any violation of U.S. intellectual property rights can be punished by internationally imposed trade sanctions. It is such actions that have caused noted Columbia University economist Jagdish Bhagwati to condemn some corporations and the U.S.

government for transforming the WTO into “a royalty collection agency” (*In Defense of Globalization*, Oxford, NY, 2004, p. 182).

In recent years, “open source” software has become more accessible to the general public (Mozilla’s Firefox browser, for example). Several governments, such as Brazil and Venezuela, have recently made the decision to move all government computer systems to “open source” technology. This could be costly for Microsoft, as it depends on a large amount of government sales. What makes this “open source” movement worthy of note here is that it embodies an alternative way of thinking about the ownership and sharing of ideas.

Society is struggling with conflicts between the Internet’s extraordinary ability to distribute information almost without cost and the need to offer some measure of respect and compensation to artists, inventors, and the holders of copyrights and patents. That is not at issue for this paper. Open source technology relies on individual, voluntary contributions by thousands of programmers. Each one’s work builds on and is reviewed and corrected by others and made available without cost to anyone who cares to use it. Living as we do in a culture of the privatization and commercialization of almost everything, it is reasonable to ask, “Why would people give away what might be sold?” The answers surely are as varied as the persons involved. But the reality leads to hopeful new thoughts about the economic enterprise. In an article dealing with the exchange of the tools of technology, Yochai Benkler suggests that there is here the “outline of the contours of social sharing as a third mode of organizing economic production, alongside markets and the state” (“Sharing Nicely: On Shareable Goods and the Emergence of Sharing as a Modality of Economic Production,” *Yale Law Journal*, November 2004, p. 357).

Much of globalization is about ideas and information, who has access to them and who owns them. It concerns intellectual property (IP) rights, the extent to which ideas and information (as opposed to inventions) can be patented and then marketed, legal recourse, and the conditions under which these ideas can be sold to or shared with others. At the international level, this decision-making process takes place mainly in discussions on the General Agreements on Trade in Services (GATS) conducted under the auspices of the World Trade Organization (WTO).

In the area of intellectual property, we lack a legal categorization equivalent to “public domain” that would permit critical ideas or knowledge to be universally accessible for the advancement of the general welfare of all peoples and nations. Dire public health issues such as AIDS, vaccines, or global pandemics illustrate the ethical need for this legal status. Establishing such a new legal category would create an “open source” repository for the publicly funded research results of all nations, for folk knowledge or products of indigenous culture generated by communities, for discoveries in global resources such as the oceans, for patented knowledge of vital benefit to the universal common good, and for private discoveries that may be charitably donated for the good of humankind.

If new technologies of communication and access to information can lead the emerging global society to think more in terms of sharing ideas than of owning them for private profit, we may be on a corrective path of economic activity. According to economist Jeffrey Sachs, “The beauty of ideas is that they can be used over and over again without being depleted” (Jeffrey Sachs, *An End of Poverty*, Penguin Press, New York, 2005, p. 41). That would be far more in keeping with the church’s ethic of community and stewardship than an economic model based on an endless competition of all against all for private gain.

### *Globalization and Education*

Broad-based education in poor countries is the key to their people gaining access to the new world of information technology. Education is also being reshaped by globalization. Around the world, the content and structure of primary, secondary, and higher education are being recast to boost the productivity of domestic workforces in the quest to achieve international competitive-

ness. As this occurs, the goals of education inch away from broad knowledge and understanding towards skills competency and performance. Whether it is “No Child Left Behind” in the United States or the “Bologna Process” in European higher education, the strategy is the same: To mold strategically a nation’s human resources as the most critical single variable for improving performance within a globally competitive, knowledge-based economy.

Higher education is where the impacts of globalization are the most pronounced. In the past, knowledge was considered a universal public good that was made readily available in book form to scholars engaged in a collective search for “truth.” Today, knowledge is becoming a tradable commodity as universities stake out their intellectual property rights in response to pressures for ever greater cost-effectiveness. The quest for knowledge evolves away from a collective human undertaking towards a more competitive and individual pursuit. In addition, as knowledge expands exponentially, books become an inefficient means of communicating it. In their place, the Internet has emerged as a global repository of knowledge that can only be accessed through the much more expensive means of information and communications technologies. Although some developing countries have benefited from the Internet and telecommunications, many poor countries are struggling to enter the digital age. Those that make progress may find it to be temporary as their equipment becomes outdated. In short, competitively productive nations forge an ever-widening gap in knowledge, research, and technology between themselves and less competitive countries that translates into an expanding divide in wealth, opportunity, welfare, and lifestyle.

Among developed nations such as Australia, the United Kingdom, and the United States, higher education has become big business. The export of educational services through distance education and the recruitment of fee-paying foreign students seeking a first-world education have created a global “trade” in higher education that constitutes a \$4 billion market. More importantly, globalizing higher education enables countries with quality educational programs to identify the “best and the brightest” of other nations and recruit them into their own economies. Such competition in human capital development creates a vicious cycle in which the intellectual resources of poorer countries are skimmed off to the advantage of wealthier societies. Promotion of trade in higher education figures on the agenda of the current round of WTO negotiations on the General Agreement on Trade in Services (GATS).

Implications for worldwide education emerge from the current dynamics of globalization. One is that English is becoming the language of education, particularly at the higher levels. University classes taught in English are offered in such diverse places as Chile, Mexico, the Netherlands, and Sweden. Another is that the brain drain is accelerating as the competition for human talent heats up. An estimated 30 percent of all university graduates in Africa have left the continent, creating an almost insurmountable shortfall in local leadership, management, and professional skills. Third, as knowledge becomes a commodity, research becomes a business activity. Research priorities reflect perceived business opportunities rather than societal needs. New consumer goods for the rich arrive in a bountiful stream even as the needs of the poor, such as malaria eradication, struggle to find research funding. Fourth, the current form of globalization supports the private provision of education, particularly at the higher educational levels. In many African countries, enrollments in private universities are growing faster than those in public institutions. But cost-efficient behavior usually leads private universities to concentrate on inexpensive disciplinary areas in high demand. These commonly include accounting, business administration, computer science, economics, law, and social sciences. One result is that developing countries regularly confront skills deficits in engineering, medicine, natural sciences, nursing, and areas of applied technology essential for economic and social advancement. In these and other ways, even seemingly local activities such as education are impacted.

### **Controlling, Governing or Guiding Globalization**

The corollary questions to “Who can participate in a global society and how?” are “Who is benefiting?” and “Who is in charge?” The suspicion exists broadly that globalization is being

managed to benefit the few, not the many, and certainly not the environment or future generations.

### *Counting on Corporations as Global Managers*

The hallmarks of globalization in the post-Cold War period have been the virtual disappearance of planned economies, the expansion of a free trade philosophy, and the continued growth of transnational corporations that root themselves in the cracks between governments. Such companies have positioned themselves in the post-Cold War world, even more than before, to be the chief actors in a global economy. They have the legal rights of persons and despite their size and social influence, generally speaking have no assigned duties in society beyond complying with the laws of the countries where they operate. Many believe that unattended market forces will inevitably benefit everyone. Others, including many in the churches, believe that corporations should have a positive social effect beyond profitability.

Where corporations are small, there is little distinction between what is expected of moral individuals and what is expected of the businesses they own. But difficulties mount in the world of huge international enterprises. When there are thousands of “owners” and when even millions of dollars in shares may amount to a fraction of a percent of a firm’s worth, even the best-intentioned investor will have little impact on company policy.

Churches realized early on that if there were to be a change in the policies of large corporations it would have to come through management, not through owners. The hope was that socially sensitive individuals high in the corporate system could be convinced to impress their values on the organization. But that is seldom an effective strategy for changing complex organizations or society as a whole. It fails to take into account the fact that social responsibility carries an economic cost. If one company assumes that cost and others do not, that firm will be placed at a competitive disadvantage and may not survive.

It is nevertheless important for the church to urge its members to live their business lives at the highest moral level and to do their best to steer corporations in that same direction. But to do nothing more is to abandon good people and even good companies to amoral market structures and immoral competition. The greatest help that the church can give in support of more socially sound corporate activity is to combine moral suasion with determined effort to establish a legal framework that will require all corporations, whether or not they are headed by morally sensitive persons, to act in ways that contribute to the common good.

*The Economist* concluded a 2005 special section on “The Good Company” with these words:

The proper guardians of the public interest are governments, which are accountable to all citizens. It is the job of elected politicians to set goals for regulators, to deal with externalities, to mediate among different interests, to attend to the demands of social justice, to provide the public goods and collect the taxes to pay for them, to establish collective priorities where that is necessary and appropriate, and to organize resources accordingly.

The proper business of business is business. No apology required. (p. 22)

One might almost applaud, or at least accept, such logic if it had gone one step further. What we have a right to expect from corporations, and the people made wealthy by them, is that they will abstain from using their money and power to dictate or undermine the very activities said to be the responsibilities of government. It is not acceptable for corporations or groups they finance to write legislation or regulations favorable to them, or to distort the political process to the detriment of individuals, communities, the environment and the sustainable existence of future generations with the vast amount of money now going into campaigns and lobbying. Indeed, it is justifiable to fear that American democracy as we have known it is in peril.

Human life and dignity are also sometimes imperiled by corporate actions. Some companies engage in activities that exploit or violate the human rights of their workers and of those whose land they seek to possess. The Alien Tort Claims Act (ATCA) of 1789 grants jurisdiction to U.S. Federal courts over any dispute where it is alleged that the “law of nations” or norms of international law are broken. This is significant because it allows foreign victims of serious human rights abuse abroad to sue the perpetrators in U.S. courts whenever the perpetrator is properly served within the borders of the United States. In a handful of cases, the ATCA has been used in lawsuits against U.S. corporations that are accused of knowingly benefiting from serious human rights abuse. If these suits are allowed to proceed, then ATCA could become a powerful tool to increase corporate accountability. Under this law, the Presbyterian Church of Sudan, founded by the PC(USA) more than one hundred years ago, is suing the Talisman Energy Corporation for allegedly engaging in a campaign with the Sudanese government that included torture, death squads, and other human rights violations against Sudanese nationals.

In interpreting the definition of “law of nations” under the ATCA, courts have looked to current universally accepted norms of international human rights law. In 1979, the U.S. Supreme Court acknowledged that deliberate torture perpetrated with “official authority” violated a norm of international law. The Court has more recently acknowledged that the ATCA reaches conduct of private parties (such as corporations or individuals) provided that the conduct is taken under “the color of state authority,” i.e., with apparent governmental or official approval, or that it violates a norm of international law that is recognized as extending to the conduct of private parties.

It follows that violation of certain basic human rights intrinsically violates the norm of international law. Corporate entities that directly engage in genocide, systematic killing, enslavement for profit, religious persecution, death squads, racism, or torture clearly violate the norm of international law. In addition, corporate entities that knowingly engage in trade with powers or parties that carry out such atrocities may also violate the norm of international law. Such corporations should be held accountable for their actions.

### *Nations Amid Empire—Country Governments as Global Managers*

There are some 193 countries in the world; most have almost no influence over the forces of globalization that shape and sometimes misshape their reality. This is the situation that moved the World Alliance of Reformed Churches to state:

...we see that the current world [dis]order is rooted in an extremely complex and immoral economic system defended by empire. In using the term “empire” we mean the coming together of economic, cultural, political and military power that constitutes a system of domination led by powerful nations to protect and defend their own interests. (“Covenanting for Justice in the Economy and the Earth,” 24th General Council, July 30–August 13, 2004)

One suspects that the WARC statement was being polite in its use of the plural “nations.” Most of the world clearly regards the United States as the current imperial power. We may wince at that and say it isn’t true, or that we never intended it that way, or that we only want to do good in the world. But since the end of the Cold War, Americans have reveled in the fact that we are “the sole surviving superpower.” President Clinton referred to this country as “the indispensable nation” (Second Inaugural Address, January 20, 1997). And his Secretary of State Madeleine Albright made it very clear that the phrase was not to be understood only economically and culturally: “If we have to use force, it is because we are America. We are the indispensable nation.” Conservative patriarch Irving Kristol summed it up neatly, “What’s the point of being the greatest, most powerful nation in the world and not having an imperial role?” (From an interview by Corey Robin, “Grand Designs,” *Washington Post* Op-Ed., May 2, 2004). President George W. Bush’s administration has made clear that while the U.S. values the support of allies, it will not hesitate to act alone in the nation’s self-defined “security” interest. The preemptive war in Iraq is one example of that logic; so too is the U.S. withdrawal from the Kyoto treaty on climate change because it wasn’t good for the American economy. Likewise, American excep-



tionalism was boldly asserted in the threat to withdraw peacekeepers from Bosnia unless the U.S. was granted an exemption from jurisdiction of the International Criminal Court.

It is not surprising that U.S. globalization strategies based on a combination of American exceptionalism and unilateralism continue to alienate other countries large and small, rich and poor, allies and rivals. A 2005 poll by the Pew Global Attitudes Project—the most respected of international opinion surveys—is indicative of America’s sagging reputation and the increase of anti-Americanism abroad. Pew asked respondents in sixteen countries to give favorability ratings to five nations: the U.S., France, Germany, Japan, and China. America was at the bottom of everyone’s list except India, Poland, and China. More than half of respondents from ten of the fifteen countries surveyed (excluding the U.S. itself) viewed the U.S. unfavorably—in many cases by wide margins. Throughout Europe, China was more popular than the United States. Half or more of all respondents (except those from the U.S.) wanted Europe to be more independent of the United States, and huge majorities thought the world would be better off if America had a military rival (*The Economist*, June 25, 2005, p.35). It is sobering to realize that so many people in so many countries prefer the risk of warfare among nations to what they regard as a world under American hegemony. These sentiments are clearly shared by our Christian brothers and sisters as seen in the documents on the global economic order by the World Alliance of Reformed Churches and the World Council of Churches.

Amid the dark attitudes expressed in the Pew poll were also some clues about what might change world opinion about our country. People in all sixteen countries surveyed indicated that U.S. action in helping victims of the Asian tsunami impressed them favorably, and most also supported the call by President Bush for democracy in the Middle East (*Ibid.*). Clearly, the world recognizes the value of American ideals and the potential for the positive use of America’s economic power. There is, however, a longing for those traits to be harnessed to a truly internationalist vision rather than an imperialist vision.

For example, in 2005, the New Mexico-based International Relations Center and the Washington-based Institute for Policy Studies jointly initiated a project aimed at setting a better course for American participation in the global community. It was launched with a document titled, “A Global Good Neighbor Ethic for International Relations.” The introduction includes these words:

Global Good Neighbor principles are easily understood, because they are not drawn from foreign policy journals or ideological tracts. These principles reflect our basic values, our golden rules, our personal responsibility, our common sense, and our human decency. They are principles based on everyday practice of good neighbors. (p.2)

The fourth of seven principles states, “As the world’s foremost power, the United States will be best served by responsible global leadership and partnership rather than seeking global dominance” (p.11). One of the authors of the document said to the press:

Adopting a Global Good Neighbor ethic doesn’t mean joining or leaving the conservative, liberal, progressive, left, or right political camps. All that it means is that you believe, as [Franklin D.] Roosevelt did, that everyday good neighbor practices—self-respect, mutual respect, and a spirit of cooperation—are the proper starting points for mutually beneficial international relations.” (Tom Barry, IRC Policy Director, Media Advisory, May 16, 2005)

The alternative to empire is not the renunciation of power but a change in the way power engages the world. The U.S. role should be that of a large and important participant in a global reality that is greater than any one government, country, or people. Its size and wealth may, for the time being, grant the United States the position of “first among equals,” but that does not convey the right of being the global rule maker or the right to live above the rules. The admonition of the Old Testament sage is as apt for nations as for individuals, “...humility goes before honor” (Prov. 15:33b).

*The Existing International Institutions—Ordering a Global Economy*

The narrow interests of business may not necessarily encompass the common good. Individual governments have proven no match for the extraordinary mobility of capital in a global economy. Small and weak states have no leverage; large and powerful ones are so wedded to the economic interests of business that they become its international facilitators. Thus, if some measure of restraint, control, and guidance of the global economy is to be established, it must be through international institutions.

Recognition of the need for multilateralism is not new. More than sixty years ago, as World War II neared its end, representatives of the Allies met in Bretton Woods, New Hampshire, to craft actions to keep the world from returning to the “beggar-thy-neighbor” trade and currency policies that led the world into the Great Depression and war and left whole countries in shambles. It was clear that nations would have to act collaboratively.

Bretton Woods established two international institutions to help shape and stabilize the envisioned global economy—the International Monetary Fund (IMF) and the World Bank. The General Agreement on Tariffs and Trade (GATT), was an addition to the Bretton Woods framework.

Since the Bretton Woods Allies regarded finance as the key issue of the post-war world, it is not surprising that they preserved for themselves control of the IMF and the World Bank through a weighted voting mechanism related to the size of national economies and the amount of contributed capital. For example, France, Germany, United Kingdom, and the U.S.A. each have their own representative and independent votes, whereas fifty African nations share a single representative and cast a single vote.

The IMF was given two principal tasks: monitoring currency exchange rates so as to prevent countries from seeking a trade advantage by devaluing their currencies; and stabilizing the global economy by making emergency loans to countries with short-term balance-of-payments difficulties. Together these actions served to create and maintain a better climate for business development and the integration of the world on that basis.

The World Bank was tasked with provision of low-cost financing for large-scale national investment projects. It initially focused on post-World War II reconstruction in Europe but subsequently expanded to engage the developing countries.

Those institutions may have been admirably suited to the needs of developed countries left devastated by war. But as international focus shifted to countries that were historically poor and economically ill-equipped to participate in an increasingly global economy, the International Monetary Fund and the World Bank took on new functions.

In the 1970s and 1980s, the IMF became the economic disciplinarian of poor countries. Arguing that economic restructuring was necessary for growth, it began to insist that those governments adopt a more or less standard set of policies: reduced government subsidies of social welfare programs; export promotion (including a devalued currency and lowered wages); encouraging a favorable business climate (including privatization of state-owned firms); and liberalized financial markets (including the free convertibility of currency and foreign participation in the banking sector).

If the intent of these policies was really to help countries repay international loans through more rapid economic growth, they were a spectacular failure. The IMF loans were of small consequence, but IMF approval soon became the condition for loans from the World Bank, private lenders, and some governments as well. Structural adjustment lending to poor countries became a kind of pyramid scheme with new loans used to pay interest on old loans without retiring them or admitting that the debts were un-payable at any morally acceptable level of human sacrifice.

Whatever the declared intent, the result of World Bank and International Monetary Fund actions has been to reshape poor countries to make them a better fit for the ideology of dominant countries that promotes the business environment, foreign trade, and smaller government.

The professed goal of GATT was to remove trade barriers established by individual countries. From the beginning, it sought to establish the principle that all countries must treat products from all participating countries equally. The original concern about the exchange of goods was expanded to include trade in services and intellectual property when the organization was transformed into the World Trade Organization (WTO) in 1995. The WTO has been relentless in pressing smaller and poorer countries to open their markets to the industrialized world. It has been much less attentive to pressing rich countries to abandon agricultural subsidies (e.g., sugar) and industrial protectionism (e.g., textiles) that would open those markets more fully to less developed countries. Effectively, the WTO's ability to enforce economic sanctions on non-compliant states has become a tool of the economically and politically powerful in maintaining an asymmetrical and unfair global economic system.

Bretton Woods was right in assuming that the world has changed, that individual nation states cannot cope with the new reality, and that there must be new mechanisms to bring order to the chaos of globalization. But order defined by the self-interest of powerful actors is not enough. We of biblical faith insist that a global economic system must serve justice and compassion as well as order.

### *Reshaping International Institutions—Managing Together*

Justice is not a static term; it cannot be defined once and for all but must be made to live amid constantly changing historical realities. Karen Lebacqz makes the innovative suggestion that we begin by considering injustice. "A mirror held up to our world reflects the rupture of justice and reigning injustice. That is why injustice must be the beginning point" (*Justice in an Unjust World*, Minneapolis: Augsburg, 1987, p.11). A major dimension of economic justice that must concern us today is the extraordinary mobility of capital in the narrow service of a small percentage of the world's population, among states individually incapable of countering it, and assisted by inadequate international institutions.

In light of the fact that fifty-two of the world's one hundred largest economic actors are corporations—the others are nation states—David Korten's harsh judgment is too painfully relevant to be ignored:

The triumph of global capitalism means that more than half the world's one hundred largest economies are centrally planned for the primary benefit of the wealthiest one percent of the world's people! It is a triumph of privatized central planning over markets and democracy. Even more, it is the triumph of the extremely wealthy over the remainder of humanity. (Cited in William D. Heffernan and Mary K. Hendrickson, "Multi-National Concentrated Food Processing and Marketing Systems and the Farm Crisis," American Association for the Advancement of Science Symposium, Boston, February 14–19, 2002—David Korten holds both an M.B.A. and Ph.D. from the Stanford University School of Business.)

Globalization as we are experiencing it is undoing some of the most positive developments of capitalism during the past century. In our own country income and wealth are becoming more concentrated; the number of people is increasing who work full-time but still live below the poverty line; health and pension benefits are being bargained away or taken away; even persons employed full-time are among the homeless. But such losses in countries like ours are dwarfed by the human condition of the vast majority of the poor in scores of countries who are simply being left behind by globalization as we know it. Gustavo Gutierrez put it plainly: "In the Bible poverty is a scandalous condition inimical to human dignity and therefore contrary to the will of God" (*A Theology of Liberation*, Orbis: Maryknoll, N.Y., 1973, p.291).

Professor Ethan Kapstein notes that the problems of both rich and poor countries can and should be addressed by the international community simultaneously (Ethan B. Kapstein, “A Global Third Way: Social Justice and the World Economy,” *World Policy Journal*, Winter 1998–99). They are related by the fact that under the present system, capital enters and leaves countries with little accountability. In the process, capital is not paying a fair share of the costs of governments from which it benefits. Multinational firms learned long ago to use transfer pricing to move profits to where they will be taxed the least. Banks and financiers took note and have made use of offshore accounts for the same purpose. What is needed is an internationally coordinated tax policy that would diminish the ability of corporations and financiers to play one government off against another to avoid paying their fair share of social costs. Reserves generated in this way could be employed to reduce the social and environmental costs of globalization. Beyond some agreed upon minimum tax shared by the global community, countries would be free to tax more for purely national purposes. That parallels the situation in the U.S. where states regularly tax corporations independently of their federal tax liability.

The idea of international taxation for international activities is not new. Nobel laureate economist James Tobin has suggested a small transaction tax on global capital movements to reduce speculation that threatens currencies and governments. Environmentalists have frequently called for an emissions tax as an incentive for corporations to pollute less. Chile already requires foreign investors to pay a heavy penalty if they withdraw their funds from the country in less than a year. And Vito Tanzi, an IMF economist, has favored an international tax policy that would help minimize corporate tax avoidance.

Others favor establishing a valued added tax (VAT) on all international trade in goods and services. A substantial portion of the revenues could be channeled to developing countries for investment in human development. The portion reaching more developed countries could be used for retraining of workers displaced by globalization.

To achieve such core social goals, Professor Kapstein proposes asking each country to define an acceptable social minimum within its borders and then agree to have an international agency perform an annual review of progress. Results might affect the use of the revenues from international taxation of capital as well as the amount and type of international aid

Kapstein suggests that the IMF undertake the responsibility of taxing capital movements and that the World Bank assume the oversight of distributing them for social benefit. It may be possible to re-task the Bretton Woods institutions in such a way, but given the broad criticism they have received, it may be better to begin anew with institutions poor countries help devise and run. Clearly, controlling graft and corruption would be a major challenge in any plan for the massive transfer of economic resources internationally.

Our purpose here is not to advocate for a particular design but to raise our voice insisting that the time is long past to find ways to have international capital movements become a major source of revenues to be used mainly if not exclusively in poor countries for ending poverty, preserving life, strengthening social safety nets, and protecting the environment.

Money is certainly not the only factor in globalization that needs a new direction and more thoughtful international management for the public good. But we are mindful of the saying of Jesus that “where your treasure is, there your heart will be also” (Matt. 6:21). In a society that has made money the measure of almost everything, lamenting massive human misery and the economic poverty that maintains it is mere platitude unless accompanied by an effective way to collect and use large amounts of money to improve the human condition.

That is not a task that can be accomplished by traditional models of aid. When profits are channeled to offshore accounts or become taxable by some one government it becomes almost impossible politically to re-aggregate and reapply those funds in large enough amounts to undertake the serious but achievable work of ending massive human misery and poverty. When

rich nations accede to a plan of assessing a small international tax on internationally generated revenues, other joint commitments for managing the global commons more effectively will follow more easily. Where human treasure is, the policies of nations will surely follow.

## **What's in a Name—Neoliberalism**

This statement began by recalling the Genesis narrative about naming the creatures and noting the almost mystical power that naming conveys. Similarly, though unrelated to God's creative activity, naming our economic system has been a problem for at least the last half century. Many Americans have flinched at the formal designation "capitalism" because that term has been used pejoratively by the system's critics. So, in the common mind, ours is simply "the economic system" as though there is not and cannot be any other.

The foregoing pages describe elements of the present circumstance of globalization, but they do not give a name to the political-economic system that drives it. Neoliberalism is the term widely used in the rest of the world, but seldom heard in economic conversations in the United States. Again, this is because it is a name used by critics as shorthand for international economic relationships seen to favor rich nations and powerful economic actors in the absolute faith that benefits will inevitably trickle down to all. Lacking a better alternative, neoliberalism is the name that we too shall use.

### *The Practice of Neoliberalism*

At the intellectual level, neoliberalism is a political-economic philosophy that seeks to establish in the global context the underlying values of classical economics and liberal political ideas crafted for a time when the borders of nations largely defined the sphere of human activity.

From the beginning, the theory of capitalism has been based on the idealized freedom of the individual to seek his or her own benefit without having to consider the welfare of others. It was assumed that competing self-interests would limit the power of all and, without any planning or intervention of the state, create the common good. No advanced industrial society has found that to be the case in the real world. Vast differences in power and ability among individuals undermined economic theory and threatened political stability. The rise of Keynesian economics following the Great Depression and World War II marked the formal recognition that modern governments had to intervene to smooth out the problems of capitalism.

Neoliberalism has risen as a philosophy or policy since the 1970s, which seeks to rescind that consensus. Its goal is to limit state intervention in the economy and to use the surviving powers of governments to promote free trade, free markets, and the free movement of capital without reference to the size of the economic actors, the social results of enterprise, or the impact on individuals in any of the countries involved. Under the neoliberal philosophy, economic actors are relieved of any concern about fairness in the distribution of wealth and income or other social consequences of their actions. It is simply posited that free and open markets, coupled with unrelenting competition, will guarantee that everyone everywhere—workers, investors, corporations, and nations—will ultimately be appropriately compensated for their economic contribution. Note, however, that "appropriate" does not necessarily mean equal, adequate, fair, or proportional compensation.

Proponents of neoliberalism are convinced that applying laissez-faire economic principles at the international level will lead to economic development by creating close ties between rich and poor countries through trade and investment. Transnational corporations, it is assumed, will become the channels for the transfer of both money and technology that are requisites for the poor to become rich. Neoliberalism also assumes that governments are incompetent in the sphere of business and should therefore privatize their resource base and production operations. Furthermore, it is expected that governments will minimize social welfare expenditures to pro-

mote fiscal responsibility, repay international debt, develop economic infrastructure, allow the free entry and exit of capital, and provide a labor pool at wages that will attract foreign investment.

The principles of neoliberalism can be found in the policies of the so-called Washington Consensus, which is shorthand for the International Monetary Fund, the World Bank, and the United States Treasury, the prime actors in defining the terms of economic globalization. They have exercised their powers so confidently in the past quarter century as to give the impression that there can be no debate about the essentials of economic development or the rightness of their policy prescriptions.

That is far from true. None of the economic success stories of recent years can be traced to the implementation of neoliberal principles. Neither Japan, China, India, the Asian Tigers, nor even Chile made their economic leaps by adhering to the passive government, market-friendly, free capital movement, and open-door trade policies counseled by the Washington Consensus. These countries have indeed integrated themselves into the global economy, but they followed different formulas often involving such elements as state intervention, export subsidies, protection of infant industries, control of capital convertibility, guided foreign investment, and even government ownership of key industries.

Global economic problems of recent years and the constraints of international debt have caused some of these countries to accede increasingly to the Washington Consensus one-size-fits-all requirements. However, that hardly constitutes an endorsement of the wisdom of those policies. It only attests to the power of those institutions and their willingness to exploit the weakness of individual developing countries facing complex and dehumanizing economic choices.

### *Neoliberalism—An Ideology Rejected*

Over a decade ago, Japan's Overseas Economic Cooperation Fund issued a white paper questioning the structural adjustment policies of the IMF and World Bank that required a dramatic opening up of the economies of poor countries and imposed harsh conditions on their people and institutions. The claimed goal of those policies was to speed development through global integration, a presumed necessary step in attaining a more efficient economy. In part, the Japanese white paper stated, "In the 1980's, economic theory as well as economic policy were heavily oriented toward the pursuit of efficiency...What is now needed is a policy well balanced between efficiency and fairness, in order to improve the welfare of the entire society" (Quoted in William Greider, *One World, Ready or Not*, Simon & Schuster, NY, 1997, p. 278.).

Neoliberalism, what we commonly call "the economic system," seeks to make the whole world an integrated mechanism of production and consumption where the self-interest of economic actors is granted free rein in the assumption that competition will make everything work out well in the end. The real intention is to make a world freely accessible to those who already have the most power—a handful of countries, a few hundred thousand wealthy individuals, and the few hundred large corporations and financial institutions they control. The result of more than a quarter century of neoliberalism has been to increase the economic disparity between rich and poor within countries and between them. The poorest are simply being left behind at an increasing rate. Continuing in the same path will or can produce a different result. If fairness is the goal, a different economic model will be required.

But looking for alternatives, or even acknowledging the possibility of such, is not within the makeup of neoliberalism. In commenting, the World Alliance of Reformed Churches made this judgment:

This is an ideology that claims to be without alternative, demanding an endless flow of sacrifices from the poor and creation. It makes the false promise that it can save the world through the creation of wealth and pros-

perity, claiming sovereignty over life and demanding total allegiance, which amounts to idolatry. (“Covenanting for Justice in the Economy and the Earth,” Accra, Ghana, July 30–August 13, 2004, p. 2)

Any system that makes absolute demands and that places itself beyond question, adjustment, or replacement has assumed a status that Christians accord only to God.

## **An American Church and the American Nation in a Global Society**

The 217th General Assembly (2006) of the Presbyterian Church (U.S.A.) acknowledges that we are enthusiastically part of the global Christian community. We are thankful for the witness of our ecumenical partners in matters of faith and economic justice. We receive with gratitude the strong statement of the World Alliance of Reformed Churches, “Covenanting for Justice in the Economy and the Earth” (Accra, Ghana, 2004) (<http://warc.jalb.de>). That and the World Council of Churches 2005 background document “Alternative Globalization Addressing Peoples and Earth” (AGAPE) have challenged and guided this assembly in making our own statement on seeking justice amid the complexities of globalization.

As a participant in the global community of faith and the world ecumenical community, we recognize both our bias and the peculiar responsibility we have as an American church for speaking faithfully within the social, economic, and political context of the United States. It is that reality that we primarily seek to address and help reshape.

It has become commonplace in this country and abroad to recognize the uniquely powerful position of the United States in the global community—economically, militarily, and culturally. In a 2004 book, former Secretary of State Zbigniew Brzezinski argued that America can choose to lead the world or dominate it, but it cannot do both. There is an almost biblical ring to the author’s image that America must choose between being a city on a hill or a fortress on a hill. The United States should, therefore, treat globalization not as a doctrinal issue but as an opportunity to elevate human existence through multilateral commitments. “To do otherwise,” Secretary Brzezinski says, “risks isolating America in the face of growing hostility to its economic agenda” (*The Choice*, Basic Books, N.Y., 2004).

The globalization movement creates a historical moment when the moral vision of economic justice and practical politics can converge if we have the faith and the imagination to make it so. But there is nothing foreordained about that. Globalization left uncorrected could as well become the battlefield of predatory capitalism and the ultimate expression of social Darwinism.

The United States government can play a huge role in moving the world toward the positive vision if its present hegemonic moment is seen as an opportunity to set aside the protection of narrow economic interests and unilateral politics backed by unchallengeable military power, in favor of a commitment to uncompromising multilateralism. That does not mean abandoning to others the basic decisions about global society. It merely means having confidence that the best in the American experience is attractive and compelling enough to be persuasive in the competition of ideas in international forums and institutions.

It is the responsibility of the biblical faith community to be critical participants in every political and economic system in which it finds itself. We are not cheerleaders of the status quo, nor are we believers that every social change is good. We do not believe in globalization; we believe in a particular kind of globalization that reflects justice, community, and the sustainability of creation. That is the vision that we urge members of this church to advocate in every social, economic, and political arena.

Globalization is a reality that cannot be repealed even if that were our preference. The political issue before us is how to manage globalization in order to generate benefits for the common good. Can the nations craft a system that works for all? The moral question, and therefore the

theological issue, is whether globalization can be made to serve the poor first rather than last or not at all.

## APPENDIX A

### *Hope for a Global Future: Toward Just and Sustainable Human Development*

Approved by the 208th General Assembly (1996)

Published by the Office of the General Assembly (Louisville, Ky.), 1996 (OGA-96-013)

### Principles

**PRINCIPLE:** The satisfaction of basic needs is indispensable for human development. Sufficiency for all requires that poverty be eradicated and that the affluent live more frugally (p. 96).

**PRINCIPLE:** Human rights are essential to the expression of human dignity and are fundamental to the quest for human development. These rights include satisfaction of basic biophysical needs, physical security, moral and spiritual autonomy, mental and cultural development, social participation in defining and shaping the common good, due process, environmental protections, and the common good itself (p. 100).

**PRINCIPLE:** Women's rights—to a secure livelihood, to freedom from oppressive domination, to education, and to safe contraception within broadly available health care—are an essential component of just and sustainable human development (p. 102).

**PRINCIPLE:** Public participation of all persons in the decisions that affect their lives and well-being is a fundamental human right (p. 104).

**PRINCIPLE:** Commitment to human development requires a commitment to effective governance capable of encouraging order, assuring justice, and promoting the common good (p. 106).

**PRINCIPLE:** Education is a basic human right and is essential to human development, because it enhances human capacities, improves opportunities, and widens the range of choices (p. 109).

**PRINCIPLE:** Overpopulation is neither just nor sustainable. Procreation is a deeply felt human right that must be balanced with the responsibility to preserve environmental quality and long-term sustainability and to make sufficient sustenance available to all (pp. 111–12).

**PRINCIPLE:** Human life and well-being depend upon the flourishing of other life and the integrity of the life-supporting processes that God has ordained (p. 115).

**PRINCIPLE:** Environmental sustainability requires agricultural sustainability, which is necessary for human survival and well-being, now and for the long-term future (p. 117).

**PRINCIPLE:** Authentic human development does not come in a single, fixed pattern. There are differences in cultural and worship practices that express the same universal values of justice, integrity of the person, solidarity, and sustainability (p. 120).

**PRINCIPLE:** Peacemaking is essential for human development and for the church's faithfulness to Christ. It requires actions to reduce militarization and to address the unmet needs that aggravate tensions (p. 124).



PRINCIPLE: The repayment of debts and interest at the expense of the basics of life raises serious questions of justice. The burden of debts must be shared equitably in ways that reduce poverty, protect the environment, and avoid perverse incentives in the future (p. 128).

PRINCIPLE: In an interdependent world, no nation can be fully independent of other nations, and no nation should be overly dependent on other nations. This means that the international trading system must incorporate the basic norms of social justice and environmental sustainability, rather than depend solely on the norms and outcomes of free trade (p. 131).

PRINCIPLE: The purpose of development assistance is to equip people and communities through financial and technical means to implement their own plans for just and sustainable development (p.137).

APPENDIX B  
Members of the  
Resolution Team on Trade Monitoring

Kim Bobo, executive director, Interfaith Committee for Worker Justice, Chicago, Illinois  
Elder. Founder and executive director of the National Interfaith Committee for Worker Justice, the leading national organization that mobilizes religious support for low-wage workers and rebuilds partnerships with the labor movement. Coauthor of *Organizing for Social Change*, Bobo previously worked for Bread for the World and the Midwest Academy.

Ruy O. Costa, executive director, Episcopal City Mission, Boston, Massachusetts  
Elder. Born in Brazil, with theological study at the Presbyterian Seminary at Campinas and his Ph.D. from Boston University. Dr. Costa has been a teacher and ecumenical administrator, most recently of nonprofit housing facilities and advocacy programs, and of community economic development programs. He also works with the Brazilian immigrant community in Boston.

Clifford Grum, president (retired), Temple-Inland, Inc., Diboll, Texas  
Elder. Retired chairman and chief executive officer of Temple-Inland Inc. For three years he was publisher of *Fortune* magazine and then served as executive vice president of Time Inc. until Temple-Inland was spun-off in 1983. In 1991, he was elected chairman of the board of Temple-Inland Inc. He served as Temple-Inland's CEO until his retirement in January 2000. Grum is a past director for the Texas Association of Business & Chambers of Commerce and has served on the board of trustees for Austin College. He sits on the boards of directors of Tupperware Corporation and Trinity Industries, Inc.

Ayn Lavagnino, manager of Environmental Programs, Camas, Washington  
Elder. Lead for Missions at East Woods Presbyterian Church, a new church development in Vancouver, Washington. In her role as manager of environmental programs for Hewlett-Packard's Imaging & Printing products, Ayn drives the strategies and programs required to deliver safe, legal, and environmentally optimal products to market. A recent mission trip to Guatemala brought home the tangible reality of the mixed effects of globalization on developing communities. (She resides in Camas, Washington, with her husband Albert and two spunky cats.)

Lewis Mudge, professor (retired), Berkeley, California  
Minister. Robert Leighton Stuart Professor of Theology, emeritus, San Francisco Theological Seminary and the Graduate Theological Union, Berkeley. A theological ethicist, author or editor of six books, Dr. Mudge, previously taught at Amhurst College, was academic dean of McCormick Seminary, and served as secretary for Theological Studies of the World Alliance of Reformed Churches.

Rebecca “Toddie” Peters, assistant professor, Elon, North Carolina Minister. Distinguished emerging scholar and assistant professor of Religious Studies at Elon University in North Carolina. She is an ordained PC(USA) minister and her books on the subject include *In Search of the Good Life: The Ethics of Globalization*, which won the 2003 Trinity Prize, and *Justice in a Global Economy: Strategies for Home, Community, and World*, which is being published by Westminster/John Knox, Fall 2006.

William (Bill) Saint, senior human development specialist, World Bank, Washington, D.C. Elder. Senior World Bank human development specialist (Africa Region) since 1990. Previously served with the Ford and Rockefeller Foundations in both Africa and South America, on agriculture and rural development, as well as higher education policy.

Ronald Stone, professor (retired), Pittsburgh, Pennsylvania Elder. John Witherspoon Professor of Christian Ethics, emeritus, Pittsburgh Theological Seminary. Author of sixteen books and editor of several others in ethics and theology. Founder, Theological Educators for Presbyterian Social Witness.

Walter Owensby, consultant, Potomac Falls, Virginia Minister. Retired associate for International Issues, PC(USA)’s Washington Office. Trained as a development analyst and minister, he has served as a pastor, mission worker, and teacher.

Gwen Crawley, staff, Louisville, Kentucky Elder. Interim coordinator, Advisory Committee on Social Witness Policy (ACSWP). Crawley has managed healthcare and medical mission programs in the private sector and for the Presbyterian Church (U.S.A.). She is editing an issue of *Church & Society* magazine on globalization timed to coincide with the presentation of “Resolution on Just Globalization: Justice, Ownership and Accountability to the 217th General Assembly (2006).

Christian Iosso, staff, Louisville, Kentucky Minister. Coordinator, Advisory Committee on Social Witness Policy (ACSWP). Previously, pastor of the Scarborough (N.Y.) Presbyterian Church, part-time college professor and staff to the General Assembly Mission Council of the United Presbyterian Church.

## APPENDIX C United Nations Millennium Development Goals

By 2015, all United Nations Member States have pledged to:

1. Eradicate extreme poverty and hunger
  - ✧ Reduce by half the proportion of people living on less than a dollar a day
  - ✧ Reduce by half the proportion of people who suffer from hunger
2. Achieve universal primary education
  - ✧ Ensure that all boys and girls complete a full course of primary schooling
3. Promote gender equality and empower women
  - ✧ Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
4. Reduce child mortality
  - ✧ Reduce by two thirds the mortality rate among children under five
5. Improve maternal health
  - ✧ Reduce by three quarters the maternal mortality ratio

6. Combat HIV/AIDS, malaria and other diseases
  - ✧ Halt and begin to reverse the spread of HIV/AIDS
  - ✧ Halt and begin to reverse the incidence of malaria and other major diseases
  
7. Ensure environmental sustainability
  - ✧ Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
  - ✧ Reduce by half the proportion of people without sustainable access to safe drinking water
  - ✧ Achieve significant improvement in lives of at least 100 million slum-dwellers by 2020
  
8. Develop a global partnership for development
  - ✧ *Develop further an open trading and financial system* that is rule-based, predictable and non-discriminatory. Includes a commitment to good governance, development and poverty reduction—nationally and internationally
  - ✧ *Address the least developed countries' special needs.* This includes tariff- and quota-free access for their exports; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction
  - ✧ *Address the special needs of landlocked and small island developing States*
  - ✧ *Deal comprehensively with developing countries' debt problems* through national and international measures to make debt sustainable in the long term
  - ✧ In cooperation with the developing countries, develop *decent and productive work for youth*
  - ✧ In cooperation with pharmaceutical companies, provide *access to affordable essential drugs* in developing countries
  - ✧ In cooperation with the private sector, make available, the *benefits of new technologies*—especially information and communications technologies

For more information on the Millennium Development Goals, see Road Map towards the Implementation of the United Nations Millennium Declaration at [www.un.org/millenniumgoals](http://www.un.org/millenniumgoals).



37.02	17.12	+0.75	1.01%
17.02	42.15	+0.13	0.48%
40.86	27.09	+0.46	2.09%
26.07	22.47	-1.26	-5.12%
21.71	23.37	+12.51	3.30%
22.74			
377.43	391.66		



Developed by  
**The Advisory Committee on Social Witness Policy (ACSWP)**  
[www.pcusa.org/acswp](http://www.pcusa.org/acswp)

Published by  
**The Office of the General Assembly**  
Presbyterian Church (U.S.A.)  
100 Witherspoon Street • Louisville, Kentucky 40202-1396  
1-800-728-7228

PDS #OGA-06-090