



*An article from  
**Catholic Rural Life Magazine**  
Spring 2004 volume 46 number 2*

## **THE GLOBALIZATION PHENOMENON**

**William Toth, Ph.D.**  
**Associate Professor**  
**Christian Ethics**  
**Seton Hall University**

The phenomenon of globalization has many aspects and extends to multiple domains: finance, economics, technology transfer, the circulation of ideas, cultural practices, and models of life. In its advance, three agents have played a significant role: transnational firms, international financial institutions, and a small number of powerful Western nation-states. Globalization has been described as a process marked by internationalization, liberalization, universalization, and westernization. Economically, globalization has introduced an international setting for trade and financial transactions with transnational corporations taking a key role in a framework marked by a conspicuous absence of juridical controls. Under globalization both the volume and speed of financial transactions increase. Although people might still have to wait in line through customs inspection stations, capital has no such problem. In today's globalized setting, transnational corporations compete with local and national institutions for our loyalty, and as a result millions of Americans purchase mutual funds that invest in companies located in the Pacific Rim. Culturally, globalization brings distant events to our immediate consciousness. The terrorist attack in NYC puts a baggage handler in Los Angeles out of work. Fashion trends and consumer demand among college students in America lead to good times or bad times for Haitian children making T-shirts. With globalization, boundaries of nation-states get progressively fuzzier and in various respects the political autonomy of nation-states diminishes. With the influx of western media, local cultures with set patterns of social relationships are challenged. Failure to resist leads to the fragmentation and demise of local cultures.

### **Defining Globalization**

What is globalization? In a significant address to the Academy of Social Sciences, Pope John Paul II described globalization as "a rapidly evolving phenomena marked by the increasing elimination of barriers to the movement of people, capital, and goods." The foundation of globalization is the expanded interconnectedness made possible by computer technology. Currently, through the internet, millions of people as well as institutions interact effortlessly and transfer huge amounts of information, new technology and capital. In an insightful reflection on globalization, Cardinal Francis George sees it as a simultaneous

expansion in the interconnectedness of the world and “densification” in the network of shared institutions, practices, and social expectations. <sup>1</sup>

### **Positive Dimensions of Globalization**

On numerous occasions, Pope John Paul II has pointed out that globalization, a priori, is neither good nor bad. It will be what people make of it. <sup>2</sup> In truth, globalization offers mixed blessings. On the economic level, the technology of globalization has given rise to more business transactions of greater scope and complexity than we could imagine ten years ago. The elimination of barriers to the movement of people, capital and goods has brought about an increase of jobs and access to goods in developing nations. There is also the possibility of human development which access to information and the shrinking of distance make possible. The campaign against land mines was conducted almost entirely over the Internet. The televised display of famine, and war-induced suffering has mobilized public opinion and forced governments to react to these human tragedies. Globalization has given rise to campaigns to totally eradicate certain diseases. Medical advances speed over the Internet and are made available to more people in less time. Globalization also offers the possibility of a more interconnected world. We now have the chance to become a genuinely connected human family. For a Church which calls herself Catholic, this is of great importance.

### **Negative Dimensions of Globalization**

#### **Ascendancy of Global Market Ideology**

If globalization has positive possibilities, the problematic side of globalization has been clearly recognized. It is argued that globalization has been fueled by a global market ideology that makes the search for economic profit the highest human goal and defines the human person as a consumer. Central components of this ideology include maximum economic growth, unregulated capital mobility, free trade, privatization, and a uniform reliance on competitive markets to serve as the motor force of national development everywhere. Allowance must be made for the freest possible movement of goods and services, which maximizes economic efficiency. The assumption here is that what works well nationally will work well internationally. The ground rules should be limited to equal access to markets with minimal interference by the state because capitalism is self-regulating. Markets ought to be porous, investors free as they please to move money anywhere at any time. An example of the limitations of the global market ideology can be found in its exaltation of free trade. The Economist summarized its understanding of globalization as “the idea that people should be left free to trade with each other in peace.” Back in 1970 Gunnar Myrdal noted: “The theory of international trade was not worked out to explain the reality of underdevelopment and the need for development. One might say, rather, that this imposing structure of abstract reasoning implicitly had almost the opposite purpose: that of explaining away the international equality problem.” <sup>3</sup>

A glaring deficiency of global market ideology is that it offers a flawed standard for evaluation of “development;” namely, an excessive preoccupation with GNP growth and national income accounts. Little account is taken of damaged cultures, environments, and societies. Focusing on the gross domestic product hides the effect on the poor. Better criteria might include per capita income, years in school enrollment, and age at death. <sup>4</sup> Ethical values are dictated by efficiency and market logic. For example, private bioethical

research funded by corporations, is often unleashed on society with no opportunity for governmental agencies and cultural agencies to ethically evaluate the products of the research.

The inequitable contours of this globalized market ideology have not gone unnoticed by the Holy Father. Its current systematization enshrines what the Holy Father refers to as “a kind of triumph of the market and its logic, which in turn is bringing rapid changes in social systems and cultures.” In effect, globalization today offers a worldwide market capitalism, greatly resembling the liberal capitalism of the end of the 19<sup>th</sup> century, a form of capitalism less and less under any cultural or governmental control and regulation. The power of this ideology lies in the fact that today it is difficult to imagine any alternative to global neo-liberal capitalism.

If the ideology of market is ethically objectionable with regard to its values, it is no less objectionable for what it has produced; namely, a measurably increased gap between a few wealthy groups and the vast majority of human beings on the planet. Morally, is it possible to maintain a global system in which, at present, the world's 225 richest people have a combined wealth equal to the annual income of 2.5 billion people, the poorest 47 percent of the world's population? <sup>5</sup> Is globalization ethically sustainable when the three richest people have assets that exceed the combined gross domestic product of the 48 least developed countries? <sup>6</sup> Is globalization ethically defensible when the ratio of average income of the richest country in the world to that of the poorest has risen from about 9 to 1 at the end of the nineteenth century to at least 60 to 1 today? <sup>7</sup> Shall the phenomenon of globalization evade ethical evaluation when it is claimed that this is the price paid for the gains that accompany the expanding market forces? What is most notable is that neither the World Bank nor the IMF has devoted significant resources to the study of these economic inequalities and their relationship to globalization. James K. Galbraith summarized the work of a team of independent US economists who concluded that globalization provides “circumstances of unsustainable finance, in which wealth has flowed upwards from the poor countries to the rich, and mainly to the upper financial strata of the richest countries.” <sup>8</sup>

### **Rise of Homogenized Market-Culture**

The second substantive critique of globalization is that it has produced a westernized, consumerist, homogenized culture that has destabilized and fragmented vital local cultures. At the heart of the globalized culture, according to John Paul II, is a market logic. Such logic stamps its scale of values upon behavior and imposes its ways of thinking and acting. The distinguishing mark of the globalized culture is a consumerism focused on food, clothing and entertainment. Companies like McDonald and Coca-Cola; products like athletic shoes, T-shirts, rock music, videos and movies: these are the mainstay of the globalized culture.

Specifically, globalization brings in its wake changes in technology and work relationships that are moving too quickly for cultures to respond. Such changes, driven by market logic, threaten ways of living and organizing communities, cultural points of reference, social norms and structures. Patterns of cooperation carefully built up over decades and centuries are destroyed by exacting the adoption of new styles of working, living, and organizing communities. The real harm is that people are deprived of their language and way of life and are forced into other patterns of living. To do this is to rob them of their humanity.

Cardinal George has made the point that under the influx of a globalized culture, local settings have turned to religion as a means of establishing a clearer local identity and a marked difference from neighbors. The

overall result is that local cultures are experienced more intensely as global incursions increase. Migration has led to an intensity of interaction among cultures. Ultimately, the jostling of cultures has led to cultural fragmentation and new forms of culture emerging. Because of a combined experience of powerlessness in the face of globalization, resistance to its encroachments, and the fear of fragmentation of basic cultural values, we have witnessed a rise of fundamentalisms. Fundamentalism is a reassertion of identity and autonomy by selecting anti-modern, anti-global dimensions of local and especially religious identity and making them both the pillars upon which identity is built and the boundary against further global encroachment. The fundamentalist response to globalization carries harm as well: human rights abuses and violent social conflict.

### **Catholic Social Teaching and Globalization**

Long before the term “globalization” became popular in the mid-nineties, the Church in its social teaching took note of the growing phenomenon of international interdependence and called for an expanded understanding of the common good. In his encyclical *Mater et Magistra* in 1961, John XXIII took note of “an increase in social relationships in modern life at the international level.” The pope here was not just talking about new forms of associations but of their increasingly complex interrelation. This theme was picked up at Vatican II: “Every day,” the council fathers wrote, “human interdependence grows more tightly drawn and spreads by degrees over the whole world. As a result, the common good; that is, the sum of those conditions of social life which allow social groups and individual members relatively thorough and ready access to their own fulfillment, today takes on an increasingly universal complexion and consequently involves rights and duties with respect to the whole human race.”<sup>9</sup> Pope Paul VI addressed globalization in the early seventies: “Under the driving force of new systems of production, national frontiers are breaking down, and we can see new economic powers emerging, the multinational enterprises, which by the concentration and flexibility of their means can conduct autonomous strategies which are largely independent of the national political powers and therefore not subject to control from the point of view of the common good.”<sup>10</sup>

By calling attention to the deficiencies of the global market ideology and its fruit, the globalized market culture, Catholic social teaching has certainly made a positive contribution to the globalization debate. A more significant contribution has been the Church’s steady willingness to address the full ensemble of issues that have been raised in the wake of globalization: human rights, economic justice, debt relief, environmental protection, gender equality, democratic governance, citizen participation in public decision-making, peace, struggles against social exclusion, rural and urban labor unions, organizations of the landless and the homeless. Within that crucible, the vision of Catholic social teaching towards globalization has been sharpened.

In the final analysis, the type of globalization that materializes in the next century will depend on whether the world community will insist on the priority of ethics and ethical values. Will ethical values attune globalization to human needs or will the market values inherent in globalization prevail and thus sacrifice the human person to the economic system? In this regard certain ethical priorities drawn from Catholic social teaching can and must play a significant role: equity and social justice over maximum economic growth; participatory decision-making over secretive elite institutional planning; fair over free trade; protection of cultural diversity

over uniform economic strategies; and re-empowerment of nation-states as decisive agents of development over international corporations or financial agents.

Globalization can be an instrument to further the well-being of humanity. The crucial next step is to begin to place the dynamics of globalization under political control governed by concern for the universal common good. In the words of John Paul II: "Now that commerce and communications are no longer bound by borders, it is the universal common good which demands that control mechanisms should accompany the inherent logic of the market."<sup>11</sup> The preferential option for the poor, brought to prominence by Latin American liberation theology and since then accepted as a theological principle, demands that social reality and social structures be studied and evaluated in terms of how they impact the lives of the disadvantaged and marginalized. We must now rephrase the questions posed by the American bishops in their pastoral letter on the American economy and ask what does globalization do for people, especially the poor? What does globalization capitalism do to people, particularly the poor? In the long run, globalization must be subjected to the requirements of human dignity and to the value of human culture. The winner in this struggle, according to the Holy Father, must not be "a wealthy elite that controls science, technology, communication and the planet's resources to the detriment of the vast majority of its people." The winner must be humanity.

### **RECOMMENDED READINGS**

- Bell, Daniel. "The Cultural Contradictions of Capitalism: Twentieth Anniversary Edition". New York: Basic Books, 1996.
- Beretta, Simona "Wealth Creation and Distribution in the Global Economy: Human Labor, Development, and Solidarity". *Communio*. Vol. 27, no 3 (Fall 2000): 474-489.
- Bruni, Luigi. "The Experience of the "Economy of Communion"" and Its Relation to the "Civil Economy" *Communio*. Vol. 27, no 3 (Fall 2000): 464-473
- Casey, Michael. "How To Think About Globalization" *First Things* (October 2002): 47-56.
- Cavanaugh, William. "Balthasar, Globalization, and the Problem of the One and the Many". *Communio*. Vol. 28, no 2 (Summer 2001): 324-347.
- Greider, William, *One World, Ready or Not: The Manic Logic of Global Capitalism*. New York: Simon and Schuster, 1997.
- Hoevel, Carlos. "Globalization Seen From the South" *Communio*. Vol. 27, no3 (Fall 2000): 511-531.
- Hurrell, Andrew and Ngaire Woods, eds. *Inequality, Globalization, and World Politics*. Oxford: Oxford University Press. 2000.
- John Paul II, Pope. "Toward A Balanced, Well Regulated World Market" Address to the Pontifical Academy of Social Sciences.(April 25, 1997) reprinted in *Origins*. vol 27, no 2 (May 29, 1997): 140-46.
- John Paul II, Pope. *Centesimus Annus*.
- Kuttner, Robert "Everything for Sale: The Virtues and Limits of Markets". New York: Alfred A. Knopf, 1997.
- Lewis, V. Bradley. "Globalization and the Eclipse of Natural Right: What We Might Learn from Plato and Other Greeks" *Communio*. Vol. 27, no 3 (Fall 2000):431-463.
- Prades, Javier. "The Tribe or the Global Village?: Fundamental Reflections on Multiculturalism" *Communio* Vol. 28, no 2 (Summer 2001):348-376.
- Rajee, Farhang. "Globalization on Trial: The Human Condition and The Information Civilization". Ottawa. IDRC. 2000/
- Reich, Robert B. "The Work of Nations: Preparing Ourselves for 21st-Century Capitalism". New York: Alfred A. Knopf, 1991.
- Rourke, Thomas. "Contemporary Globalization: An Ethical and Anthropological Evaluation". *Communio*. Vol. 27, no 3 (Fall 2000): 490-510.
- Schindler, David. "Homelessness and the Modern Condition: The Family, Community and the Global Economy". *Communio*. Vol. 27, no3 (Fall 2000): 411-430.
- Soros, George "The Capitalist Threat," *The Atlantic Monthly*, October 1997.
- The Pontifical Academy of Social Sciences, "Globalization and Inequalities" Proceedings of the Colloquium (8-9 April, 2002). Vatican City. The Pontifical Academy of the Social Sciences. 2002.

The Pontifical Academy of Social Sciences. "Globalization Ethical and Institutional Concerns" Proceedings of the Seventh Plenary Session of the Pontifical Academy of Social Sciences (25-28 April 2001). Vatican City. The Pontifical Academy of Social Sciences. 2001.

Thurow, Lester "The Future of Capitalism: How Today's Economic Forces Shape Tomorrow's World". New York: William Morrow, 1996.

**EndNotes**

- 1) Cardinal Francis George, "Light and Dark in the New World Order" Catholic International vol 13, no 1 (February 2002): 75-79.
- 2) John Paul II, Address to the Pontifical Academy of the Social Sciences, April 25, 2001.
- 3) Gunnar Myrdal, The Challenge of World Poverty (New York: Pantheon Books, 1970), 277.
- 4) Douglas Hicks, Inequality and Christian Ethics. Cambridge University Press, 2000
- 5) Andrew Hurrell and Ngaire Woods, eds. Inequality, Globalization, and World Politics (Oxford: Oxford University Press, 2000), 1.
- 6) United Nations Development Program, 1998, 30.
- 7) Nancy Birdsall, "Life is Unfair: Inequality in the World" in Robert J. Griffiths, ed. Annual Editions, Developing World 01/02 (Guilford, Connecticut: McGraw-Hill/Dushkin, 2001), 8.
- 8) James K. Galbraith, "A Perfect Crime: Inequality in the Age of Globalization" Daedalus (Winter 2002), 22.
- 9) Vatican II, Gaudium et Spes, n., 26.
- 10) Pope Paul VI, Octogesima Adveniens, n. 44.
- 11) Pope John Paul II, Centesimus Annus.



National Catholic Rural Life Conference  
4625 Beaver Avenue  
Des Moines, Iowa 50310-2199  
(515) 270-2634  
email address: [ncrlc@mchsi.com](mailto:ncrlc@mchsi.com)  
website: [www.ncrlc.com](http://www.ncrlc.com)

This article was published in the spring 2004 issue of Catholic Rural Life<sup>®</sup>. No portion of this article may be reproduced without written permission from The National Catholic Rural Life Conference. To purchase the spring 2003 issue of Catholic Rural Life, please contact The National Catholic Rural Life Conference office at 4625 Beaver Avenue, Des Moines, Iowa 50310-2199, call (515) 270-2634, or e-mail [NCRLC@mchsi.com](mailto:NCRLC@mchsi.com). The cost is \$2<sup>50</sup> an issue plus postage and handling.

---