

**AN ASSESSMENT OF RECENT ETHICAL DISCOURSES ON  
GLOBALIZATION:  
COMPARING THE CRITIQUE OF JOSEPH STIGLITZ ON  
GLOBAL CAPITAL WITH ECUMENICAL GLOBALIZATION  
DEBATES ON THE ACCRA DECLARATION**

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A full thesis submitted in partial fulfilment of the requirements for the  
degree of Magister Artium in the Department of Religion and  
Theology, University of the Western Cape

The logo of the University of the Western Cape, featuring a stylized classical building with columns and a pediment, with the text "UNIVERSITY of the WESTERN CAPE" below it.

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WESTERN CAPE

Supervisor: Professor Christo Lombard

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**ABSTRACT**

“Globalization entails the closer economic integration of the countries of the world through the increased flow of goods and services, capital, and even labour.” (Stiglitz 2006:4). Globalization is a major socio-economic development, and reality, of our day, but simultaneously also a phenomenon that is not benefiting millions of people around the world, especially the poor. This research will investigate how globalization developed its own *ethical* discourse, based on perceived benefits and failures; also how it could be transformed within the global economic sphere, based on critique and advice given by Joseph Eugene Stiglitz, a world renowned economist.

Globally, historically and currently, there has been a misunderstanding about the concept and dynamics of globalization among government officials, economists and ordinary citizens. This resulted in an economic imbalance that benefited [and still benefits] the rich and leaves the poor outside in the cold. In this research I wish to explore the critique of Stiglitz on globalization, specifically on global capital. The aim is to bring the Stiglitz critique into alignment with critical debates within ecumenical circles on the responsibility of human agents – based on middle-ground (shared ground) ethical discourse. The normative framework for such a comparison of responses to globalization, delivering middle axioms in ethical discourse, is taken from various strands of “Responsibility Theory”, especially the contributions of authors such as Tödt, Schweiker and Sacks. The important goal of this interdisciplinary exercise is to bring about a balance between the discrepancy of the proclaimed benefits and the extreme negative effects which globalization has for millions of people worldwide, as expressed by Stiglitz and confirmed by various ecumenical discourses. For the purposes of this study ecumenical debates on globalization, called forth by the impact of the Accra Declaration on Globalization (2004), are discussed in some detail: the Agape Process within the World Council of Churches, the Stackhouse Project on Globalization and the joint

Project on Globalization of the Uniting Reformed Church of Southern Africa and the Reformed Church in Germany.

The results of the study show a convergence in ethical concerns and the strengthening of ethical discourse between critical economists and ecumenical theologians, especially on extreme and ever-growing discrepancies between rich and poor, and the effect of unbridled economic activity on the future of our planet. It is hoped that this study will contribute towards ongoing inter-disciplinary work on the burning social-ethical issues facing humanity and our earth.

**Key Words:** Globalization, neo-liberalism, privatization, property, ecumenical, responsibility theory, trade liberalization, free market, sustainability, capitalism.



## DECLARATION

I declare that *An Assessment of Recent Ethical Discourses on Globalization: Comparing the critique of Joseph Stiglitz on Global Capital with Ecumenical Globalization Debates on the Accra Declaration* is my own work, that it has not been submitted for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged by complete references.

Rochelle Nicolette Davids

30 November 2013

Signed.....



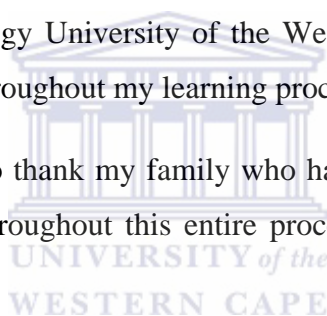


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# CHAPTER 1

## INTRODUCTION

### 1.1 Title

An assessment of recent ethical discourses on globalization: comparing the critique of Joseph Stiglitz on global capital with the ecumenical globalization debates on the Accra Declaration

### 1.2 Topic

“The current process of globalization is generating unbalanced outcomes, both between and within countries. Wealth is being created, but too many countries and people are not sharing in its benefits. They also have little or no voice in shaping the process. Seen through the eyes of the vast majority of women and men, globalization has not met their simple and legitimate aspirations for decent jobs and a better future for their children. Many of them live in the limbo of the informal economy without formal rights and in a swathe of poor countries that subsist precariously on the margins of the global economy. Even in economically successful countries some workers and communities have been adversely affected by globalization. Meanwhile the resolution in global communications heightens awareness of these disparities. These global imbalances are morally unacceptable and politically unsustainable.”<sup>1</sup>

The sentiments as expressed above by Joseph Stiglitz, a world renowned economist, in a 2004 report of the World Commission on the Social Dimensions of Globalization, is just one example of the kind of experience of millions of people all over the world, and how widespread disillusion in the process and outcomes of globalization is vocalized. Governments of most countries thought that the new age of globalization was going to benefit everyone throughout the world, but as time passed, it was evident that globalization left far too many outside the door. Because of the rise of the globalization phenomenon, many promises were made, such as giving poor countries access to worldwide markets, trade, investment opportunities, global education and work, but few materialised. Universally, globalization was in fact the great hope that would bring enhanced standards of human living and the sharing of equal benefits to both the developing and the developed world. On the one hand

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<sup>1</sup> Stiglitz 2006:8.

Stiglitz<sup>2</sup> is of the view that because of globalization many people in the world now live longer than before and their standards of living are better than before, but on the other hand he is also painfully aware of the fact that instead of delivering on the promises of globalization, huge destruction and crisis upon crisis became the order of the day, especially for poor countries, particularly in Africa. Stiglitz believes that, historically, Africa is the region most exploited by globalization: from the early days of colonialism the world mercilessly took its resources but gave back little in return.<sup>3</sup>

This discrepancy between the proclaimed benefits of the globalizing process and the extreme negative effects upon millions of people worldwide, as forcefully expressed by Stiglitz, made me choose this topic with a focus on Stiglitz's critique on global capital. Joseph Stiglitz has had an illustrious career as an economic expert and advisor, and he has become both famous and notorious (depending on the eye of the beholder) for his critique of global capital and popular myths about the world market.<sup>4</sup> He is known for his critical view of the management of globalization, the International Monetary Fund and the World Bank. From this insider position, Stiglitz became a major critic of the real outcomes of globalization (see the plethora of his articles and publications - 21 sources in the UWC library!). His influence is so strong that one can view the growing body of his work as a substantial ethical critique on globalization.

Stiglitz's sustained critique on globalization made me curious about how he would develop his discourse on the matter. My own interest is in the arguments used within ethical discourse and in faith-based critique of justice issues. In this thesis I therefore wish to read Stiglitz's critique of global capital within the wide ranging debate on globalization, including the so-called optimists, the pessimists and the third way analysts (who seek a realistic approach that could lead to a sustainable economic process worldwide). After unpacking Stiglitz's critique of global capital in the world markets, the focus will specifically be on the ethical discourse used by Stiglitz, in order to penetrate to the core vision and carrying values embedded in his critique. Finally I will evaluate the compatibility of his critique with core aspects of a specific Christian ethic, especially on justice issues, as presented by the Globalization Project of

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<sup>2</sup> Stiglitz 2002:4.

<sup>3</sup> Stiglitz 2006:11.

<sup>4</sup> Stiglitz is an American economist and a professor at Columbia University. He is a recipient of the Nobel Memorial Prize in Economic Sciences (2001) and the John Bates Clark Medal (1979). He is a former senior Vice President and Chief Economist of the World Bank, and is a former member, and Chairman of the Council of Economic Advisers.

Reformed Churches from Germany and South Africa.<sup>5</sup> To contextually understand this project's critique, one needs to read it as a response to the call of the Accra Declaration (2004), to the ecumenical movement, and other reactions (such as the Agape document and the Stackhouse Project). It is important, at the outset, to emphasise a few defining perspectives for this thesis. In spite of the fact that we shall encounter various discourses in economics and in theology, as the title clearly also suggests, the main interest in this investigation is in appropriate ethical discourse which makes conversation between economic and religious perspectives possible. A specific economic expert, and a specific theological debate, both focused on the same phenomenon, viz. globalization, are investigated, via a specific ethical theory.

### **1.3 Research Problem**

This thesis focuses on the ethical discourse on globalization as developed by Stiglitz. He is critically aware of the fact that globalization (negative and positive) and the implementation thereof raise a number of ethical issues such as: global economic justice, economic equality, human responsibility, questions of human power/powerlessness, ecological implications, and more. Stiglitz maintains that something within the global economy went wrong and that there is a moral discourse on globalization that needs to be rectified.<sup>6</sup> Stiglitz's discourse on globalization typically argues that it has the potential to bring enormous benefits to those in both developing and developed worlds, but the evidence is overwhelming that it has failed to live up to this potential.<sup>7</sup> This failure of globalization calls for study and analysis in order to examine why it went wrong and what can possibly be done to make it work.

### **1.4 Research Question**

In my assessment of Stiglitz, I wish to specifically investigate how Stiglitz's definition of a fair global economy compares with the Christian vision of *economic justice* as developed in the Globalization Project of German and South African Reformed Churches. The Stiglitz viewpoint has stimulated a philosophy within global economic circles that has been responsible for creating the idea that despite its many negative spin-offs, it is indeed possible to make globalization work. In this thesis I thus wish to assess whether a renewed ethical

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<sup>5</sup> Boesak and Hansen 2009 and 2010.

<sup>6</sup> Stiglitz 2006: xviii.

<sup>7</sup> Stiglitz 2001:22.

version of globalization is viable and can be supported on the basis of a specific Christian ethic.

## **1.5 Rationale and Aims of the Study**

Stiglitz argues that globalization can be reshaped, and when it is, when globalization is properly, fairly run, with all countries having a voice in policies affecting them, there is a possibility that it will help create a new global economy in which growth is not only more sustainable and less volatile, but in which also the fruits of growth are more equitably shared.<sup>8</sup> In fact, what seems viable and possible is not to try and bring a complete balance between rich and poor, but rather to attempt to eliminate unethical practices which create unbearable discrepancies and to create a sense of ethical trade and business, closer to economic equality and justice for all.

In this thesis it is proposed that Christians too have the responsibility to ensure that ethics is applied within the global economy, and within the process of globalization, in order to ensure fair opportunity and justice for all. I approach this agenda by first exploring the critique of Stiglitz on globalization and global capital. The aim is to bring the Stiglitz critique on global capital and the issue of globalization into alignment with the responsibility of Christians and Christian Ethics, as represented by specific ecumenical discourses, following the Accra Declaration on globalization, of 2004. To this end the focus will be on the ethical responsibility of Christianity and the fundamental role it should play in the global economy, while at the same time contributing positively to ethical solutions to the global crisis brought about by current globalization policies and practices.

## **1.6 Literature Review**

“Globalization has been taking place for centuries whenever improvements in transportation and communications have brought formerly separated peoples into contact with one another.”<sup>9</sup> The globalization phenomenon has two faces; the one side is positive, where some countries benefit from its processes and the negative side is where other countries do not benefit from its processes and lose out and become extremely vulnerable. This thesis mainly aims to evaluate the works of Stiglitz and his contributions to global economics and his critique on globalization. An in-depth review of literature is undertaken to understand and

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<sup>8</sup> Stiglitz 2002:22.

<sup>9</sup> Gilpin and Gilpin 2001:2.



investigate the issues that are causing globalization to fail. In his book, *Making Globalization Work*, Stiglitz provides strong foundational directives and advice on how we can make globalization work.<sup>10</sup> The review of literature involves a study of books, journals and internet sources, since this is a continuous debate at present – one in which Stiglitz himself participates almost daily in the digital media. It also highlights the globalization phenomenon, from the time it was implemented, how it failed and how it is governed at present. In addition to this, attention to relevant literature on Globalization, Economics, Responsibility Theory and Christian Ethics is given.

In this process, relevant works of the work of authors (or initiatives) is consulted. Anthony Giddens, who shows that by developing a *Third Way*, is not only a possibility but a necessity in the modern era.<sup>11</sup> He noted that the *Third Way* represents the renewal of social democracy in a world where the views of the old left have become obsolete, while those of the new right are inadequate and contradictory. Max Stackhouse, who was the coordinating editor of the Centre of Theological Inquiry's ground-breaking God and Globalization Project, proposes a view of Christian theology, which, in critical dialogue with other world religions and philosophies, can engage the new world situation and play a critical role in reforming the *powers* that are becoming diverse and autonomous, in order to generate a social ethic for the 21<sup>st</sup> century. In his four-volume project different authors projects and portrays different perspectives on the critical issue of globalization.<sup>12</sup>

From an important perspective of human responsibility in the context of globalization, Heinz Tödt proposed tasks in theology and in the church that show us a possible path of understanding our responsibilities as human beings theologically, and providing the ethical wisdom we need to navigate the ideological struggles of our own time.<sup>13</sup> In this increasing flow of awareness on human responsibility, people become more attentive to their personal capacity and role that they should play as Christians within the global processes and policies of globalization. Jonathan Sacks (2005), a highly respected religious thinker of our time, makes an impassioned plea for the return of religion to its true purpose - as a partnership with God in the work of ethical and moral living. In essence, he supports the idea of a responsibility theory regarding everyday living; the well-being of human and ecological life.

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<sup>10</sup> Stiglitz 2006:56.

<sup>11</sup> Giddens 1998.

<sup>12</sup> See Stackhouse 2000; 2002; 2005; 2007.

<sup>13</sup> Tödt 2007.

Joining the venture of Tödt and Sacks, William Schweiker formulates a way of thinking about issues of power, moral identity, and ethical norms by developing a theory of responsibility from a specifically theological viewpoint; that thereby makes clear the significance for Christian commitment of current reflection on moral responsibility.<sup>14</sup> Arguing that globalization has a general effect on global and regional stability, the writers of the Accra Declaration, done by the World Alliance of Reformed Churches (2004), also contributes actively and very strongly to this current controversial debate. Their arguments are based on the theological conviction that the economic and environmental injustices of today's global economy require the Reformed family to respond in word and deed, as a matter of faith in the gospel of Jesus Christ. Their notion is supported and adopted by the Agape Process (2005) that was initiated by the World Council of Churches, which calls for churches around the world, and the ecumenical family, to move beyond critique of neo-liberal globalization to stating how God's grace can transform this paradigm. The call is for an ecumenical vision of life in just and loving relationships, through a search for alternatives to the present economic structures.

There is an enormous significance of the German-South African Globalization Project (of two Reformed churches, 2009 and 2010) for the debates of globalization. This Project resulted in two published volumes. The first volume on globalization focuses more on the origins and meanings of globalization. The emphasis in the second volume is on its specific manifestations and on effective ethical counter-measures. This Project is so outstanding and profound that it has affected and influenced almost the whole of the global ecumenical family to join in on issues of globalization, justice and peace, just to name a few.

## **1.7 Theoretical/Conceptual Framework**

Generally, I will be guided by the approaches, perspectives and ethical critique of Stiglitz who is the author of dozens of seminal papers in the most prestigious journals of mainstream economics.<sup>15</sup> In doing so, I will zoom in on the ethical discourse on globalization within the framework of *responsibility theory*, since this theory provides, in my understanding, the mediating language, the middle ground, for secular and theological discourse on socio-ethical issues (such as globalization).

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<sup>14</sup> Schweiker 1995.

<sup>15</sup> As stated before, he has held various prestigious positions, including being a cabinet member in the Clinton administration, Chair of the President's Council of Advisors, and senior vice president and Chief Economist of the World Bank.

It is indeed a remarkable development when an economist of Stiglitz's stature proclaims that in many ways the critics of neo-liberalism have a deeper understanding of the global economy than elite policy makers. Globalization today is simply not working for many of the world's poor, it is also not working for much of the environment, and it is not working for the stability of the global economy.<sup>16</sup> Stiglitz's arguments can be grouped under three main headings. He exposes a series of profound flaws in the theoretical framework of neo-liberalism, he provides considerable empirical documentation of the practical failures of neo-liberal policies, and he attempts to explain why the neo-liberal agenda continues to be pursued despite its fairly obvious shortcomings. In addition to Stiglitz's views on these issues, I will also be focusing on general debates of globalization.

To this end I will discuss theories around the globalization debate, taking into account that the theory of globalization today is a field of intensive and multi-disciplinary debate. Participants in the debate are numerous, and they often represent diametrically opposing views of the phenomenon. The efforts towards defining globalization most often highlight its individual aspects. Numerous definitions emphasize economic dimensions of globalization. Removing *artificial* barriers to flow of goods, services and factors of production on the world market is seen as a crucial channel of international integration. Thus, globalization is defined as integration on the basis of such an *opening up* project, which may truly result in free markets, and will expand the role of markets on a global level.<sup>17</sup> Further exploration will include works of Anthony Giddens who advocates a *Third Way* in the debate on globalization. The term *Third Way* refers to various political positions which try to reconcile right-wing and left-wing social policies.

The social democratic theorist, Anthony Giddens, has said that his *Third Way* rejects the traditional conception of socialism, and instead accepts the conception of socialism as an ethical doctrine that views social democratic governments as having achieved a viable ethical socialism by removing the unjust elements of capitalism and by providing social welfare and other policies. This is based on the assumption that contemporary socialism has outgrown the Marxian claim for the need of the abolition of capitalism.<sup>18</sup> The *Third Way* approach as described by Giddens, then also directs me to investigate more specific Christian interactions with regards to the issue of globalization, such as the Agape Process and the Accra

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<sup>16</sup> Stiglitz 2002:214.

<sup>17</sup> Stiglitz 2013:1.

<sup>18</sup> Giddens 1998 and 2000.

Declaration. The Agape challenge is a response to the question raised at the World Council of Churches (WCC) assembly in Harare, Zimbabwe, in 1998: How do we live our faith in the context of globalization? Churches and the wider ecumenical organizations and specialized ministries, have wrestled with this question over the past ten years or so. In a series of consultations and studies on economic globalization, they were guided by the section on globalization in the Report of the Harare Assembly that recognised the pastoral, ethical, theological and spiritual challenges that globalization poses to the churches and the ecumenical movement. The logic of globalization needs to be challenged by an alternative way of life of community in diversity.

The Assembly delegates called for a vision of *oikoumene* of faith and solidarity that motivates and energizes the ecumenical movement to overcome the globalized paradigm of domination.<sup>19</sup> Since the meeting of the World Alliance of Reformed Churches, Ghana (2004), and the adoption of the Accra Declaration, a debate has been raging in the churches about globalization, socio-economic justice, ecological responsibility, political and cultural domination and globalized war.<sup>20</sup> It is generally perceived that the church needs the Accra Declaration because it addresses issues such as justice, unity and solidarity. In the first instance justice is a matter of faith, secondly the unity of the church is critical, and thirdly the church stands in solidarity with persons who are suffering and struggling. These documents will be discussed in detail in the thesis with the aim to address the issue of how Christians live their faith in the context of globalization. It will also be used to assess how compatible, in content, approach and form, Stiglitz's ethical discourse on globalization is with a specific prophetic and ecumenical Christian critique of economic and ecological injustice.

As stated before, an appropriate means of investigating the complexities and ambiguities of globalization is within the theoretical ambit of *responsibility theory* (e.g. as developed and refined within a Christian ethic by H.E. Tödt, W. Schweiker and J. Sacks). The mediating language of such a theory seems appropriate for the kind of assessment of Stiglitz's ethical discourse I have in mind, since I wish to also further investigate the viability of his ethics for Christians who are interested in social justice in the world. Since globalization is really the responsibility of all of us, 6 plus billion human beings on the planet, responsibility theory could be a possible guide to answers on what went wrong with the phenomenon, how this can

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<sup>19</sup> Agape 2005:2.

<sup>20</sup> Globalization, Ethics, and the Earth 2005:344-364.

be rectified and especially what role there is to play for Christians in order to ensure that the core ethical issues such as economic justice, equality, solidarity and unity are accomplished.

The contemporary world is rapidly demanding that a sense of responsibility must be taken by human beings with regards to moral discourses. Policies and processes of the globalization phenomenon are one example that took on a form of moral discourse; this discourse includes pluralism and technological power, and needs critical attention. According to Schweiker, as power increases in a technological age, so ironically does pluralism.<sup>21</sup> In addition to this, he says that the latter ensures that people become increasingly confused about the bases of morality just at the very moment that they possess an unprecedented amount of power. Schweiker argues that an ethical approach based upon responsibility (both individual and corporate), which has moral integrity as its aim, is needed. It is possible that contemporary understandings of morality, e.g. in the instance of globalization, can be *clarified* through means of human accountability and Christian faith as foundations. Schweiker states that Christian faith offers a vision of goodness shining through the fragmentariness and travail of existence, the awareness that being as being is good.<sup>22</sup>

A responsibility theory perspective (with specific reference to Schweiker, Tödt and Sacks) will thus be used as a broad theoretical framework, and then supplemented by a Christian ethical perspective (as provided by inter alia the Accra Declaration of the World Alliance of Reformed Churches, the Agape Process of the World Council of Churches, and the Globalization Project of the Uniting Reformed Church in South Africa and the German Reformed Church).<sup>23</sup>

The purpose of an ethics of responsibility, within the Christian context, is to make sense of and to clarify the moral and practical meaning of Christian faith. A Christian notion of responsibility is based upon an ultimate power, namely God, who is good, and a finite world that is graciously respected by God. Jonathan Sacks (2005:3) speaks about the idea that God invites us to become his partners in the work of creation. The God who created the world in love calls on us to create in love. The God who gave us the gift of freedom asks us to use it to honour and enhance the freedom of others. Life is God's call to responsibility. It is the responsibility of Christians to respond to the ultimate call of God - which is life. Globalization is but one of the controversial moral issues where Christians need to exercise

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<sup>21</sup> Schweiker 1995:xi.

<sup>22</sup> Schweiker 1995:xii-xiii.

<sup>23</sup> See Accra Declaration 2004, the Agape Process 2005, as well as Boesak and Hansen, 2009 and 2010.

their responsibility to ensure justice and equality through the ultimate power of God. Stiglitz's moral discourse on globalization will thus be critically appraised within such a normative framework of responsibility.

## **1.8 Methodology**

The methodology employed on the basis of the literature review and theoretical approach, as outlined above, is made up of five steps, following logically upon each other:

The works of Stiglitz and other sources on globalization (ranging from very positive and optimistic to very negative and gloomy) will be read within a specific global *context*: the abuse of political and economic power, i.e. the existence of *empire* within the world economy, and how this fact within the processes of globalization influences understandings of human power *and* powerlessness. This includes the investigation into rampant corruption in economic systems from global level down to what is local. This approach places the issue of power and empowerment at the heart of the task to define the process of globalization.

Stiglitz's sustained critique of globalizing practices will be thoroughly studied via appropriate *background*, developments, and alternative visions, to depict a clear contextual understanding of his ethical views on globalization. Stiglitz's critique of globalization and global capital will be summarised systematically, with a focus on the *ethical discourse* as developed by him. There will then follow a critical engagement with various ecumenical debates on globalization to see how these debates have shaped the ecumenical community. This discussion will include the Accra Declaration of 2004, the Agape Process, URCSA and German Reformed Church Project (in opposition to the Stackhouse Project). A final step will be to align Stiglitz's critique of global capital with *Christian ethical responsibility*, as formulated theologically in the German-South African Globalization Project.



## CHAPTER 2

### CONCEPTS OF GLOBALIZATION

#### 2.1 Introduction

There seems to be general acceptance that globalization is actually not a new concept. Following Anthony Giddens one may venture to say that globalization as concept has been shaped by the pessimists, optimists and the *Third Way* analysts, all of whom present various definitions.<sup>24</sup> Strategies on how to transform the concept and definition of globalization from one emphasis to the other, has kept supporters and critics of globalization quite busy. Defining globalization has become a battle ground of different approaches for domination of the playing field amongst critics of different persuasions. Some of these critics begin to understand, rather reluctantly, that globalization, with its positive and negative effects, is a serious and permanent reality, and that it is taking the centre stage within economic debates. Indeed, globalization represents a hot, simmering debate within secular as well as ecumenical circles. According to Raiser the concept was first used some forty years ago and seems to be linked to the rapid changes in the field of mass communication, transforming the world into a *global village*. More specifically, he says, the concept has come into use to describe developments in the world economy over the past ten years following the collapse of the communist *empire* in Eastern Europe.<sup>25</sup>

Globalization as a philosophical issue is divided by Jameson into four distinct positions. The first, affirms the option that there is no such thing as globalization. The second position affirms (like Raiser) that globalization is nothing new. A third approach affirms the relationship between globalization and the world market, which is the ultimate horizon of capitalism, and the fourth affirmation posits some new multinational stage of capitalism, of which globalization is an intrinsic feature and which we now largely tend, whether we like it or not, to associate with that reality called post-modernity.<sup>26</sup> In essence, globalization, with its multiple concepts and understandings, consists of various critical factors, that include problems as diverse as poverty and ecology. Negative and positive attitudes toward the globalization phenomenon evoke a wide range of explosive responses which sets forth different rhythms of impact throughout the world.

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<sup>24</sup> Giddens 1998:28.

<sup>25</sup> Raiser 2002:3.

<sup>26</sup> Jameson and Miyoshi 1998:54.

## 2.1.1 Defining Globalization

Searching the inventory of various authoritative sources, it can comfortably be concluded that there is not one standard, authoritative or generally accepted definition of globalization. Some advocates of the concept even describe it as the most abused word of the twenty first century. Generally, globalization is understood to be an economic term, but there are numerous undertones in this perception. For the purpose of this study the broad definition, as provided by Stiglitz, will be followed. “Globalization encompasses many things; the international flow of ideas and knowledge, the sharing of cultures, global civil society, and the global environmental movement. Economic globalization entails the closer economic integration of the countries of the world through the increased flow of goods and services, capital, and even labour.”<sup>27</sup> It may be sobering, however, to juxtapose this definition to several other widely used ones, emphasising other aspects of globalization.

Stackhouse, with his economic approach to globalization, categorically advocates a rather romantic and idealistic, almost messianic, view: “Globalization, I believe is a potential civilizational shift that involves the growth of a worldwide infrastructure that bears the prospect of a new form of civil society, one that may well comprehend all previous national, ethnic, political, economic or cultural contexts. It portends a cosmopolitan possibility that modernity promised but could not deliver, and thus can be considered as the most profound postmodernism. The spread, for instance, of the ideals of democracy and human rights, of musical styles and scientific education, of international law and mass media, of technological skills and vast missionary efforts, of medical care and management techniques and both of new ethnic consciousness and a wider acceptance on inter-racial marriage are all part of globalization. Together these make certain economic changes possible and others necessary.”<sup>28</sup>

Mittleman, also by and large following an economical approach, emphasises the opening of barriers between countries and trading blocks: “Globalization refers to the process of reducing barriers between countries and encouraging closer economic, political, and social interaction.”<sup>29</sup> Teresa Brennan, using broad strokes, paints globalization much more in a geo-historical way: “Globalization is the continuation and logical outcome of a process of extension, a process which begins with the division between household and workplace, grows

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<sup>27</sup> Stiglitz 2006:4.

<sup>28</sup> Stackhouse 1989:1-2.

<sup>29</sup> Mittleman 2005:5.



through specialization in production, then through colonialism, concentrations in land use, through urbanization and suburbanization, and through other forms of spatial reach... It is an economic dynamic whereby the increasing speed of production entails expansion as a matter of course, while expansion necessitates more rapid production and distribution to sustain itself.”<sup>30</sup> According to Heslam,<sup>31</sup> economic globalization has significant and discernable impacts which alter the balance of resources, economic and political, within and across borders, requiring more sophisticated, developed systems of global and regional regulation. On the issue of political globalization, he maintains that political communities can no longer be thought of as discrete worlds or as self-enclosed political spaces; they are enmeshed in complex structures of overlapping forces, relations and networks.

“For many people world-wide economic globalization has become associated with a growing gap between the rich and the poor, technological alienation of the worker from the means of production, and the phenomenon of wage arbitrage, where global corporations and strategic alliances can force workers in high-cost wage markets to compete with labour-saving tools and foreign workers costing less to hire. Lack of direction is reflected in growing demands that something be done, but with a conspicuous absence of anything substantive, other than the stale prescriptions of the past.”<sup>32</sup> However, a new, mediating approach, the *Third Way*, has sprung up which offers a new vision and a new model for development for countries of the world. This way promises that even the least developed countries can succeed to attain their fullest potential within the framework of a global marketplace. In this regard Giddens, choosing to be a *Third Way* analyst, describes globalization as follows:

“Globalization is a complex range of processes, driven by a mixture of political and economic influences. It is changing everyday life, particularly in the developed countries, at the same time as it is creating new trans-national systems and forces. It is more than just the backdrop to contemporary policies; taken as a whole, globalization is transforming the institutions of the societies in which we live.”<sup>33</sup> Some concepts and definitions of globalization do not encapsulate all the key features of the phenomenon but there are others that strive to present the whole package of the term. The mixture of definitions as outlined above, together with the sceptics and radicals, certainly is alarming because all of them address a commonality of elements, such as economics, politics, ecology and culture.

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<sup>30</sup> Brennan 2003:3.

<sup>31</sup> Heslam 2004:6-9.

<sup>32</sup> Brohawn, Greaney and Kurland 1998:1-2.

<sup>33</sup> Giddens 1998:33.

## 2.1.2 Globalization: Sceptics and Radicals

Giddens argues that, according to the sceptics, all the talk about globalization is only that. Whatever its benefits, its trials and tribulations, the global economy is not especially different from that which existed in previous periods. The radicals argue that not only is globalization very real, but that its consequences can be felt everywhere. The global market-place, they say, is much more developed than even in the 1960s and 1970s and is indifferent to national borders.<sup>34</sup> For the optimists of the globalization debate, the main evidence for economic globalization lies in the fact that there is a single fully integrated global economy. At one level, there is significant evidence that economic globalization is bringing increasing prosperity. The pessimists of the phenomenon, is of the view that the growth of world trade is also responsible for a range of global problems, such as environmental decline and increasing global inequalities. Traditionalists point out that while some parts of the world are truly part of a global system, others are left outside. *Third Way* analysts advocate a new vision for providing hope, justice and economic empowerment, according to which the market should be a free market system which economically empowers all individuals and families through direct and effective ownership of the means of production - the best check against the potential for corruption and abuse.<sup>35</sup>

## 2.1.3 Globalization and the Element of Change

Globalization in itself initiates change. It does not matter how the term is defined and conceptualized, it continues to carry the critical element of change throughout the world. Processes and policies of globalization are altered almost every day to fit the world system. This world system includes features of colonization, ascensions of nation states, and also the so-called decreasing of *empires*. Historically, the formulation of globalization according to Hirst and Thompson went through various phenomenal changes (economic, political, technological, etc.) that had significant impacts [negative and positive] on the global economic spheres.<sup>36</sup> Some critics maintain that these changes can never be forgotten and that the past determines the present, and lead us into the future world economy. It may suddenly become quite a profound discovery to notice that the world is rapidly changing in all its facets, shapes and forms. This includes significant economic, political, cultural and ecological changes. It is indeed difficult to detect if these changes are for the better or for the

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<sup>34</sup> Giddens 2001:26.

<sup>35</sup> Viklund 2012.

<sup>36</sup> Hirst and Thompson 1999:5-6.

worse for all human life, but one issue that remains unchanged is the fact that it is definitely not to the benefit of *everyone* in the global community. Out of all these complexities of the concepts, definitions, critiques, scepticisms and changes of globalization flow a more important, critical and fundamental challenge. This challenge is the use (or abuse) of human power. According to Nürnberger one of the most outstanding peculiarities of human beings as creatures is the ability to build up economic power. He maintains that this can manifest itself in two ways: the growing ability to exploit nature more efficiently through advances in technology, and the accumulation of power by some human beings at the expense of others.<sup>37</sup>

The pursuit of becoming powerful at the expense of others attracts the attention to human characteristics or attributes, or even personality profiles, which are connected to or aligned with the notion of *empire*. This is indeed also the term, the catch phrase, based on a seemingly simple and straightforward term (fitting for Nürnberger's theory, I would suggest), used in the Accra Declaration of 2004, *empire*. This ground-breaking Declaration states: "As seekers of truth and justice and looking through the eyes of powerless and suffering people, 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."<sup>38</sup>

Considering the various sentiments set out above regarding concepts of globalization, it seems clear historically and contemporarily that the attempts to define and conceptualize globalization remain problematic. On a global platform, there is no economical or sociological entity that can escape globalization. It is everybody's business. The impact of the term *empire* in itself requires a degree of explanation and discussion to depict how it is intertwined with the concept of globalization and how it can affect issues of those who are empowered and those who are disempowered in and by the global economy. Globalization cannot solely consist of the element of power, or *empire* for that matter; it must also do justice to human dignity. Therefore it is imperative to consider the elements of human power and human powerlessness in the context of *empire*.

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<sup>37</sup> Nürnberger 1998:10.

<sup>38</sup> Accra 2004:3.

## 2.2 Globalization: Human Power/Powerlessness in the Context of Empire

“In order to counter the increasing economizing of the world in which we live, it is important to reflect critically on its foundations, first of all looking behind the normative premises of the economic positions, whether these are explicit presuppositions or only diffuse background assumptions. Here first of all we must reflect that the economy and the state exist for the sake of human beings, so that both state and the economic institutions must not be shaped solely by power, but must always have to do justice to human dignity.”<sup>39</sup> Globally the existence of *empire* is in question and this is so predominantly because of the issue of the use of the power of some to exploit the powerlessness of others, as also suggested by Hans Küng in the quotation above. Some critics firmly believe that *empire* does exist, but there are other commentators on globalization who advocate that there is no such thing as *empire*. This chapter seeks to investigate the works of Stiglitz and other sources to assess the existence of *empire* within the world economy and how through processes of globalization human power and powerlessness is understood and exercised.

### 2.2.1 Empire: Issues of Power

Konrad Raiser, in his writings on globalization, as Secretary General of the World Council of Churches, pertinently emphasised issues of power: “Globalization is the result of excessive concentration of power and its largely uncontrolled use. Power can be understood as the accumulation of means in the pursuit of particular ends. Means can be capital, property, armaments, knowledge, status or communication, all of which can be turned into instruments of power. The accumulation of means is the result of social interaction. Globalization is the result of a technological revolution in the area of means, in particular regarding communication and information processing. The development of these means, their accumulation and the control of access to them, opens new sources of power, in particular if they are being used for the unlimited accumulation of money and capital.”<sup>40</sup> Raiser’s quotation places the issue of power and empowerment at the heart of defining the process of globalization. Human power and powerlessness are two critical issues to be addressed in the context of globalization. There seems to be an increasing tiredness in dealing with these issues among those who pursue the equity of sharing, or balancing power discrepancies, simply because they cannot find concrete solutions for *power problems* within the framework

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<sup>39</sup> Küng 1998:213.

<sup>40</sup> Raiser 2002:69.

of globalization. Generally globalization is regarded as over-promised and under-delivered. The best way to investigate whether what is being promised will actually be delivered is to consider the source driving the process of globalization. The major source of delivering on the promises of globalization can be identified as the element of power. Delivering on the promises of globalization however also includes the *ethical responsibility* to balance the imbalances of power in *ethically* problematic human situations, including situations caused by globalization.

Schweiker directly addresses the possible conflict of power and responsibility: “From the perspective of an ethics of responsibility, the most pressing moral problem is the radical extension of human power in the contemporary world.”<sup>41</sup> This extension of human power seems to be the central needle that injects globalization policies and processes globally – and which does so with more negative than positive effect. A classic example of the pervasiveness of this kind of power extension is the recurring presence of *empire* in the universal capitalist system. Fusing together elements of the capitalist system and *empire*, Reeling-Brouwer succinctly states that: “The capitalist system of production has transformed itself into one of finance. It is marked by both a far-reaching and comprehensive strategy of domination, within which the international finance markets are at once *empire* and God. This global financial *empire* is supported by military, political and ideological might and its rulers decide on the survival of lands and people on the periphery. The ideology of neo-liberalism claims absolute power, even over against the sovereignty of God and the demands of the Gospel.”<sup>42</sup>

The transformation pointed out here clearly describes domination and exploitation of power in an abusive way. In a nutshell, Reeling-Brouwer is bluntly stating that power is being used and abused on all levels of possible human existence and that this *empire* he so explicitly reveals exists in a self-authenticated sphere as if there is no God. The hunger for power in terms of *empire* is becoming increasingly self-aggrandizing. In this instance, history shows patterns of self-interest which is at the heart of the *empire* claiming absolute power over the powerless. *Imperial self-interest* hurts millions of suffering, powerless people around the world by taking for itself what it should be giving to them, or at least sharing with them. This imperial self-aggrandizing approach requires broader discussion and it also initiates questions about how the use and abuse of power is exercised in the orbit of globalization.

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<sup>41</sup> Schweiker 1995:24.

<sup>42</sup> Reeling-Brouwer 2006:37.

## 2.2.2 Empire: Use and Abuse of Power

Schweiker defines power to be understood in a variety of ways. He maintains that conceptions of power range from understanding it ontologically, that is, as a claim about being, to political definitions of authority and ideas about charismatic leadership. Schweiker is of the view that power is the ability to produce effects in the world and is thus equivalent to the force or energy to act. Moreover he says that an ethics of responsibility is concerned with the way in which the increase in the capacity to act and produce effects in the world raises problems of specific interest for human conduct.<sup>43</sup> The reality of human power is the fact that it can be used or abused in various ways. Power has a dialect of its own. Obviously, approaching globalization via a focus on power dynamics is but one of many possible entries into the debate, but in the ecumenical debates which I am following in this thesis, there is general consensus that power is the roadmap that leads to *empire*. Strategically *empire* is continually on a conquest to possess power; it does not matter at what or whose expense it might be.

Expanding on these sentiments, Nürnberger provides a useful exemplification of the detailed particles of the use and abuse of power: “As power of some grows, the power of others becomes more confined. The losers become totally disempowered. In other words, economic development is asymmetrical, or unbalanced. There are centres of economic power, where productive potential and commercial activity develops very rapidly, and there are economic backwaters or peripheries, where economic development stagnates... As a result we find growing discrepancies in power and prosperity between the two kinds of populations. Such discrepancies again lead to the rise in conflict potential, the build-up of armaments and war.”<sup>44</sup>

Nürnberger’s argument or approach concerning the growing discrepancies in power and prosperity can be utilised as a pattern or paradigm to seek joint efforts for unbalanced power rivalries to become mutually beneficial - both for the empowered and disempowered. Nürnberger is clear in pointing out what the consequences will be if we do not pay attention to the balancing of power problems within globalization: “The centre population generates power and quite naturally uses it to its advantage and at the expense of others. In traditional societies the use of potential for private gain is viewed as a crime and severely punished. In

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<sup>43</sup> Schweiker 1995:25.

<sup>44</sup> Nürnberger 1998:10.



liberal societies the development of initiative and potential for private gain is not only allowed, but strongly encouraged. It is assumed that if you cannot compete you have only yourself to blame.”<sup>45</sup> The impulses coming from this context, this *view from below*, sets the evaluation of *empire* within a power barometer. Gaining power at the expense of the powerless, begs questions of human ethical conduct within the boundaries of globalization. Stiglitz make reference to these people in power who make decisions based on their own interest and at the expense of others. He was intrigued with a repetition of the events of economic policies and processes that shaped globalization during his time at the White House: “Unfortunately, in my time at the White House as a member and then chairman of the Council of Economic Advisers and the World Bank, I saw that decisions were often made because of ideology and politics. As a result many wrong-headed actions were taken, ones that did not solve the problem at hand but that fit with the interests or beliefs of the people in power.”<sup>46</sup>

The ramifications of the use and abuse of power changes the image and purpose of globalization radically. This includes global economic, political, ecological, social, and other factors. Stiglitz portrays people in power to be governments that are made up of elected and, on the whole, accountable politicians who are not abstract economic forces. The undertones of his experience which he describes here, depicts a process by which he became accustomed to the fact that those in power presented the notion of *empire*; in building this *empire* they are driven by a perpetual need, greed, hunger and desire for more power. Schweiker rightly points out the importance of *responsibility* when issues of human power is analysed and encountered. He states that the idea of responsibility seems to provide the means for thinking ethically in an age characterized by moral diversity and the increase in human power.<sup>47</sup>

### **2.2.3 Empire: Power and Politics**

According to Weber anyone who engages in politics, strives for power; power either as a means in the service of other ends (ideal or selfish) – or power for its own sake: to enjoy the feeling of prestige that it gives. In politics least of all can one overlook the fact that since human beings are ambivalent by nature, power is always and everywhere not only used well but also abused. Therefore from antiquity human beings have made tremendous efforts to

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<sup>45</sup> Nürnberger 1998:13.

<sup>46</sup> Stiglitz 2002:ix.

<sup>47</sup> Schweiker 1995:28.

oppose the abuse of power, above all by those with political power.<sup>48</sup> This statement is indeed true in many ways. The heartbeat of contemporary debates on politics and power is the balancing of interests between the empowered and the disempowered. However, not much has been accomplished to achieve the balancing of interests within political structures. It seems that there are different agendas when it comes to the crucial discussion of politics and power in which the strategic structuring and positioning of *empire* in global political spheres is at stake.

By monitoring these contemporary, power-seeking political structures, Martina Wasserloos-Strunk introduces a vivid picture of how *empire* is intertwined in this agenda. She observes: “Contemporary *empires* show themselves differently. With the decline of colonial imperialism and under the conditions of globalization, a kind of imperialism has developed that is clearly different from that of the olden days. New *empires* are marked by diversified power politics – in more recent times not necessarily including aggressive politics of conquest. Modern *empires* are made visible by pointing out the power streams of capital, the flow of goods and services, the control over systems of communication and the so-called brain drain.”<sup>49</sup> The visibility of the flow of power in a political imperial form can be seen in plain sight. This might sound contradictory, but in many ways power politics shape and directs economic, ecological and even social systems with the power they possess - at the expense of others. To strengthen this notion one can reflect on the analysis set out for us by Stiglitz, who states that: “Politics has been used to shape the economic system. Economists believe that incentives matter. There are strong incentives – and enormous opportunities – to shape political processes and the economic system in ways that generate profits for some at the expense of the many. Open democratic processes can circumscribe the power of special interest groups.”<sup>50</sup>

The authenticity of Stiglitz’s opinion here gives a hint of how he fits into the larger discourse on globalization with regards to power politics. He believes that the conducting of political power is one of the many unsettled issues that wave a *red flag* and has been ignored (historically and contemporarily) in the globalization debate. Strong in stature and vocation, Stiglitz at the same time draws attention to the challenge of economic equality and justice for all. Accurate implementation and utilization of power in global political spheres is but one of

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<sup>48</sup> Küng and Weber 1998:51, 77.

<sup>49</sup> Wasserloos-Strunk 2009:78.

<sup>50</sup> Stiglitz 2006:xviii.



the ethical issues he identifies and highlights within the globalization debate that needs attention in order to rectify what went wrong. Küng and Kuschel, seeking the right blend of the use of political power in economics, captures the essence of Stiglitz's interpretation: "We must utilize economic and political power for service to humanity instead of misusing it in ruthless battles for domination... We must cultivate a reasonable balance of interests, instead of thinking only of unlimited power and unavoidable competitive struggles."<sup>51</sup>

The statements of Stiglitz, Küng and Kuschel, taken together, suggest that human ethical responsibility of power must be applied within global political spheres.<sup>52</sup> Power *carriers* must be held accountable to ensure the *proper* measures of implementation, distribution and utilization of political power that will result in mutual benefits for both empowered and disempowered; the use of power for service rather than domination. In essence, what is portrayed here is that only an ethic of responsibility is of any use for fundamental principled power politics. Küng help us to understand that it presupposes a conviction, an approach that realistically seeks the predictable consequences of particular policies, especially those that can be negative, and then also takes responsibility for them. In addition to this, he points out that the art of politics in the post-modern paradigm consists in combining political calculation convincingly with ethical judgement.<sup>53</sup> The incorrect use, or the abuse, of power in global political orbits can be dangerous simply because humans and even the planet are affected by it. Greed, need, lust and desire for power at the expense of others can only lead to disastrous consequences that make one to lose that which makes one to be human.

Küng and Kuschel emphasize this by stating that we must value a sense of moderation and modesty instead of an unquenchable greed for money, prestige, and consumption. In this regard Schweiker appropriately advises that in all action we ought to be true to ourselves, which means never to forego the quest for self-fulfilment. He states that this again is a principle for determining how to use power with respect to other values. Fulfilment, as an end or good and authenticity as duty to self, provide an ad hoc moral framework of value for understanding and evaluating human power.<sup>54</sup>

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<sup>51</sup> Küng and Kuschel 1993:29.

<sup>52</sup> Küng and Kuschel 1993:29.

<sup>53</sup> Küng 1998:66.

<sup>54</sup> Schweiker 1995:27.

## 2.2.4 Empire: Power and Corruption

Imperial power politics cannot entirely be separated from the possibility of corruption and organized crime. The displays of the strength of corruption and organized crime can be clearly observed in everyday human life. The assessment of who exactly is responsible for corruption and organized crime within the policies and processes of globalization is critical, and asks for clarity on appropriate investigating measures. From this angle, Mittleman supplies an in-depth definition of how organized crime groups can be understood. He argues:

“Organized crime groups may be best understood as both embodiments of certain features of neo-liberal globalization and, at the same time, resistance movements, insofar as they operate neo-liberal structures of legitimate authority and power and undermine what are generally regarded as the licit channels of the market. To be sure, organized crime has become a rapidly growing trans-national phenomenon; it has spread exponentially, though unevenly, throughout all world regions, tunnelling deeply to the roots of civil society.”<sup>55</sup> Mittleman’s frank depiction of globally organized crime groups creates an understanding of how legal authority is requested, prompted and pressurised to perform unethical forms of business at the expense of others. Neo-liberal globalization is the gateway to the use and abuse of power in global civil society. Specializing in the enforcement of power in the name of self-interest, it becomes evident that neo-liberal attitudes and policies ensure that *empire* is alive and well, in spite of the counter-balancing power that could be mustered from within civil society. If not ever watchful, even an alert civil society can pull at the shortest end of the rope and become a victim of powerlessness against the forces of globalization. Although this is not the place to address civil society and its workings in detail, it is interesting to note that Herbert and Lombard are of the opinion that it would take at least a *global* civil society effort to effectively counter the neo-liberal paradigm and version of the global economy.

In the same way Nation of Change, an activist website, seem to have the same view as Herbert and Lombard: “The neo-liberal outlook is demonstrably wrong in a significant way. The notion that the poor can make free and rational choices and thus can be held responsible for their situation is incorrect. There is accumulating evidence that poverty literally messes with your mind in a way that obstructs responsible choices. In fact, the free market contributes to an environment that makes the poor decidedly unfree: confused, preoccupied, and feeling overwhelmed and hopeless. In response to these devastating consequences of

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<sup>55</sup> Mittleman 2000:203.

poverty, society has moral obligation to deal with more than forms and lengthy interviews. History tells us that we can do, and indeed have done much better. It will take mass action to eradicate neo-liberal challenges. It is time to consider replaying the 1960s and force the politicians to act responsibly despite themselves.”<sup>56</sup> For Herbert civil society is that part of social life which lies beyond reach of the state and which ... must exist for a democratic state to flower; it is the society of households, family networks, civic and religious organizations and communities that are bound to each other primarily by shared histories, collective memories and cultural norms of reciprocity.<sup>57</sup>

Lombard, reflecting also theologically on the role and place of civil society, is of the view that the concept of civil society, its link with the public role of religion, and its strong development as an empowering and democratizing force in society at large, all seem to ask for a new understanding of God’s involvement in history and society. What is needed is a new and dynamic understanding of God as the God of history, the God who is fully engaged in human affairs, in culture, in politics, in economics, in work, and in play – not only via the autonomous ‘individual’, but also via the workings of structures, and even civil society as such.<sup>58</sup> One could say that to counter the force of Mammon one really needs the intervention of the real God! Such ideas of countering the mischievous direction of the global economy are not entirely foreign to Stiglitz (2002:70), who highlights the extent of corruption in governmental entities during a privatization process of Russia, and how that impacted civil society: “By siding so firmly for so long with those at the helm when the huge inequality was created through this corrupt privatization process, the United States of America, the International Monetary Fund, and the international community have indelibly associated themselves with policies that, at best, promoted the interests of the wealthy at the expense of the average Russian.” The damaging effects that are caused by imperial power-seekers on the vulnerable are outrageous and incalculable. At the heart of Stiglitz’s critique lies the ethical concern of corruption and organized crime within processes and policies of globalization.

Another entity that he zooms into where there are nests of possible crime is within global corporations: “With corporations at the centre of globalization, they can be blamed for much of its ills as well as given credit for many of its achievements. Just as the issue is not whether globalization itself is good or bad but how we can reshape it to make it work better, the

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<sup>56</sup> Davidson 2013.

<sup>57</sup> Herbert 2003:61.

<sup>58</sup> Lombard 2011:244.

question about corporations should be: what can be done to minimize their damage and maximize their net contribution to society?”<sup>59</sup> Stiglitz seeks to find ways and means to make globalization work to the benefit of all human beings. Economic equality and justice in global society is at the heart of his interests. There is hope to accomplish what he is so passionate about, but in global society there are also severe, almost utterly hopeless, cases of poverty which usually coincide exactly with scenarios where corruption and organized crime are performed at the highest peak possible.

It is again Mittleman who can take us through the pros and cons of this phenomenon: “Where poverty is severe, criminal gangs flourish... The smuggling operations would not be possible, however, without the involvement of powerful and wealthy criminals, who have the resources to corrupt state officials. The corruption of political authorities is the crucible in which customs officers, police, and tax inspectors assist in criminal operations or merely look the other way. This is true of not only alien smuggling, but also drug smuggling, intellectual property counterfeiting, illegal currency transactions, and other black- and gray-market activities. In this web of criminals, the rich, and politicians, the holders of public office provide *legal* protection for their partners.”<sup>60</sup> Organized crime and corruption are issues of power driven by empire and it affects in a major way the stability of the global economy and environment. It is difficult to articulate exactly what organized crime and corruption entails, but by the strength of currency portrayed here by Stiglitz and Mittleman, it is not impossible to take the bits and pieces and put them together. It becomes clear that the purpose of organized crime is to make money at the expense of the most vulnerable and powerless of peoples. Stiglitz (2006:189) echoes this fact while confirming that corporations excuse themselves by countering that they are in the business of making money, not providing charity.

As far as neo-liberal globalization is perceived to be the best way possible for global capital to be regulated, that is to be self-regulated, and it does not provide concrete solutions for the global community when it comes to crime and corruption. On the contrary, it only worsens the issue. This supports the idea of Küng who argues that global politics and global economy call for a global ethic. He suggests that no one will dispute that many of these negative developments affect not only the economic, political and social dimension, but also the truly

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<sup>59</sup> Stiglitz 2006:188.

<sup>60</sup> Mittleman 2000:209.

ethical dimension of human life and human society.<sup>61</sup> More about a global ethic as illustrated by Küng will be discussed later in this thesis hence it is useful to zoom in on how he defines a global ethic here: “By a global ethic we do not mean a global ideology or a single unified religion beyond all existing religions, and certainly not the domination of one religion over all others. By a global ethic we mean a fundamental consensus on binding values, irrevocable standards, and personal attitudes. Without such a fundamental consensus on an ethic, sooner or later every community will be threatened by chaos or dictatorship, and individuals will despair.”<sup>62</sup>

### **2.2.5 Empire: Power and Money**

Almost thirty years ago, Jaques Ellul has already formulated the ironic supremacy of the power of economic activity in both capitalist and socialist societies: “Capitalism is the economic and social structure which has put the use of money in first place. One by one state, the legal system, art and the churches have submitted to the power of money. Everyone has begun to think that money, the source of power and freedom, must take priority over everything else. On the other hand, in socialist society individuals are doubtless freed from subordination to others, such as capitalists, but they remain entirely submitted to production: the economy is the basis of their lives. Socialism forcefully affirms the supremacy of economic activity over all other activity.”<sup>63</sup> In contemporary debates, the opinions amongst critics and sceptics in the circles of global economic debates concerning power and money is also somewhat sombre; it seems as if money has become the ultimate source of all human life and ecology. As much as the element of money and power can produce beneficial and positive results, it can also produce self-centred and negative results within the universality of the economy. Globalization is the primary platform on which the important conflicts of power, money, government and markets play their various roles. According to the roles they play, assessments can be concluded on whether equity and fairness of globalization processes and policies are being exercised.

*Empire* in this context is the original blueprint upon which the moral missteps of the use and abuse of power and money is printed. In the process of the accumulation of money and power, cries of the suffering and the powerless (people living in poverty) and signs of the times (groaning and moaning of creation) are being ignored. What good does it do anything

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<sup>61</sup> Küng 1998:169,182.

<sup>62</sup> Kung 1993:21.

<sup>63</sup> Ellul 1984:20-21.

or anybody if the power of money is put in first place and everything else suffers and groans because of the position of superiority given to it? If the power of money is given this spontaneous hegemony over everything else, it will indeed continue to be wrongfully utilized. In this regard, Stiglitz points out the obvious ambiguity brought about by the double-edged sword of money: “Money is a powerful incentive, and the desire to make it can bring enormous benefits to everyone. When things go well, international corporations can marshal enormous resources, spread the most advanced technology, and increase available markets exponentially. But too often they are encouraged to do the wrong thing. Corporate incentives can be reshaped. If we are to make globalization work, they will have to be.”<sup>64</sup>

Stiglitz seems to be positively keen to advocate his view on the issue of power and money. However, central to his concern is the detailed wrongful utilization of it against which he calls for an appropriate structural intervention. Küng provides a useful direction in this instance and states that global capital, which is inclusive of the utilization of money and power, must not dominate everything. Going back to basics in this regard, Küng is of the view that as fundamental as power and money may be, both are particular dimensions of the all-embracing world of human life which must be subjected to ethical and humane criteria for the sake of human beings. Furthermore, he says that neither power nor money comes first, but human dignity, which must be unassailable in all things: basic human rights and basic human responsibilities, and therefore ethics, must be formulated for the global economy in an appropriate ethic.<sup>65</sup> In reviewing these issues on power, money and *empire* the crucial question to be raised is whether and how we can make power and money work for the mutual benefit of the empowered and the disempowered globally?

In the prosperous consumer society of Norway the Church of Norway heralds a possible way on how to provide an answer to this question: “The power of money could work as God, because it too can become an almighty, all-embracing hidden reality which directs and conditions all human relations. The power of money to promote and secure consumption, becomes, along with the market, the invisible power which rules everything, and which is the basis for all human ways of communicating, and for the organization of human communities.”<sup>66</sup> As much as we can search for truth, a truthful balance, in regard to the relationship of money and power, there will always be renewed debates on global capital and

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<sup>64</sup> Stiglitz 2006:189.

<sup>65</sup> Küng 1998:214.

<sup>66</sup> Church of Norway Information Service 1995:127.



the cruel equations it manipulates regarding the relative positions of the rich and the poor. In the end, as in the case of the pronouncement of the Church of Norway, it becomes clear that the opinion described here is somehow two-sided. A position is taken here that as much as there is a global visible power that rules everything, there is also a global invisible power that rules everything. One is tempted to investigate the possible presence of *empire* in the sentiment; could it be possible that one can distinguish between an *invisible hand* and *empire*? Here it is worthwhile to pause and zoom in on Smith's theory of the *invisible hand*; to examine his *invisible hand* theory and Stiglitz's response to it.

### 2.2.6 Empire: Stiglitz and the 'Invisible Hand'

Generally, when it comes to the contextualization of the term *empire*, the fact is emphasized that there are no territorial boundaries that restrains its dominion. As discussed in the previous section of power and money, Küng poses a fundamental question which is: what ultimate concern should dominate human society? Who is responsible for exercising the correct measures of power to handle all societal, political, economic as well as ecological issues effectively and efficiently? In this regard Schweiker presents the notion of an ethics of responsibility. He argues that an ethics of responsibility specifies the moral evaluation of the exercise of power by agents or communities of agents. Furthermore he says that matters of responsibility are matters of the use of power by agents who act and suffer and that an ethics of responsibility seeks to determine the morally proper use of power.”<sup>67</sup> In essence this idea draws much attention to the forces and influences in relation to the dominion of the global economy and other governmental systems, as succinctly expressed by Küng:

“The economy (and thus the market), is only a sub-system of society, alongside and with other sub-systems like law, politics, science, culture and religion. The principle of economic rationality is a justified one, but it must not be absolutized: it is always justified only in relative terms. But in economic ultra-liberalism there is a danger, which can now be formulated more clearly, that the sub-system of the market economy will in fact be elevated to become a total system, so that law, politics, science, culture and religion are not only analysed with economic instruments (which is justified), but are in practice subjected to the economy, domesticated by it and depotentiated.”<sup>68</sup> Grasping the strategic operation of a possible *empire* and that of an 'invisible hand' in the above-mentioned quotation, Küng depicts how, within the growing reality of *empire*, the trend will be for all systems to be

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<sup>67</sup> Schweiker 1995:32.

<sup>68</sup> Küng 1998:211-212.

incorporated into one system that will ultimately rule everything under its auspices. In such a scenario for the future, the inevitable question of ultimate ethical responsibility comes to the fore: who will shoulder the responsibility for such a massive global apparatus? Another important question to pose on the subject is whether or not an *invisible hand* actually exists. If it exists how can it be defined and what mutual economic and ecological benefits can it offer? To depict a clear understanding of what is being discussed in this section, Adam Smith's theory of the *invisible hand* will be explored.

### 2.2.7 Smith's Theory and Stiglitz's Response

Adam Smith, was an economist and philosopher who wrote what is considered the 'bible of capitalism', *The Wealth of Nations*, in which he details the first system of political economy. Smith's ideas are a reflection on economic in light of the beginning of the Industrial Revolution, and he states that free-market economies are the most productive and beneficial to their societies. He goes on to argue for an economic system based on individual self-interest led by an *invisible hand*, which would achieve the greatest good for all. "In economics, the *invisible hand* of the market is a metaphor conceived by Adam Smith to describe the self-regulation behaviour of the marketplace. The exact phrase is used just three times in Smith's writings, but has come to capture his important claim that individuals' efforts to maximize their own gains in a free market benefits society, even if the ambitions have no benevolent intension. The idea of markets automatically channelling self-interest toward socially desirable ends is a central justification for the laissez-faire economic philosophy, which lies behind neoclassical economics in this sense; the central disagreement between economic ideologies can be viewed as a disagreement about how powerful the *invisible hand* is."<sup>69</sup>

The central message of the *invisible hand* is that free market trade works for the common good, but many critics and sceptics certainly find it difficult to accept the whole package as presented by its inventor. One such example is found in the writings of Jürgen Moltmann, who has stated that: "In the religion of the market there is a need for demythologizing; even the *invisible hand* of competition, left completely to itself, by no means leads quasi-providentially to the well-being of all and to the greatest possible social harmony."<sup>70</sup>

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<sup>69</sup> Smith 1776:4.

<sup>70</sup> Küng 1998:213.



Stiglitz systematically takes us through problematic issues of the *invisible hand* theory and how according to him the *invisible hand* does not exist. Stiglitz, having been a top economist in the heart of the global, capitalist economy, has a clear response to Adam Smith's famous and powerful *invisible hand* theory:

“Smith's invisible hand is the notion that markets and the pursuit of self-interest would lead, as if by an *invisible hand*, to economic efficiency. Even if they could admit that markets, by themselves, might not engender a socially acceptable distribution of income, they argued that issues of efficiency and equity should be separated. In this conservative view, economics is about efficiency, and issues of equity should be left to politics. Today, the intellectual defense of market fundamentalism has largely disappeared. My research on the economics of information showed that whenever information is imperfect, in particular when there are information asymmetries – where some individuals know something that others do not – the reason that the *invisible hand* seems invisible is that it is not there. Without appropriate government regulation and intervention, markets do not lead to economic efficiency.”<sup>71</sup>

From the above reactions of Stiglitz to Smith's theory, the contrast between their approaches is very clear. Stiglitz points out the fact that the *invisible hand* does not exist because “it is simply not there”. It is simply a name given to specific, traceable interests. Activists such as Avaaz present us with numerous examples of such traceable interests.<sup>72</sup> One such example is of the Koch Brothers. Koch Industries over the last decade, Charles and David Koch have emerged into public view as billionaire philanthropists pushing a libertarian brand of political activism that presses a large footprint on energy and climate issues. They have created and supported non-profit organizations, think tanks and political groups that work to undermine climate science, environmental regulation and clean energy. They are also top donors to politicians, most of them Republicans, who supported the oil industry and deny any human role in global warming. What less well documented are the many Koch businesses that benefit from the brothers' efforts to push the centre of America political discourse rightward, closer to their own convictions, the top of the list are the Koch family's long and deep investments in Canada's heavy oil industry, which have been central to the company's initial

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<sup>71</sup> Stiglitz 2006:xiv.

<sup>72</sup> The name Avaaz according to the organization itself, means “voice” in several European, middle Eastern and Asian languages. Avaaz has united practical idealists from around the world. The Director Ricken Patel said in 2011 “We have no ideology per se. Our mission is to close the gap between the world we have and the world most people everywhere want. Idealists of the world unite!” In essence, Avaaz is a global web movement to bring people-powered politics to decision-making everywhere.

growth and subsequent diversification since 1959.<sup>73</sup> According to Stiglitz he has solid proof of the flaws and failures and inequalities which the global economy, so-called under the auspices of the ‘invisible hand’, has caused (and is still causing). The least one can say is that this *invisible hand* does not work, it does not guide the global process reliably, in his words: “it does not exist”. However, an important question still remains: can we, under the umbrella of globalization, make a distinction between *empire* and the *invisible hand*, and can the reign of either be to the well-being of all? In order to explore this mind-boggling question, it is worthwhile to make a distinction between the term *empire* and the term *invisible hand*.

Following the definition given in the Oxford Dictionary, *empire* is “a group of countries that is governed by one country or it can also be defined as a very large company or group of companies who operates in the name of self-interest and at the expense of others.”<sup>74</sup> On the other hand, the *invisible hand* is seen to be the operation of free market trade which operates for the common good, but evidently proved itself to also operate in the name of self-interest and at the expense of others. It seems as if the phenomenon of fraternity between *empire* and the *invisible hand* is quite plausible: different concepts but common characteristics. The point in case, though, is all about the power to reign and rule responsibly and ethically over all global systems and in the policies and processes of globalization.

What makes global *empire*, or the *invisible hand* for that matter, credible to be able to possess the power to rule and reign in the name of self-interest and at the expense of the suffering and the powerless? Moreover, is a renewed ethical version of globalization viable and can it be supported on the basis of a Christian ethic in terms of globalization and issues of power? Christians too should realize that they play a significant role in the global economy and that their positive ecumenical voices are needed, also in these times we are living in. This is important for Raiser, since he is of the opinion that, historically, Christianity has been more deeply implicated in the origins of globalization than any other religious community.<sup>75</sup> Stackhouse also pinpoints to the fact that in the early centuries of the Christian era, evaluations of the globalization that was then taking place were complex and contradictory but some were also quite positive. The Stackhouse view present us with the notion that as one looks at the entire worldwide picture of Christianity, it is apparent that it is well placed to

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<sup>73</sup> Sasoon 2012.

<sup>74</sup> Oxford Dictionary 1989:215.

<sup>75</sup> Raiser 2002:50.

offer a genuine and valuable response to the challenges of today's radical globalization.<sup>76</sup> Global ecumenical involvement within processes and policies of globalization is imperative because it affects all human and ecological life and global ecumenical organizations cannot excuse themselves from the responsibility that rest on them; to illuminate positive life-altering changes that can be to the benefit of all. Lombard edifies this notion by saying that he believes that the ecumenical statements and initiatives with which our own analysis of globalization is linked are extremely important. Moreover these ecumenical statements and initiatives that promotes justice, life and peace for all humanity and for creation, represent a cry from the heart and are based on centuries of experience at the receiving end of the *empires* and market-manipulations of the First World.<sup>77</sup>

### **2.2.8 Empire: Voices of the Ecumenicals**

Global ecumenical movements and organizations are not exempted from the major challenges of globalization; in fact, there is a massive responsibility upon them to overcome the challenges of globalization. The immense intensity of the acceleration of the globalizing world is certainly a call for Christian ethical responsibility to be exercised within its spheres. Contemporary euphoric ideas of the power of globalization coming from its optimists, seems unrealistic simply because it cannot be associated with the pursuit of justice in the global economy and ecology. It is with this concern that ecumenical organizations should initiate global turnarounds that can stabilize and equalize the universality of global capitalism.

Jonathan Sacks eloquently writes: “Global capitalism is a system of immense power, from which it has become increasingly difficult for nations to dissociate themselves. More effectively than armies, it has won a battle against rival systems and ideologies, among them fascism, communism and socialism, and has emerged as the dominant option in the twenty-first century for countries seeking economic growth”.<sup>78</sup> From this notion flows a bunch of complexities (one of them being *empire*) that needs attention from ecumenical organizations and movements in order to make the global economic change needed. But what is meant by *empire* in ecumenical discourse? Wasserloos-Strunk provides the following definition: “There seem to be a rare agreement in these circles about what the empire is: a great power or a coalition of powers that pursues (with military support) a great power policy which secures

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<sup>76</sup> Stackhouse 2007:xvi, xxvii.

<sup>77</sup> Lombard 2010:207.

<sup>78</sup> Sacks 2006:28.

its own existence with the help of the radical exploitation of others.”<sup>79</sup> It is within this orbit that ecumenicals must indeed find a channel through which the prophetic work within the global economy can be *performed*. The church should decree and declare that God is the ultimate power through which everything must find its purpose. Lombard reiterates this when he states that: “For those contributing in the prophetic work within the worldwide church, in service of the kingdom of God, these are once again kairos times, where all have to listen to the promptings of the Spirit of God whose habitat is the chaos of our human world. We need to work with real dedication in formulating our own theological underpinnings of our critique of the negative effects of capital-driven, market-dominated, *empire*-manipulated, greed-oriented globalization.”<sup>80</sup>

Since the meeting of the World Alliance of Reformed Churches, Ghana (2004), and the adoption of the Accra Declaration, a debate has been raging in the churches about globalization, socio-economic justice, ecological responsibility, political and cultural domination and globalized war.<sup>81</sup> Generally it is perceived that the church needs the Accra Declaration because it contains issues such as justice, unity and solidarity. The argument runs as follows: In the first instance, justice is a matter of faith, secondly, the unity of the church is critical and thirdly, the church stands in solidarity with persons who are suffering and struggling. With the Accra Declaration being a confession of faith, it advocates that there are still those who believe in the justice for all of human life. Faith demands that we take action towards the reality we desire and this is exactly what the purpose-driven confession is calling upon. It urges the faithful to take action in this cruel world that is ignoring the signs of the times and the cry of the powerless.

“The deliberate ideological control of the processes driving globalization thrives both on the greed and self-interest of the powerful elites (both North and South) manipulating the world economy, and the production and distribution of wealth globally for their own benefit. It is against this *empire* of collaborating powers that the Accra Declaration has been functioning as a confession of faith.”<sup>82</sup> The Declaration itself states in paragraph 11: “As seekers of truth and justice and looking through the eyes of powerless and suffering people, we see that the current world disorder 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,

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<sup>79</sup> Wasserloos-Strunk 2009:80.

<sup>80</sup> Lombard 2010:208.

<sup>81</sup> Accra 2004:1.

<sup>82</sup> Lombard 2010:244.

cultural, political and military power that constitutes a system of domination led by powerful nations to protect and defend their own interest.”<sup>83</sup> Very similar sentiments have been expressed in the Agape Process. Martina Wasserloos-Strunk who is a political scientist and who specializes in political theory adds to the sentiments set out above by stating that: “This *empire* means the end of politics, the end of humanity – reality parodied in the service of an apocalyptic vision.”<sup>84</sup> In essence, I am of the view that current ecumenical debates attempt to expose the notion of *empire* for what it is and it also stresses the fact that *empire* is creating false expectations on every level for all human life. Based on the analyses provided by Matthias Freudenberg, a Professor of Systematic Theology, specializing in Reformed Theology at the Barmen School of Theology Wuppertal/Bethel, the present debate in the ecumenical movement concerning *empire* suggests two conclusions. Firstly, a basic orientation towards the duty of the rich to act in the interest of the poor is clearly evident. Secondly, there is a growing awareness that decisions have to mature in congregations and that economic processes should in no way divide congregations.<sup>85</sup>

What Freudenberg is highlighting here is the fact that global imperial economic, political societal and ecological domination should be demolished and that an open road to recovery should be pursued in order to ensure equality for all human life. The ecumenical debates are carrying the weight of ethical responsibility on their shoulders to start recognizing and reviewing the signs of the times that is ignored globally and to change the negative language of globalization to a more positive one. Basic Christian ethics becomes the order of the day within the globalization phenomenon and critical issues of power and *empire*. On the point in case Schweiker maintains that: “The problem facing culturally diverse and technologically advanced societies is confusion about which values, norms, and beliefs ought to guide our lives at the very moment when human power is expanding radically and in previously unknown ways. The conjunction of this crisis of values with the extension of power creates a situation in which political, economic, moral, and religious ideologies champion the exercise and pursuit of power as the meaning of life. From a Christian perspective, to make power the supreme value of life is to deny and violate the meaning of being human. It is idolatry to worship as the supreme good something other than God. For Christian faith, the

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<sup>83</sup> Wasserloos-Strunk 2009:80.

<sup>84</sup> Wasserloos-Strunk 2009:80.

<sup>85</sup> Freudenberg 2009:167.

empowerment of persons to be ethically responsible agents in history is to serve the purpose of respecting and enhancing the integrity of life before God.”<sup>86</sup>

Freudenberg reiterates Schweiker’s argument by stating that: “Christians who know they are called to the liberty of the gospel will, regarding the issue of the just operation of the economy, take a considerably inquiring and, at the same time, pragmatically concentrated basic position in which the market economy is neither demonised nor idolised. They will ask what it means for the shaping of a global economy when they profess that God is the incarnate Creator and Sustainer of all life. They will also ask what it means for the intercourse between rich and poor when they profess that God is the God of righteousness. They will shape the economy as an economy for the benefit of man. And finally, in all that they do, they will listen together to the written and proclaimed Word of God and from there they will discern the signs of the times.”<sup>87</sup>

### **2.3 Empire: Recognizing the Signs of the Times**

In recognizing the signs of the times, the Accra Declaration depicts the seriousness and importance of the hearing and attending to the cries of the millions of suffering and powerless brothers and sisters in the current globalized world. The decision of faith commitment taken by those who consider themselves part of this declaration states that: “We have heard that creation continues to groan, in bondage, waiting for its liberation (Rom 8:22). We are challenged by the cries of the people who suffer and by the woundedness of creation itself. We see a dramatic convergence between the suffering of the people and the damage done to the rest of creation. The signs of the times have become more alarming and must be interpreted. The root causes of massive threats to life are above all the product of an unjust economic system defended and protected by political and military might. Economic systems are a matter of life or death.”<sup>88</sup> The reality of the *kairos* times we are living in<sup>89</sup> is that people are experiencing and facing tougher economic difficulties than ever before, e.g. the rich are getting richer, the poor becoming poorer; there is no global economic justice/equality and at the same time the environment is crying out for help. Who/what is responsible for this *destructive* and *scandalous* world we live in? Boesak states that an unjust global economic system is defended and protected by political and military might, and has become a matter of

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<sup>86</sup> Schweiker 1995:31.

<sup>87</sup> Freudenberg 2009:168.

<sup>88</sup> Accra 2004:2.

<sup>89</sup> Kairos SA 2013 defines the word *kairos* as “the appointed time in the purpose of God’, the time when God acts”.



life and death.<sup>90</sup> In essence, human power advocates that global economic growth and capital accumulation is best for the whole world; it is taking centre stage in the contemporary world but at the expense of the poor and suffering people and also at the expense of the one-time gift that was given to humans by God, the planet earth. At one point Schweiker also draws attention to the fact that: “Ethics must address these matters...The root problem is the equation of power and value in late-modern societies. The ground of value has shifted from the traditional belief that value is rooted in reality to the primacy of power. The modern world no longer sees nature as creation or the human as created in the image of God; we no longer dwell in a universe wherein persons and things derive their value from a place in the system of being.”<sup>91</sup> Bacevich, rightly points out that: “The ideology of global capitalism claims to have no 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 prosperity, claiming sovereignty over life and demanding total allegiance which amounts to idolatry.”<sup>92</sup> The implication here is that people in some way or the other disregard the value and quality of human-planetary life in exchange for something that can help with their ultimate survival even to the extent whereby worshipping God is replaced with something that is dead.

The Declaration by third-world countries in 1989, *The Road to Damascus*, illuminates the issue of idolatry and that it should be eradicated. The Declaration’s preamble states:

“The purpose of the document is not simply to deplore the divisions among Christians or to exhort both sides to seek unity. We wish to lay bare the historical and political roots of the poor and the oppressed Christians in our countries, to condemn the sins of those who oppress, exploit, persecute and kill people, and to call to conversion those who have strayed from the truth of Christian faith and commitment. The time has come for us to take a stand and to speak out. The road ahead is like the road to Damascus along which Saul was travelling to persecute the first generation of Christians. It was along this road that he heard the voice of Jesus calling him to conversion. We are all in continuous need of self-criticism and conversion. But now the time has come for a decisive turnabout on the part of those groups and individuals who have consciously or unconsciously compromised their Christian faith for

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<sup>90</sup> Boesak 2009:59.

<sup>91</sup> Schweiker 1995:191.

<sup>92</sup> Bacevich 2002:243.

political, economic and selfish reasons.”<sup>93</sup> The document, *The Road to Damascus: Kairos and Conversion*, include examples of how people *practice* some form of idolatry. It has been identified by Christians of seven third world countries as a prime ethical challenge. “In our countries, the worship of money, power, privilege and pleasure has certainly replaced the worship of God. This form of idolatry has been organized into a system in which consumerist materialism has been enthroned as a god. Idolatry makes things, especially money and property, more important than people. It is anti-people.”<sup>94</sup> Conradie identifies and concludes consumerism to amount to idolatry and that the consumer society is not sustainable. He is of the view that the consumer society stimulates a continuously expanding economy which is not sustainable on a finite planet in the long run.<sup>95</sup>

Consumerism depicts for us the greed for unlimited economic growth at the expense of anything it can devour. Consumerism, in essence, causes the world to be destroyed rather than to be saved. In this regard ecumenicals began to recognize the signs of the times and they detected and articulated that the power of consumerism is but one of the globalization factors that is demolishing human and planetary life. Theresa Brennan, who teaches at Florida Atlantic University and who is the author of *Globalization and Its Terrors 2003*, takes us through the systematic destruction of the atmosphere and planetary life to paint a picture on how the future world could possibly be foreseen and also in a sense she provides a compass for how to identify and recognize the signs of the times:

“To project forwards on the basis of current trends, assuming business as usual, is to foresee a planet denuded of most of its species through global warming, whose natural resources of good air, fresh water and rich earth have been spoilt and worn out, whose storms are too violent and whose sun is too harsh, and which has lost a third of its habitable surface to a dying sea. In the face of this colossal harm to other species, the earth and its future inhabitants making a fuss about human health may seem to concede too much to the self-interest that caused the problem in the first place. But insofar as government policy justifies itself in the name of economic freedom for those living today, that justification is stretched when it affects their freedom to live at all.”<sup>96</sup>

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<sup>93</sup> The Road to Damascus 1989:11.

<sup>94</sup> The Road to Damascus 1989:11.

<sup>95</sup> Boesak 2009:58-59.

<sup>96</sup> Brennan 2003:33.



The reality of what Brennan is explaining is that Christians are facing the challenges of *empire*. Boesak suggests that it will serve us well to remember that the reality of globalization is unthinkable without the reality of the forces that drive it. He states that first among them is global capitalism, followed closely by military, political and cultural forms of domination. These are indeed systems of mutual reinforcement and cohesion coming together to realise the aims of self-interest on behalf of the rich nations of the world and the rich elite in poor countries. The combined substance of these forces is what is called empire.<sup>97</sup>

The definition of *empire* from this perspective depicts that global economic decisions are made and actions are being taken by the people in power within the framework of *empire*. Economic justice and equality, the use of power and ecological concern should be fundamental to the global responsibility of the Christian church. The notion of facing the challenge of *empire* stirs up a question of the role of Christian responsibility within this complex issue. Centralizing the concept of Christian ethical responsibility in matters of power, Schweiker states that: “The most pressing moral problem is the radical extension of human power in the contemporary world. This power is manifest in communication systems, economic interdependence, the environmental crisis, and the threat of mass destruction. It has made our planet into a global village composed of wildly diverse moral communities. The pressing nature of the question of power is not hard to grasp; technology so extends human power that future life is subject to human power and is, therefore, also Christian responsibility.”<sup>98</sup> Christianity should not be ignorant in recognizing the signs of the times and in doing so action should be taken to address the ethical challenges globalization face and attempt to make moral sense of the issue. If global economic systems are a matter of life and death, Christians should vocalize their stand on globalization and become God’s partners in responding to God’s call of life for all. In his signature plainspoken, accessible style, Rabbi Jonathan Sacks shares perspectives on these ethical challenges of globalization by addressing the imperative issue of the ethics of responsibility.

Christian faith possesses the power and weaponry to conquer the ‘adversarial winds’ of globalization, such as the destruction of the earth, the greed-driven whirlpool of consumerism, *empire* in its totality and even idolatry; fulfilling the role of an *equaliser* this approach will automatically be followed by the implementation of global systems that are mutually beneficial. Like the imagined line around the earth at an equal distance from the

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<sup>97</sup> Boesak 2009:63.

<sup>98</sup> Schweiker 1995:24.

North and South Poles is seen as the equator, so can this very same equator approach be adopted by Christians and non-Christians around the globe to ensure equal balance of economic and ecological resources and benefits for all (rich and poor) in the processes and policies of globalization. The Christian church also has the moral obligation to act on behalf of those who do not have a *voice*, like the poor, the powerless and those who are suffering.

It would have become clear that in this study common ground is sought, and hopefully also found, between what can be called *general* or *secular* social ethics and Christian ethics. At the most general level ethics deals with the standards of conduct. It seeks to establish rules by which the quality of actions can be determined. Christian ethics defines concepts of right (virtuous) and wrong (sinful) behaviour from a Christian perspective. Social responsibility is built on a system of ethics (which can include Christian ethics), in which decisions and actions must be ethically validated before proceeding. If the action or decision causes harm to society or the environment then it would be considered to be socially irresponsible. As is evident from various documents (statements, declarations and even confessions addressing social injustices), originating from Christian convictions, such as *The Road to Damascus* and the *Accra Declaration*, this study is exploring ways and means of finding a common vocabulary for ethical discourse on justice issues, specifically issues of global economic justice.

## **2.4 Empire: The Cry of the Powerless**

The Accra Declaration of 2004 speaks clear language on *empire* and its victims: “We live in a scandalous world that denies God’s call to life for all. The annual income of the richest 1 per cent is equal to that of the poorest 57 per cent, and 24,000 people die each day from poverty and malnutrition. The debt of poor countries continues to increase despite paying back their original borrowing many times over. Resource-driven wars claim the lives of millions, while millions more die of preventable diseases. The HIV and AIDS global pandemic afflicts life in all parts of the world, affecting the poorest where generic drugs are not available. The majority of those in poverty are women and children and the number of people living in absolute poverty on less than one US dollar per day continues to increase.”<sup>99</sup> The current global economic world system is not to the benefit of the powerless, but it is an absolute benefit for the powerful. Globalization is a phenomenon that promised rich and poor, those who are suffering and even those who are not suffering, that all would be better off. On the

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<sup>99</sup> Accra 2004:3.

contrary, through globalization the world only became more scandalous. However, Stackhouse, who was the coordinating Editor of the Centre of Theological Inquiry's *God and Globalization Project*, was (and still is) of the view that in Asia and other countries large populations benefited from joining the global economy: More developed lands, especially the United States, Great Britain and the European Union, plus Japan and increasingly China and India, are rapidly adapting to globalization and the changes demanded. They thus take advantage of the opportunities afforded and reinforce the developments and the international legal arrangements that legitimate and benefit them.<sup>100</sup> In this sense the powerless and suffering multitudes came to see globalization as an epidemic that caused massive havoc and destruction to their direct life situations. Poor people felt that they were only dominated and exploited for the benefit of empire and the powerful. This raises the question on how do we define those who are powerless?

Schweiker explains: "If an agent is powerless to act, he or she cannot conduct personal life by norms and values which are to determine choices about actions or what kind of person to be. Our current situation is characterized by the radical extension of human power. Persons in advanced technological societies now have capacities for action previously unknown in the history of the world. This increases the degree of responsibility these persons, institutions, and even societies bear for the viability of life on this planet. But it also means that individual action is vulnerable to institutional and technological forces beyond personal control."<sup>101</sup> As correctly explained by Schweiker, the powerless are being governed under the rule of global domination and exploitation; for the powerless the reign of *empire* became a normalized phenomenon which is beyond their control.

The Agape Process describes how this happens: "Many people feel numb and powerless in face of the massive misuse of mal-distributed economic and political power and the arrogant use of military force. Jesus speaks of mammon and empire when such powers force people and nature to conform to their own spirit and logic, and when life is sacrificed for their sustenance. We experience this reality in various ways in different places and social locations, with the commonality that powers, intended to serve life, degenerate into structures of sin and death."<sup>102</sup> The cry of the powerless sends out the message that they are poor and suffering and that they have insecurities because of their inadequate life situations. Referring

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<sup>100</sup> Stackhouse 2010:5.

<sup>101</sup> Schweiker 1995:26.

<sup>102</sup> Agape 2005:12.

to the poor, who can be categorized as being powerless and suffering, Stiglitz states that the poor have few opportunities to speak out but when they speak, no one listens; when someone does listen, the reply is that nothing can be done; when they are told something can be done, nothing is ever done.<sup>103</sup> It appears that the global economic system is turning a blind eye to poverty and its victims. Urgent assistance of reliable notions of responsibility (including Christian ones) within circles of poverty, and those who are affected by it, is required.

It is important to note that it is through global multiple *power operations* and systems that dominion is imposed upon the suffering and the powerless – where everything is done in the name of self-interest. In this instance the Agape Process lays out for us the legitimization of these power structures: “The ideology that underlines, promotes and seeks to legitimize the concentration of multifaceted power structures has been labelled neo-liberalism. It is manifested in neo-liberal capitalism and neo-liberal globalization. For many, neo-liberalism provides an ideological cloak for an economic globalization project that expands power and domination through an interlocking web of international institutions, national policies, corporate and investor practices and individual behaviour.<sup>104</sup> Globally viewed from this window *empire* has its claws on the powerless and suffering millions. The vision that is supposed to provide economic equality and justice to the suffering and powerless is contaminated with the need and the greed and the lust for economic and political power. Neo-liberalism announces for the rich to become even richer and for the poor to be bottled up into even more poverty. This begs questions of how can we make the cry of the powerless and the suffering be heard and how can they be relieved from poverty and suffering in this harsh and scandalous world?

God of the Christian faith is the God of the poor and so Christian’s responsibility to care for those in need is not a matter of choice; rather it is a matter of obligation required by God. Poverty can be seen as one outstanding issue that is unjust and it damages the image of God and his creation. In this regard, Griffiths makes reference to the 1991 encyclical *Centesimus Annus*, Pope John Paul II’s address which highlighted the issue of poverty in developing countries. According to Griffiths, the Pope called for a special effort to mobilize resources for the purpose of economic growth and development, arguing: The poor ask for the right to share in enjoying material goods and to make good use of their capacity for work, thus creating a world that is more just and prosperous for all. The advancement of the poor

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<sup>103</sup> Stiglitz 2006:12.

<sup>104</sup> Agape 2005:9.

constitutes a great opportunity for the moral, cultural and even economic growth of all humanity.<sup>105</sup> In a response to the Popes' address, Griffiths maintains that there are five aspects of Christian faith regarding the poor that needs emphasis. He states that: "First, poverty is a scar on God's creation, and so it must be tackled. For globalization to be just it must be inclusive. Second, Christians have the obligation to respond to the poor. Third, the mandate to help the poor is a mandate to help individual persons trapped in poverty. Fourth, Christian charities have a critical role to play in developing robust and caring communities in the process of removing poverty. Finally, a Christian response must be concerned with the whole of a person's life. This includes the economic, the social and the political, but it must also include the spiritual. Globalization has created enormous opportunities to reduce world poverty. However, one of the most disconcerting facts of globalization is its uneven impact."<sup>106</sup> And it is this uneven impact that is causing the cry of the powerless and the suffering to be stripped from their human dignity; for them life continues to be tough.

In his book, *Beyond Marx and Market: Outcomes of a Century of Economic Experimentation*, Nürnberger, a Professor in the School of Theology, University of Natal, Pietermaritzburg, presents an unbiased assessment of the respective merits and demerits of the variety of capitalist and social economic systems as they have existed in the 20<sup>th</sup> century. From the context of the advantages of socialism, Nürnberger mentions the following argument in favour of socialism:

"Absolute poverty is alleviated or eradicated. Apart from the intense suffering caused by physical, social and psychological deprivation, poverty makes people dependent on the goodwill of others. This is incompatible with human dignity. That some people live in affluence, while others lack basic means of subsistence, is a scandal to which humankind should never get accustomed. Human dignity presupposes a quality of life which is out of reach for the poor."<sup>107</sup> The reality of poverty is facing the poor day by day; this reality should be addressed by Christians through an ethical responsibility toward the powerless. "Much as we cannot excise responsibility from ethics if we want to make sense of contemporary ideas about human agency and the world, so too responsibility is crucial to any ethics that wants to address the actual problems persons and society face."<sup>108</sup> Küng's analysis towards the proposal of a global ethic supports Schweiker's notion of the actual problems persons and

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<sup>105</sup> Griffiths 2004:18.

<sup>106</sup> Griffiths 2004:16.

<sup>107</sup> Nürnberger 1998:60.

<sup>108</sup> Schweiker 1995:28.

societies face. For each of the *global commandments* on which, according to him, the world's religions agree, he first analyses actual states of affairs. The following excerpt is indicative of his ethical discourse development:

“Numberless humans in all regions and religions who strive even today to live a life in solidarity with one another and a life in work and authentic fulfilment of their vocation. Nevertheless there is in today's world endless hunger, deficiency and need for which not only individuals but even more unjust structures bear responsibility. Millions of men and women are without work, millions are exploited, are forced to the edge of society with possibilities for the future destroyed by poorly paid work. In many lands the gap between the poor and the rich, between the powerful and the powerless is monstrous. In a world in which state socialism as well as profit capitalism have hollowed out many ethical and spiritual values through a purely economic-political view of things, a greed for unlimited profit and a grasping for plunder without end could spread, as well as materialistic mentality of claims which steadily demands more of the state without obliging oneself to contribute more. The cancerous social evil of corruption has grown in the developing as well as the developed countries.”<sup>109</sup>

In the face of all these problematic and negative elements of globalization and neo-liberalism, Küng suggests that the plight of the poorest billions of humans on this planet, particularly women and children, is to be improved; the world economy must be structured more justly. Individual good deeds, and assistance projects, indispensable though they be, are insufficient. The participation of all states and the authority of international organizations are needed to build just economic institutions. In essence, there should be a collective endeavour to make globalization work. However, before the endeavour can be pursued, Dorr reckons that there is an even more important question to pose when it comes to determining who/what is responsible for the powerless and suffering:

“Are the rich responsible for keeping the poor, poor? On the whole, yes. Wealthy individuals and nations cannot disclaim responsibility for the persistence of poverty. Not, of course, that they normally set out consciously to deprive others. But power goes hand-in-hand with wealth and, by and large, the wealthy use their power to block the kind of changes that would make it possible to overcome major poverty. There is only one way in which major poverty problems can be eliminated or minimised. That is by making better use of the available

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<sup>109</sup> Küng 1993:4.



resources. This is not simply a matter of redistributing the money and goods of the wealthy; for they would have to be alleviating poverty. What is required, rather, is that the energy, the raw materials and the technology resources used at present to provide luxuries for the rich be redirected in such a way as to ensure that everybody on Earth could have enough to live on in frugal comfort.”<sup>110</sup> The emphasis is on the redirection of global resources so that what is indeed unbalanced in the global economy can be balanced, and then only we can start on the collective endeavour to make globalization work.

## 2.5 Conclusion

As time changes, people change, even the world as a whole takes its turn. But it is critical that one must believe that there is still hope to make a change in these complex issues such as, the existence of *empire* and all its elements in the global economy. There must be a way for the global community to find common ground to pursue economic justice for all, rich and poor. After zooming into all aspects that have been discussed in this chapter, it also seems as if a renewed ethical version of globalization (a global ethic) is possible. Christianity, for instance, also possesses the power to make its contributions to globalization policies and processes by addressing critical problems that causes globalization to fail. Christians simply cannot sit by idly to wait and see how globalization will work itself out. They have the responsibility to live up to the covenant made with God and each other. As stated above, Lombard’s sentiments somewhat resonates with Stiglitz’s positive view of the globalization phenomenon. Stiglitz put forward the idea that if globalization is collectively managed correctly all would benefit from it. I will now discuss the background of Stiglitz that illuminates his ideas of a *reformed globalization*. This background then initiates a further discussion of his critique of globalization and global capital.

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<sup>110</sup> Dorr 1991:8.



## CHAPTER 3

### BACKGROUND OF JOSEPH STIGLITZ

#### 3.1 Introduction

In this chapter Stiglitz's background and alternative visions for globalization will be studied, to depict a clear contextual understanding of his ethical views on globalization; he came to see globalization in a whole new and different light – i.e. as a process that is in certain instances driven by greed and manipulation of those in charge of the process.

Stiglitz was born on 9 February 1943 in Gary, Indiana, to Jewish parents, Charlotte (née Fishman) and Nathaniel D. Stiglitz.<sup>111</sup> He grew up in a family in which political issues were often discussed, and debated intensely. His mother's family were New Deal Democrats – and though his uncle was a highly successful lawyer and real estate entrepreneur, he was pro-labour. Stiglitz's father, on the other hand, was probably more aptly described as a Jeffersonian democrat; a small businessman himself, he repeatedly spoke of being one's own boss, of self-reliance. Stiglitz went to public schools, and while Gary was, like most American cities, radically segregated, it was at least socially integrated – a cross-sectioned of children from families of all walks of life. He had the good fortune of having dedicated teachers, who in spite of relatively large classes provided a high level of individual attention. The extra-curricular activity in which he was most engaged – debating – helped shape his interests in public policy. In debate, he randomly was assigned to one side or the other. This had at least one virtue – it made him see that there was more than one side to complex issues.

Stiglitz's intellectually most formative experiences occurred during the three years of 1960-1963. From 1960 to 1963, he studied at Amherst College<sup>112</sup>, where he was a highly active member of the debate team and president of the student government. He thrived on the atmosphere; while until late in his third year, he majored in physics, and enjoyed immensely the camaraderie of the physics students as they strove to solve the hard problems that were assigned to them. But while he loved all these courses, there was an irresistible attraction of economics. It was not until late in the spring of his junior (third) year that he decided to major in economics; he thought it provided an opportunity for him to apply his interests and

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<sup>111</sup> International who's who of authors and writers 2008.

<sup>112</sup> Amherst is a liberal arts College, committed to providing students with a broad education.

abilities in Mathematics to important social problems, and somehow, thought it would also enable him to combine his interest in history and in writing. When he advised his teachers of his decision, they advised him that he should go on to graduate school. What he would study during his senior year would be largely repeated in his first year of graduate school. They then arranged for him to go to MIT. Stiglitz went to the Massachusetts Institute of Technology (MIT) for his fourth year as an undergraduate, where he later pursued graduate work. His undergraduate degree was awarded from Amherst College. Amherst was of critical importance in his broad intellectual development; MIT in his development as a professional economist.

From 1965 to 1966, Stiglitz moved to the University of Chicago to do research under Hirofumi Uzawa who had received a National Science Foundation grant. He studied for his PhD of MIT from 1966 to 1967, during which time he also held an MIT assistant Professorship. Stiglitz stated that the particular style of MIT economics suited him well - simple and concrete models, directed at answering important and relevant questions.<sup>113</sup> From 1966-1970 he was a research fellow at the University of Cambridge; he arrived at Fitzwilliam House as a Fulbright Scholar in 1965 and then won a Tapp Junior Research Fellowship at Granville and Caius College.<sup>114</sup> In subsequent years, he held academic positions at Yale, Stanford, Duke, Oxford, and Princeton.<sup>115</sup>

Stiglitz is now a Professor at Columbia University, with appointments at the Business School, the Department of Economics and the School of International, and Public Affairs (SIPA), and is editor of *The Economists' Voice Journal*, with J. Bradford De Long and Aaron Edlin. He also lectures for a double-degree program between Science Politiques Paris and Ecole Polytechnique in Economics and Public Policy: He has chaired The Brooks World Poverty Institute at the University of Manchester since 2005. By his own admission Stiglitz is a New-Keynesian economist.<sup>116</sup> He is a recipient of the Nobel Memorial Prize in Economic Sciences (2001) and the John Bates Clark Medal (1979).<sup>117</sup> He is known for his critical view of the management of globalization, free-market economists and some international institutions like the International Monetary Fund and the World Bank. Stiglitz has over 40 honorary doctorates and at least eight honorary professorships, as well as an honorary

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<sup>113</sup> Stiglitz 2001b.

<sup>114</sup> A shilling in the meter 2005.

<sup>115</sup> Curriculum Vitae, Joseph Stiglitz.

<sup>116</sup> Greenwald and Stiglitz 1998.

<sup>117</sup> Former Chief Economist.

deanship.<sup>118</sup> Stiglitz is one of the most frequently cited economists in the world,<sup>119</sup> and in 2011 he was named by The Time Magazine as one of the 100 most influential people in the world.<sup>120</sup> Stiglitz's work focuses on income distribution, assets risk management, corporate governance, and international trade, and he is an author of various books, with his latest, *The Price of Inequality* (2012) hitting The New York Times best seller list.<sup>121</sup>

### 3.2 Stiglitz: The Theory of Information Asymmetry

Stiglitz moved both across schools and subjects. This allowed him to learn from each, and the cross fertilization was highly productive but it did pose problems because not being a dues paying member of any particular school or sub-discipline sometimes meant it was more difficult to get his ideas accepted, or even widely discussed. The models that Stiglitz formulated, focusing on imperfect capital markets, risks, credit constrained firms, in which concerns about bankruptcy often play an important role, only became widely accepted after similar ideas were picked up by the card carrying members of the macro-fraternity.

Stiglitz's work on economics of uncertainty led naturally to the work on information asymmetries, and more generally, imperfect information. In this work, Stiglitz explored the consequences, given beliefs about probability distributions say, of prices and outputs, of economic behaviour. The standard theory not only had assumed that there was a complete set of markets for these risks, but that beliefs about these probability distributions were unaffected by actions. But individuals and firms spend an enormous amount of resources acquiring information, which affects their beliefs; and actions of others too affected their beliefs. It was for this contribution to the theory of information asymmetry that he shared the Nobel Memorial Prize in Economics in 2001 *for laying the foundations for the theory of markets with asymmetric information*.

Before the advent of models of imperfect and asymmetric information, the traditional neo-classical economics literature had assumed that markets are efficient except for some limited and well defined market failures. More recent work by Stiglitz and others reversed that presumption, to assert that it is only under exceptional circumstances that markets are efficient. For Stiglitz there is no such thing as an *invisible hand*.<sup>122</sup> According to him,<sup>123</sup>

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<sup>118</sup> Curriculum Vitae, Joseph Stiglitz.

<sup>119</sup> Economist Rankings 2013.

<sup>120</sup> The 2011 TIME 100 2011.

<sup>121</sup> Taylor 2012.

<sup>122</sup> Stiglitz 2002c.

<sup>123</sup> Altman 2006.

whenever there are *externalities* markets will not work well. But recent research has shown that these *externalities* are pervasive, whenever there is imperfect information or imperfect risk markets – which are always. The real debate today is about finding the right balance between the market and government. Both are needed. They can complement each other. This balance will differ from time to time and place to place. In the opening remarks for his prize acceptance *Aula Magna*, Stiglitz said:

“I hope to show that Information Economics represents a fundamental change in the prevailing paradigm within economics. Problems of information are central to understanding not only market economics but also political economy, and in the last section of this lecture, I explore some of the implications of information imperfections for political processes.”<sup>124</sup> In an interview in 2007, Stiglitz explained further: “The theories, I (and others) helped develop explained why unfettered markets often not only do not lead to social justice, but do not even produce efficient outcomes. Interestingly, there has been no intellectual challenge to the refutation of Adam Smith’s *invisible hand*.”<sup>125</sup> While the Mathematical validity of Stiglitz’s theorems is not in question, their practical implications in political economy and their application in real life economic policies have been subject to considerable disagreement and debate.<sup>126</sup> Stiglitz himself seems to be continuously adapting his own political-economic discourse<sup>127</sup> as we can see from the evolution in his positions as initially stated in *Whither Socialism?* (1990) to his own new positions held in his most recent publications.

*Whither Socialism?* is one of Stiglitz’s major publications and is based on his lectures, presented at the Stockholm School of Economics in 1990. It presents a summary of information economics and the theory of markets with imperfect information and imperfect competition, as well as being a critique of both free market and market socialist approaches.<sup>128</sup> Stiglitz’s use of rational-expectations equilibrium assumptions attempt to achieve a more realistic understanding of capitalism.<sup>129</sup> The effect of his influence is to make economics even more presumptively interventionist.<sup>130</sup> The objections to the wide adoption of positions suggested by Stiglitz’s discoveries do not come from economics itself but mostly from political scientists and sociologists. As David L. Prychitko discusses in his *critique* to

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<sup>124</sup> Stiglitz 2001c.

<sup>125</sup> Stiglitz 2007a.

<sup>126</sup> Sanahuja 2004.

<sup>127</sup> Friedman 2002.

<sup>128</sup> Zapia 2013.

<sup>129</sup> Boettke 1998.

<sup>130</sup> Sappington and Stiglitz 1988.

*Whither Socialism?*: “Although Stiglitz’s main economic insight seems generally correct, it still leaves open great constitutional questions such as how the coercive institutions of the government should be constrained and what the relation is between the government and civil society.”<sup>131</sup> Stiglitz helped create a new branch of economics. The economics of information, exploring the consequences of information asymmetries and pioneering such pivotal concepts as adverse selection and moral hazard, which have now become standard tools not only of theorists, but also of policy analysts. His work has helped explained the circumstances in which markets do not work well, and how selective government intervention can improve their performance.

### **3.3 Stiglitz: Role in Government, Policy Making and Major Publications**

In addition to making numerous influential contributions to microeconomics, Stiglitz has played a number of policy roles in government and various other organizations such as, the Clinton Administration, the World Bank, the World Trade Organization, the Initiative for Policy Dialogue, the Commission Measurement of Economic Performance and Social Progress, the Commission of Experts on Reforms of the International Monetary and Financial System, the Greek Crisis, and the Spanish Protests. He also, along with his technical economic publications, published over 300 technical articles and is the author of books on issues from patent law to abuses in international trade.

Stiglitz served in the Clinton Administration as the chair of the President’s Council of Economic Advisors (1995-1997). He joined the Clinton Administration in 1993<sup>132</sup>, serving first as a member during 1993-1995, and then as Chairman of the Council of Economic Advisers as from June 28, 1995, in which capacity he also served as a member of the cabinet. He became deeply involved in environmental issues, which included serving on the Intergovernmental Panel on Climate Change, and helping draft a new law for toxic wastes. Stiglitz’s most important contribution in this period was helping define a new economic philosophy a *Third Way*, which postulated the important, but limited, role of government, in situations where unfettered markets often did not work well, and government was not always able to correct the limitations of markets. The academic research that he had been conducting over the preceding 25 years provided the intellectual foundations for this *Third Way*.

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<sup>131</sup> Prychitko 1996.

<sup>132</sup> Brief biography of Stiglitz.

When President Bill Clinton was re-elected, he asked Stiglitz to continue to serve as Chairman of the Council of Economic Advisors (CEA) for another term but Stiglitz had already been approached by the World Bank to be its senior vice President for Development Policy and its Chief Economist, and he assumed the that position after his CEA successor was confirmed on February 13, 1997.<sup>133</sup> At the World Bank, Stiglitz served as senior vice President and Chief Economist (1997-2000), in the time when unprecedented protest against international economic organizations started, most prominently with the Seattle World Trade Organization meeting of 1999.

As the World Bank began its ten-year review of the transition of the former Communist countries to the market economy it unveiled failures of the countries that had followed the International Monetary Fund (IMF) *shock therapy* policies – both in terms of the declines in GDP (Gross Domestic Product) and increases in poverty – that were even worse than the worst that most of its critics had envisioned at the onset of the transition. Clear links existed between the dismal performances and the policies that the IMF had advocated, such as the voucher privatization schemes and excessive monetary stringency. Meanwhile, the success of a few countries that had followed quite different strategies suggested that there were alternatives that could have been followed. The U.S. Treasury had put enormous pressure on the World Bank to silence Stiglitz’s criticisms of the policies which they and the IMF had pursued.<sup>134</sup>

Stiglitz has been critical of rating agencies describing them as the *key culprit* in the financial crisis, noting *they were the party that performed the alchemy that converted the securities from F-rated to A-rated; the banks could not have done what they did without the complicity of the rating agencies.*<sup>135</sup> Stiglitz always had a poor relationship with Treasury Secretary Lawrence Summers – In 2000, Summers successfully petitioned for Stiglitz’s removal, supposedly in exchange for World Bank President James Wolfensohn’s re-appointment but Stiglitz resigned willingly from the World Bank in January 2000, a month before his term expired.<sup>136</sup> Being on the Council was particularly exciting for Stiglitz as a student of the economics of the public sector. He was most probably a fly on the wall, but, at the same time, he could work to put into place some of the ideas that he had been developing.

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<sup>133</sup> Wade 2001.

<sup>134</sup> Wade 2001.

<sup>135</sup> Neate 2011.

<sup>136</sup> Commission on Measurement 2008.



It seems as if the experiences during the seven years in Washington have *shaped* Stiglitz's activities since then. In July 2000 he founded the Initiative for Policy Dialogue (IPD), with support of the Ford, Rockefeller, McArthur, and Mott Foundations and the Canadian and Swedish governments, to enhance democratic processes for decision-making in developing countries and to ensure that a broader range of alternatives are on the table and more stakeholders are at the table. The Initiative for Policy Dialogue is a non-profit organization based at Columbia University in the United States of America and it is relevant because it intends to help countries find solutions to pressing problems, and strengthen their institutions and civil society. Stiglitz had always been interested in economic development and what he saw radically changed his views of both globalization and development. He saw first-hand the devastating effect that globalization can have on developing countries, and especially the poor within those countries. He believes that globalization can be a force for good and that it has the potential to enrich everyone in the world, particularly the poor.

*Globalization and its Discontents* (2002) is another major publication by Stiglitz. In this book he states that what are often called *developing economies* are, in fact, not developing at all, and put much of the blame on the IMF. Stiglitz bases his argument on the themes that his decades of theoretical work have emphasized; namely, what happens when people lack the key information that bears on the decisions they have to make, or when markets for important kinds of transactions are inadequate or do not exist, or when other institutions that standard economic thinking takes for granted are absent or flawed. As a result, Stiglitz continues, governments can improve the outcome by well-chosen interventions. Stiglitz also proves that the IMF policies have been disastrous for the countries that have followed them.

The experiences he also gained through his time at the Clinton Administration, World Bank and the IMF resulted in publishing *The Roaring Nineties* (2003); his analysis of the boom and bust of the 1990's. Presented from an insider's point of view, it continues his argument on how misplaced faith in free-market ideology led to the global economic issues of today, with a perceptive focus on U.S. policies.<sup>137</sup> Stiglitz has also been a member of Collegium International. This is an organization of leaders with political, scientific, and ethical expertise whose goal is to provide new approaches in overcoming the obstacles in the way of a peaceful, socially just and economically sustainable world. He is also a member of the scientific committee of the Foundation IDEAS, a Spanish think tank.<sup>138</sup>

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<sup>137</sup> Multi-day interview with Greg Palast 2001.

<sup>138</sup> Fundación ideas 2009.



Some of Stiglitz's published works also came from these policy making roles he played within these organizations. In *Fair Trade for All*, a book that he wrote in 2005, Stiglitz argues that it is important to make the trading world more development friendly.<sup>139</sup> The idea is put forth that the present regime of tariffs and agricultural subsidies is dominated by the interests of former colonial powers and needs to change. The removal of the basis toward the developed world will be beneficial to both developing and developed nations. The developing world is in need of assistance, and this can only be achieved when developed nations abandon mercantilist based priorities and work towards a more liberal world trade regime.<sup>140</sup>

Stiglitz has advised American President Barack Obama, but has also been sharply critical of the Obama Administration's financial-industry rescue plan.<sup>141</sup> Stiglitz said that whoever designed the Obama administration's bank rescue plan is *either in the pocket of the banks or they're incompetent*.<sup>142</sup> The Stiglitz view on a rescue plan for the world economy has a dialect of its own. This is described right throughout his book, *Making Globalization Work* (2006), which surveys the inequalities of the global economy, and the mechanisms by which developed countries exert an excessive influence over developing nations. Stiglitz argues that through tariffs, subsidies an over-complex patent system and pollution, the world is being both economically and politically destabilised. He asserts that strong, transparent institutions are needed to address these problems and he shows how an examination of incomplete markets can make corrective government policies desirable. In this book Stiglitz discusses the current debates on macroeconomics, capital market liberalization and development and a new framework within which one can assess alternative policies.

*Stability with Growth* (2006) challenges these policies by arguing that stabilization policy has important consequences for long-term growth and has often been implemented with adverse consequences. The first part of the book introduces the key questions and looks at the objectives of economic policy from different perspectives. The third part presents a similar analysis for capital market liberalization. Stiglitz's major publications, as mentioned above, were the results of his major involvement in the world of economics. He had (and still has) radical concepts and ideas which he proposed that could make the current world economy work more effectively and that it could benefit both developed and developing countries.

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<sup>139</sup> Blandford 2008.

<sup>140</sup> Northcott 2006.

<sup>141</sup> Stiglitz 2009a.

<sup>142</sup> Stiglitz 2009b.

In October 2008 Stiglitz was asked by the President of the United Nations General Assembly to chair a commission drafting a report on the reasons for and solutions to the financial crisis.<sup>143</sup> In response, the commission produced the Stiglitz Report.<sup>144</sup> Increasing concerns have been raised since a long time about the adequacy of current measures of economic performance, in particular those based on Gross Domestic Product (GDP) figures. Moreover, there are broader concerns about the relevance of these figures as measures of societal well-being, as well as measures of economic, environmental, and social sustainability.<sup>145</sup> At the beginning of 2008, Stiglitz chaired the Commission on the Measurement of Economic Performance and Social Progress, also known as the Stiglitz-Sen-Fitoussi Commission, initiated by president Sarkozy of France. The Commission held its first plenary meeting on 22-23 April 2008 in Paris. Its final report was made public on September 14, 2009.

At the World Economic Forum Annual Meeting in Daros 2009, Stiglitz chaired the Commission of Experts on Reforms of the International Monetary and Financial System which was convened by the President of the United Nations General Assembly *to review the workings of the global financial system, including major bodies such as the World Bank and the IMF, and to suggest steps to be taken by Member States to secure a more sustainable and just global economic order.*<sup>146</sup> Its final report was released on September 21, 2009.<sup>147</sup> In the preamble of the recommendations the Commission recognizes that:

“Reform of the international system must have as its goal the better functioning of the world economic system for the global good, and that this entails simultaneously pursuing long term objectives, such as the responsible use of natural resources and reduction of greenhouse gas emissions. The Commission further noted that protecting the world against the threat of climate change must be an over arching priority. On responding to the global financial crisis, the Commission notes that appropriately designed short-term measures related to climate change may be complementary to long-term goals. In addition, an immediate measures and the need for new additional funding for developing countries, the Commission warns that failure to maintain the levels of official assistance will impair the sense of global social issues, such as responding to the challenges of climate change, more difficult.”<sup>148</sup> By becoming actively involved in these Commissions, Stiglitz could contribute his views and

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<sup>143</sup> Commission of Experts 2008.

<sup>144</sup> Stiglitz 2011b.

<sup>145</sup> Commission on Measurement 2008.

<sup>146</sup> Commission of Experts 2009.

<sup>147</sup> Commission of Experts 2009.

<sup>148</sup> Recommendations by the Commission of Experts 2009.

ideas he had of the policies and processes of globalization. In 2010 Stiglitz acted as an advisor to the Greek government in the midst of the European financial crisis lead to the collapse of the Greek economy. He appeared on Bloomberg TV for an interview on the risks of Greece defaulting, in which he stated that he was very confident that Greece would not default. He went on to say that Greece was under *speculative attack* and though it had *short-term liquidity problems... and would benefit from Solidarity Bonds, the country was on track to meet its obligations*. More of Stiglitz's was also written based on the Greek economic crisis as well as the *global economic meltdown*. *Free Fall* (2010) discusses the causes of the 2008 recession or depression and goes on to propose reforms needed to avoid a repetition of a similar crisis, advocating government intervention and regulation in a number of areas.<sup>149</sup>

On 25 July 2011, Stiglitz participated in the *I Foro Social del 15M* organized in Madrid (Spain) expressing his support to the 2011 Spanish protests. During an informal speech, he made a brief review of some of the problems in Europe and in the United States, the serious unemployed rate and the situation in Greece. Stiglitz suggested that it was an opportunity for economic contribution and social measures. He encouraged those present to respond to the *bad ideas*, not with indifference, but with *good ideas*. During this speech he also said that the current situation is not working and that change is needed. In 2011, he was named by Foreign Policy magazine on its list of top global thinkers.<sup>150</sup> In 2012, Stiglitz described the European austerity plans as a *suicide-pact*.<sup>151</sup> In hindsight, as we now look back on his own admission, he was right. From the jacket: As those at the top continue the best health care, education, and benefits of wealth, they often fail to realize that, as Stiglitz highlights their fate is bound up with how the other 99 per cent live ... It does not have to be this way. *The Price of Inequality* (2012) was also a major publication where Stiglitz lays out a comprehensive agenda to create a more dynamic economy and fairer and more equal society.

Stiglitz wrote a series of papers and held a series of conferences explaining how such information uncertainties may have influence on everything from unemployment to lending shortages. As the chairman of the council of economic advisers during the first term of the Clinton administration and former chief economist at the World Bank, Stiglitz was able to put some of his views into action. For example, he was an outspoken critic quickly opening up financially markets in developing countries. These markets rely on access to good financial data and sound bankruptcy laws, but argued that many of these countries did not have the

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<sup>149</sup> Krupa 2010.

<sup>150</sup> The FP top100 global thinkers 2011.

<sup>151</sup> Moore 2012.

regulatory institutions needed to ensure that the markets would operate soundly. In February 2012 he was awarded the Legion of Honour, in the rank of Officer, by the French ambassador in the United States, Francois Delattre.<sup>152</sup>

### 3.4 Conclusion

As discussed in this chapter, Stiglitz used his experiences he gained from working in the White House, International Monetary Fund, World Bank and other organizations, to propose better strategic guidelines that could enable globalization to be managed more effectively and equitably. He was heavily criticized for his views and ideas around economics and its developments. On the one hand his proposed views on the management of globalization caused him to become somewhat rejected in the global economic debates. But on the other hand most of his contributions that he made to economics, including his major publications and even the global economy for that matter, resulted into positive responses. Against this backdrop, I now turn to Stiglitz's critique of globalization and global capital that will be summarised systematically, with a focus on the *ethical discourse* as developed by him.



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<sup>152</sup> Stephen Emerson and Joseph Stiglitz awarded 2013.

## CHAPTER 4

# CRITIQUE OF STIGLITZ ON GLOBALIZATION AND GLOBAL CAPITAL

### 4.1 Introduction

Stiglitz is of the view that globalization can be beneficial to both rich and poor countries if managed correctly. This section focuses on an in depth exploration of the works of Stiglitz on the discourse globalization has taken and how it is possible to make globalization work; his *ethical discourse* and how this is constructed and strengthened over time. It includes discussions on Stiglitz's view on neo-liberalism and global capital - the ideology of the free market; poverty and the environment; competition; deregulation; tax; consumerism; global trade; foreign investment; debt relief; privatization; property; sustainability; quality of life and social justice.

### 4.2 Neo-liberalism and Global Capitalism: The Ideology of the Free Market

Stiglitz's critique of neo-liberalism concentrates on the economic, military, and cultural influence, if not hegemony, of especially America over other countries. He exposed a series of profound flaws in the theoretical framework of neo-liberalism, provided considerable empirical documentation of the practical failures of neo-liberal policies and he attempted to explain why neo-liberal agenda continued (and still continues) to be pursued despite its fairly obvious shortcomings.

Sampie Tereblanche, who was Professor of Economics from 1968 to 1995 and also Professor Emeritus of Economics, at the Stellenbosch University, views America by circumstance and design as an emergent global empire that promotes the ideology of neo-liberalism in a massive way. He maintains that the American *empire* has its own military doctrines, ideology and economics. The military doctrine is a mandate for the pursuit of permanent military superiority. Furthermore Tereblanche argues that the ideology is one of world hegemony; *empire* claims the right to get pre-emptively and unilaterally against potentially threatening states or organizations. Tereblanche is of the view that the *empire* has also an audacious

agenda for world economic dominance and it is an *empire* of military bases.<sup>153</sup> It almost becomes clear that Stiglitz's ethical critique of globalization and global capital is extremely influenced by the historic events of what Tereblanche is describing here with regards to American imperialism, capitalism and neo-liberal ideologies. Assessing the globalization phenomenon, Stiglitz started to draw attention to the fact that the globalization experience was a process whereby especially America had *lost all touch* with developed and developing countries around the world. According to him some of the same forces that had contributed to the problems in America underlay the failures abroad. It was at this point that America pushed the ideology of the free market (neo-liberalism) and tried hard to get access for American companies overseas; a new way in which the rich and powerful could exploit the weak and the poor.<sup>154</sup> The rise of neo-liberalism created the effect of greater global instability. While America wanted to retain their power over other countries through free markets, other countries all over the world was deceived by its intentions.

Professor Vijay Prashad, author of *Everybody Was Kung Fu Fighting* (2001), explains his understanding of neo-liberalism: "Millions of women, millions of youth, millions of indigenous, millions of homosexuals, millions of human beings of all races and colours only participate in the financial markets as a devalued currency worth always less and less, the currency of their blood making profits. The globalization of markets is erasing borders for speculation and crime and multiplying them for human beings. Countries are obligated to erase their national borders when it comes to the circulation of money but to multiply their internal borders. Neo-liberalism does not turn countries into one country. It turns one of them into many countries."<sup>155</sup> The ideology of the free market imprinted into developing and developed countries around the world brought numerous inequalities and imbalances to the global economy. This begs the question: If neo-liberalism was (and still is) in fact a good thing, why is impacting the global economy in such a negative way?

James H. Mittleman, is a Professor of International Relations in the School of International Service at American University and he wrote that: "Neo-liberal ideology promotes the expansion of markets as natural and inevitable, while existing social arrangements within which economies are still partially embedded are treated as chains that need to be

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<sup>153</sup> Tereblanche 2009:31-46.

<sup>154</sup> Stiglitz 2010:203-206.

<sup>155</sup> Prashad 2002:3.

unshackled.”<sup>156</sup> This seems to be the problem with free market ideology over the years, that there are numerous elements within this ideology that needs to be revisited and corrected on equal footing. Neo-liberalism should not just serve certain interests, but all interests. “Neo-liberal market fundamentalism was always a political doctrine serving certain interests.”<sup>157</sup> Many believe that neo-liberalism is bringing the world to ruin. Moreover American style deregulated capitalism brought greater material well-being only to the richest countries in the world. There is much overlap between neo-liberalism and capitalism. Neo-liberalism is a collection of economic policies that have emerged in the last 2-3 decades and which favour economic liberalization, open markets, free trade, deregulation, removal of license and quota system, and so on. Capitalism is an economic system that is ideally characterized by freedom or laissez-faire. It is a system where rule of law is supreme, and the market is not governed by the state.<sup>158</sup> Prashad and Mittleman almost express the same views on neo-liberalism and capitalism and the effects (negative and positive) it has on globalization.

Speaking out on the issue of capitalism, Harry Shutt, who was educated at Oxford and Warwick Universities and has worked for six years in the Development and Planning Division of the Economist Intelligence Unit (EIU) asserts: “Although capitalism is today generally recognised as the dominant economic system in the world, many people are scarcely aware that it has only attained this position relatively recently in human history.”<sup>159</sup> Though this view is expressed by Shutt, Stiglitz indicates that Americans always had faith in capitalism and the market economy, but the success, and the demise of communism, renewed that faith and brought it to new heights. Global capitalism should have had produced effective growth and sustainability on the world economy but it did not.<sup>160</sup>

Teresa Brennan, Schmidt Distinguished Professor of Humanities at Florida Atlantic University, argues that: “Capitalism is not only right, we are told, but natural. But capitalism is not the only form of market economy. The existence of other markets is not advertised in a world where globalization is ruthlessly promoted, and any alternative economic vision suppressed.”<sup>161</sup> It was proclaimed that the free market would be beneficial for both developed and developing countries but as proved by Stiglitz, this was never the case.

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<sup>156</sup> Mittleman 2000:78.

<sup>157</sup> Stiglitz 2008.

<sup>158</sup> Difference between.com 2013

<sup>159</sup> Shutt 1998:5.

<sup>160</sup> Stiglitz 2004: 277-278.

<sup>161</sup> Brennan 2003:8.



In light of the above-mentioned views it is clear that there is no confusion when it comes to the reformed globalization Stiglitz had and still has in mind. He has well thought out pragmatic changes to how the global economy can be run to achieve better results for the developing world and everyone. It is an agenda of reform from an insider who understands the global institutions he aims to reform and has practical steps to do this. Many of Stiglitz's ideas are sound and fair but many may not be implemented because fairness is not really a priority for trade. Stiglitz's targets and aspirations for a new and reformed globalization are fourfold. This includes better, more democratic governance, creating stability, faster growth and output that is more equitably shared. It aims at putting the interest of the world's poor masses ahead of the special interests of corporations. Examples of the types of reforms that he advocates to achieve are the following:

He proposes changes in the voting structure at the IMF and the World Bank to give more weight to developing countries. It is a dated system based on economic power that existed when these institutions were created 50 years ago. Changes in representation, instead of just having trade ministers represent each country they need to insist that other ministries concerns like environment and employment and other ministries with overlapping concerns are represented to give a more balanced position. Adopting new principles of representations, at the very least, the formal processes at trade negotiations should be in accord with democratic principles. There is a need for increased transparency because there is currently no democratic accountability for these institutions and transparency needs to be enforced through freedom of information. Also there needs to be more openness, including improvements in procedures. There needs to be improved accountability, more evaluations of the performance of these institutions and the task of evaluation needs to be moved to the United Nations.<sup>162</sup>

Many critics argue that economic globalization has occurred ahead of democratic globalization and that the world economy has been weakened by this. Stiglitz asserts that globalization does not have to be bad for the environment, increase inequality, weaken cultural diversity and advance corporate interests at the expense of ordinary citizens. It can work if managed properly.

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<sup>162</sup> Stiglitz 2006.

### 4.3 Poverty and the Environment

Stiglitz's critique on poverty and globalization is based on his analyses that it takes more than free trade to end poverty. The World Bank's motto is: "Our dream is a world without poverty."<sup>163</sup> According to Stiglitz, the world is in a race between economic growth and population growth, and so far population growth is winning and even as the percentages of people living in poverty are falling, the absolute number is rising. Poverty in the developing world has increased over the past two decades. Globalization has exposed developing countries to more risks. Insecurity is one major concern for the poor and a sense of powerlessness is another. Mittleman echoes this by stating that the powerlessness of the poor may be partly explained by the disembedding of markets from society.<sup>164</sup> Stiglitz maintains that what is true for poor people is too often true for poor countries and the way globalization is currently managed is not consistent with democratic principles. Little attention are given to the voices and concerns of the developing countries and poverty has become a global concern and by now it has become clear that opening up markets by itself will not solve the problem of poverty; it may even make it worse. Instead, what are needed are both more assistance and a fairer trade regime.<sup>165</sup> Another important issue within the debates of globalization is the issue of the environment. Equal weight of attention should be given to the issue of poverty and the environment because both have an impact on the quality of life in developed and developing countries.

The problems of climate change and poverty have not gone away, according to Stiglitz. He believes that in making globalization work will be of little use if we cannot solve our global environmental problems.<sup>166</sup> Moreover, he suggests that it will take global collective efforts to clean up the act around global environmental issues and making globalization work. Environmental conditions are important for sustainability and their immediate impact on the quality of people's lives. Stiglitz is of the view that the market will not, on its own, solve any of these problems. Global warming is a consequential *public goods* problem. To make the structural concern different countries, men and women, the rich and poor, different professional groups, owners and tenants, different communities, and do not affect all of them equally.<sup>167</sup>

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<sup>163</sup> Stiglitz 2002:23.

<sup>164</sup> Mittleman 2000:80.

<sup>165</sup> Stiglitz 2006:10-14

<sup>166</sup> Stiglitz 2006:184-185.

<sup>167</sup> Sachs 1993:71.

#### 4.4 Competition, Deregulation, Tax and Consumerism

Stiglitz introduces the idea that at least since the time of Adam Smith, competition has played a central role in economics. He observes that it is because of competition that individuals and firms are pursuing their own self-interest and are led, as if by an *invisible hand*. Stiglitz evaluates that the enthusiasm of economists for competition is not shared so universally. People in business talk about destructive competition and naturally, when a competitor appears to be losing in competition, his assertion are that the competition is unfair. Likewise industries losing the competitive battle from foreign firms seek protection, always claiming that their rivals have some unfair advantage.<sup>168</sup> The importance of competition, as pointed out by Stiglitz, includes a number of associated ideas such as, markets, incentives and decentralization. Furthermore competition is important because it provides incentives. He argues that while competition has a variety of meanings, the common sense meanings are quite different from those captured in the perfect competition model of neo-classical theory.<sup>169</sup> In essence he states that strong competition and competition policies are just not luxuries to be enjoyed by rich countries, but a real necessity for those striving to create democratic market economies.<sup>170</sup>

John B. Cobb, formerly Professor of theology at Claremont School of Theology and is a major interpreter of process thought observes: “It is indeed important to maintain effective competition among producers, and that a market of adequate size is needed for each product. Without this, society might indeed become unliveable”.<sup>171</sup> Without a society there can be no global economy and without a global economy there can be no healthy global economic competition that can promote economic growth and societal well-being for all. Stiglitz criticizes the ideology of deregulation very strongly because of its inability to have worked within the global economy. He highlights the notion that the doctrines that supported deregulation were predicated on the assumption that sophisticated market participants were rational and had rational expectations.<sup>172</sup> However, regulation of markets is important to the world economy. It has to be seen as *normal* and as the process that would work to create an equal global economy. Stiglitz explains:

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<sup>168</sup> Stiglitz 1990:109-110.

<sup>169</sup> Stiglitz 1990:109-110.

<sup>170</sup> Stiglitz 2001a.

<sup>171</sup> Cobb 1992:41.

<sup>172</sup> Stiglitz 2010:59-60.

“When done in the right way, regulation helps ensure that markets work competitively. There are always some companies that want to take advantage of their dominant position. Ideally, regulation stops firms from taking advantage of their monopoly power when competition is limited because there is a ‘natural monopoly,’ a market where there would naturally be only one or two firms, even without anyone doing anything to suppress entry or drive out rivals. Regulations help restrain conflicts of interest and abusive practices; so that investors can be confident that the market provides a level playing field and that those who were supposed to be acting in their interests actually do so.”<sup>173</sup> If there are no rules for the global economy, there can be no control. The world needs some form of proper economic control system and this system should include paying taxes. Globally, there are numerous debates within the economic circles about tax cuts. There are those economic critics who support tax cuts and there are those who oppose tax cuts. In global economic debates, it can be viewed as one of the most controversial topics. The rivalry never ends. According to Stiglitz every tax system is an expression of a country’s basic values- and its politics and it translates into hard cash what might otherwise be simply high-flown rhetoric.<sup>174</sup> The distinguishing characteristics of the government give it some distinct advantages in correcting market failures; it can tax.<sup>175</sup>

Stiglitz claims that tax cuts increases nation debt and he critically opposed tax cuts, for four reasons. First he thought we should be concerned with the long-run fiscal position, and even in the short run the capital gains tax cut made the books look better; it would only worsen matters in the long run. Second, the distributional consequences were horrendous; almost all the benefits of this tax cut went to the upper 1 per cent of the population. It was among the most regressive tax cuts imaginable- benefitting only those already better off. Third, the capital gain tax cut, like most tax cuts these days, was sold on the basis of “supply-side” economics- how it would spur innovation, encourage investment, promote savings. Finally, the capital gains tax cut reinforces CEO’s proclivity to focus on short-run market value rather than long-run performance.<sup>176</sup>

Stiglitz emphasizes the idea that globalization is not just about making profits but it is about paying taxes too. He argues that the problem of multinational corporate tax avoidance is deeper, and requires more profound reform, including dealing with tax havens that shelter money for tax-evaders and facilitate money-laundering. It is time, Stiglitz says, the

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<sup>173</sup> Stiglitz 2004:89.

<sup>174</sup> Stiglitz 2004:177.

<sup>175</sup> Stiglitz 1989:42.

<sup>176</sup> Stiglitz 2004:173-176.

international community faced the reality; we have an unmanageable, unfair, distortionary global tax regime. It is a tax system that is pivotal in creating the increasing inequality that marks most advanced countries today.<sup>177</sup> “Globalization favours the well-off. The present cuts in social provision for human needs are exacerbated by cuts in corporate taxation. The burden of taxation has shifted from capital to citizens. The overtaxed middle classes are invited to castigate anything other than corporations, welfare recipients first among them.”<sup>178</sup> The fact that this shift of paying taxes is taking place according to Brennan, opens up an enormous probability of exploitation of consumers (those who are negatively affected) by the global tax system.

On the issue of global consumerism, Stiglitz suggests that it has the ability to lead not only to negative economic consequences for the individual but also to unsustainable global economies.<sup>179</sup> When it comes to consumerism, the goal is to provide still more goods on display in our stores at still cheaper prices. It is all in the service of what is known as ‘consumer sovereignty’. It carries us another long step in commitment to an unsustainable society.<sup>180</sup> The author of *Conscious Consumerism: Shaping Globalization through the Empowerment of the People*, D.A. Tucker, in 2004 points out that: “Consumerism through greater availability and mobility of products, the increase of advertising and the far reaching embrace and/or imposition of its ideological value is spreading throughout the world.”<sup>181</sup> This, in essence, means that consumers around the globe are falling into the net of living beyond their needs and that it is affecting their lifestyles in major ways. The global economic free market proposed a vision of prosperity for all but to its detriment are not living up to the standards and this in turn have an impact on global consumerism; not just on consumerism but on the global trade system.

#### **4.5 Global Trade, Foreign Investment and Debt Relief**

The critique of Stiglitz on global trade is another important element in the globalizing world. He argues that the trading world should be more development friendly; free trade has not worked because we have not tried it; trade agreements of the past have been neither free nor fair.<sup>182</sup> Furthermore, trade liberalization can, when done fairly, when accompanied by the

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<sup>177</sup> Stiglitz 2013.

<sup>178</sup> Brennan 2003:10.

<sup>179</sup> Stiglitz 2012:104-106.

<sup>180</sup> Cobb 1992:40.

<sup>181</sup> Tucker 2004.

<sup>182</sup> Stiglitz 2006:62-63.

right measures and the right policies, can help development.<sup>183</sup> Stückelberger, who is a Reformed Theologian and Professor of Ethics at the University of Basel and who also serves as general secretary of the Swiss development organization *Bread for all state*, proposed his theory that: “Fair trade in general is the organization of trade according to the fundamental values, particularly justice, freedom, sustainability and peace; fair trade integrates the various dimensions of fairness. Fair trade activities promote sustainable development, which aims for social justice, economic development, the protection of the environment and the preservation of cultural diversity and which, if at all possible, strengthens trade in and between the countries of the South. Fair trade is inspired by the active participation and shared responsibility of everyone involved in the trading chain and even in foreign direct investment.”<sup>184</sup> Global trade did not work in the past according to Stiglitz and if it is managed the way it is now, the global economy will even be worst off. There should be better ways to manage it more effectively so that it can be beneficial to develop and developing countries.

Stiglitz’s critique on foreign investment is dawned on us by the fact that it is a key part of the new globalization. By monitoring the Washington Consensus, he draws attention to the issue of growth that occurs through liberalization, ‘the freeing up’ markets. In his view privatization, liberalization, and macro-stability are supposed to create a climate to attract investment, including from abroad and this investment creates growth. The upside of foreign business is that it brings with it technical expertise and access to foreign markets, creating new employment possibilities. Apart from the upside of the foreign investment issue there are some real downsides.<sup>185</sup>

Another study by Stiglitz highlights that: “When foreign business come in they often destroy local competitors, quashing the ambitions of the small businessmen who had hoped to develop home-grown industry. The downsides of foreign investment sends the message that people living in small towns worry about what will happen to the character of the community if all local stores are destroyed; these same concerns are a thousand times stronger in developing countries. The implementation of systems that really work such as, more efficient delivery of goods and services to poor individuals within developing countries is all the more important, given how close to subsistence so many live. Foreign direct investment comes

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<sup>183</sup> Stiglitz 2006:62-63.

<sup>184</sup> Stückelberger 2002:169.

<sup>185</sup> Stiglitz 2002:67-73.



only at the price of undermining democratic processes.<sup>186</sup> He makes mention of the various ways in which foreign direct investment can make or break the global economic sphere. In the same way that he actuates the pros and cons of foreign investment so Martin Khor suggests that it can be managed in a more effective way globally. Martin Khor who is the Director of Third World Network and also a board member of the Consumers' Association of Penang, the South Centre in Geneva, and the International Forum of Globalization, suggests that: "There are various categories of foreign investment, and it is important for governments to distinguish between the different types, understand the characteristics and effects of each type, and formulate policies to deal with each."<sup>187</sup> Reduction of cost and risks will result in reduction of debt within the global economic sphere and especially bringing debt relief to developing countries.

Stückelberger, the author of *Global Trade Ethics* 2002, observes: "Debts must be cancelled in such a way that the remaining debt burden will respect safeguards of the population's existence; the causes of debt will be reduced; both debtor and creditor will assume their share in the responsibility for the debt; the debtors will profit more from the debt relief measures than the creditors and that future generations will have only to take over a sustainable debt burden."<sup>188</sup> The reformation of the global financial system can be effectively managed to make globalization work, says Stiglitz and promoting the relief of global debt is at the top of the list. He observes that the very poor countries are so desperately poor that they take money in any form that they can get. He suggests that debt relief has to be done in ways that do not detract from the availability of forms of assistance and that help for the very poor should not come at the expense of the poor but debt relief has been criticized for rewarding not just the unlucky but the irresponsible. Stiglitz maintains that even today developing countries that have repaid what was owed, at least to the point where they no longer qualify for debt relief, worry that debt relief is commandeering money that might otherwise have been available to them.<sup>189</sup>

Stiglitz's critique of global debt relief says the following: "There is often less to debt relief than meets the eye: simply a matter of accounted as debt relief. Many worry that these poor developing countries will soon again become highly indebted. In one sense, the onus should be on the lenders. Most of these countries are so desperately poor that it is not reasonable to

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<sup>186</sup> Stiglitz 2002:67-73.

<sup>187</sup> Khor 2001:105-107.

<sup>188</sup> Stückelberger 2002:187.

<sup>189</sup> Stiglitz 2006: 227-228.



expect them to turn down loans. Lenders should make sure that any loan is limited to the amount the country can repay. Most of these countries are not only desperately poor now; they will be desperately poor when it comes to repay the loan. Even if the money lent has a high return, it will be difficult for governments to raise the revenues required to finance repayments; and money spent repaying loans inevitably comes partly at the expense of education, health, and other vital social and growth expenditures. Combining more assistance in the form of grants with more diligence on the part of lenders will make it less likely that so many of the poorest countries in the world will be burdened with excessive debt.”<sup>190</sup>

It is evident that global economic debt relief is needed urgently. Stiglitz highlights the negative effects on developing countries if debt relief is not provided on a global scale. It seems to appear that Stückelberger agrees with Stiglitz on the issue of debt relief in many ways; their collective objective is that debt relief is reduced in order to build healthier sustainable economies that is beneficial to both the developed and developing world and which promotes economic growth that can manage even privatization more effectively.

#### **4.6 Privatization and Intellectual Property**

The Stiglitz critique on privatization is that it needs to be part of a more comprehensive program, which entails creating jobs *in tandem with* the inevitable job destruction that privatization often entails. He argues that macroeconomic policies is needed that stimulates job creation (e.g. low interest rates). The most serious concern with privatization, as it has so often been practiced, is corruption. If there are no appropriate legal structures and market institutions, the *new private owners* might have an incentive to strip assets rather than use them as a basis for expanding industry.<sup>191</sup>

Harry Shutt, the author of *The Trouble with Capitalism: An Enquiry Into the Causes of Global Economic Failure* 1998, is of the view that: “Privatization is perhaps one of the best illustrations of the essential fraudulence of the government’s supposed commitment to strict financial stewardship. Its main argument in support of the policy was that it removed the burden of loss-making enterprises from the taxpayer and that, by enabling them to make profits under private ownership, it would actually result in their making a positive contribution to the public purse through the tax and property system.”<sup>192</sup>

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<sup>190</sup> Stiglitz 2006: 227-228.

<sup>191</sup> Stiglitz 2002a.

<sup>192</sup> Shutt 1998:50.

Together taken, Stiglitz and Shutt suggest that privatization has many implications on the world economic system. Corruption, as one of the major problems of privatization should be eradicated and proper legal structures should be put into place.

Intellectual property has become one of the major issues of our global society, according to Stiglitz. He asserts that globalization is one of the most important issues of the day, and intellectual property is one of the most important aspects of globalization, especially as the world moves toward a knowledge economy. The intellectual property regime is part of society's innovation system, and its intent is to provide incentives to innovate by allowing innovators to restrict the use of the knowledge they produce by allowing the imposition of charges on the use of that knowledge, thereby obtaining a return on investment. Intellectual property rights are important, but the importance of intellectual property rights has been exaggerated, as they form only one part of our innovation systems. Intellectual property rights should be seen as part of a portfolio of instruments. We need to strengthen the other elements of this portfolio and redesign our intellectual property regime to increase its benefits and reduce its costs. Doing so will increase the efficiency of our economy – and most likely even increase the pace of innovation.<sup>193</sup>

Edward Dommen, an economist who retired following two decades of service to the United Nations Conference on Trade and Development (UNCTAD), suggests some interesting proposals on the issue of property rights that seemed to be in alignment with the notion of Stiglitz on the issue. Dommen suggests the following: “First, property rights should be assigned to whoever is best placed to manage the property in the public interest. Secondly, it should not be assumed that it is necessary to assign all the rights over a given item, i.e. managerial responsibilities for it, to a single owner: they can be divided up and allocated in whichever way best meets the first objective. Thirdly, efficiency is not the only goal: overriding priority is due to the needs of the poor. Finally, and in any event, the allocation of property rights is essentially a matter of public policy.”<sup>194</sup> If the allocation of property rights is a matter of public policy, it should include the element of promoting global economic sustainability that in turn promotes global economic growth.

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<sup>193</sup> Stiglitz, 2006:103.

<sup>194</sup> Dommen 2003:64-65.

## 4.7 Sustainability, Quality of Life and Social Justice

The critical view of Stiglitz on the subject of sustainability is that an economic and political system that does not deliver for most citizens is one that is not sustainable in the long run. He maintains that the question of sustainability is complementary to the question of current well-being or economic performance, and must be examined separately. Sustainability has a dialect of its own and it is in this regard that Stiglitz portrays the idea that in order to measure sustainability, what we need are indicators that tell us the sign of the change in the quantities of the different factors that matter for future well-being. Economic and political sustainability must always deliver for its citizens and must also be environmental *friendly*.<sup>195</sup>

The argument is supported by the idea that Julio De Santa Ana, a Uruguayan Methodist ecumenist and social scientist and visiting Professor at the Ecumenical Institute, Bossey, Switzerland, presents to us: “In speaking about the sustainability of the world, one must consider two dimensions: nature and human beings. But the social world cannot be sustainable if it does not care about the consequences for nature and the human being. A society which does not care about its members plants the seeds of its own destruction; and nature suffers from the domination and decline of the temporary human being. The world cannot survive if it accepts the options imposed by globalization, which returns it to the barbarity of the system in which the powerful impose their will on the weak, in which the workers and those who are weak do not have any achievements and rights, only the powerful.”<sup>196</sup> Quality of life and the environment and even equality for all human beings are elements that should embrace the sensitive issue of economic sustainability or even vice versa. If these factors are not attended to with the utmost urgency global economic growth will probably be affected in a negative way.

To define what well-being means a multidimensional definition has to be used. In principle, these dimensions should be considered simultaneously: Material living standards (income, consumption and wealth); Health; Education; Personal activities including work; Political voice and governance; Social connections and relationships; Environment (present and future conditions); Insecurity, of an economic as well as a physical nature. All these dimensions shape people’s well-being, and yet many of them are missed by conventional income measures. Quality of life depends on people’s objective conditions and capabilities. Steps should be taken to improve measures of people’s health, education, personal activities and

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<sup>195</sup> Stiglitz 2010:127-132.

<sup>196</sup> De Santa Ana 1998:127-128.

environmental conditions. In particular, substantial effort should be devoted to developing and implementing robust, reliable measures of social connections, political voice and insecurity that can be shown to predict life satisfaction.<sup>197</sup>

The above-mentioned sentiments expressed by Stiglitz suggest that quality of life indicators, in all the dimensions should assess inequalities in a comprehensive way. He argues that surveys should be designed to assess the links between various quality of life domains for each person, and this information should be used when designing policies in various fields. Moreover statistical offices provide the information needed to aggregate across quality of life dimensions, allowing the construction of different indices; measures of both objective and subjective well-being provide key information about people's quality of life.<sup>198</sup> Brennan suggests that all conditions of human life are being undermined in the advanced and non-advanced countries here and now. Human needs can be listed as: food, water, air, a liveable temperature or shelter. Human life in general, constitutes the price for current profit levels.<sup>199</sup> Brennan's argument resonates with that of Stiglitz's argument and it points out that even current global profit levels are affecting human life and the environment for the bad and not the good. The imbalances within the global economic sphere seem to increase in ways never imagined. If proper economic sustainability measures are not put in place it will have horrendous effects on global human existence creating huge gaps between the rich and the poor that is also categorised as huge inequalities on all levels of life.

Donal Dorr is a member of St Patrick's Missionary Society and researcher for the Irish Missionary Union and he is also the author of *Remove the Heart of Stone, Opinion of the Poor, Spirituality and Justice* and *Integral Spirituality*. The emphasis of his work is on the role that can be played by the institutional Church in responding to social justice issues. He draws attention to the fact that there are a number of major issues which, taken together, make up may be called *The Social Justice Agenda*. Some of them are closely linked to others and some are more fundamental than others; the gap between the rich and the poor is one of the major areas of concern.<sup>200</sup> Stiglitz's critique on social justice issues includes the sentiment that we should be concerned with the plight of the poor. He states that it is a moral obligation, one that has been recognized by every religion.<sup>201</sup>

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<sup>197</sup> Stiglitz 2010:16.

<sup>198</sup> Stiglitz 2010:15-20.

<sup>199</sup> Brennan 2003:17, 7.

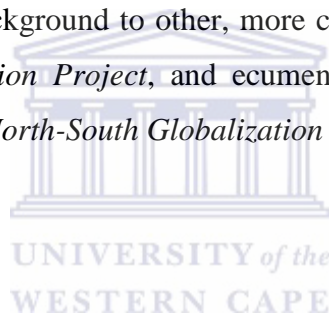
<sup>200</sup> Dorr 1991:7.

<sup>201</sup> Stiglitz 2004:295-296.

In his assessments and studies of economics and globalization, Stiglitz makes it clear that if we as an international community are to promote equitable sustainable and democratic development – development that promotes societal well-being and conforms to basic principles of social justice – we must reform the international economic architecture. We must speak out more loudly against policies which work against the interests of workers. At the very least, we must point out the trade-offs, we must insist on democratic processes for determining how economic decisions are made. We have remained silent on these issues for too long – and the consequences have been grave.<sup>202</sup>

## 4.8 Conclusion

The Stiglitz critique on globalization and global capital illuminated numerous negative impacts it has on the world economy. He criticized the globalization phenomenon as unfair and dysfunctional. However, he is of the view that economic equality and economic justice could become a reality for all - rich and poor! His very positive critical assessment of globalization in turn serve as background to other, more cautious, and critical ones, e.g. the *Stackhouse God and Globalization Project*, and ecumenical globalization debates that is based on *Accra, Agape*, and the *North-South Globalization Project*.



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<sup>202</sup> Stiglitz 2002b.

## CHAPTER 5

# OPTIMISM AND CONFUSION OF THE STACKHOUSE PROJECT

### 5.1 Introduction

Globalization through the eyes of the optimists such as Max L. Stackhouse can be quite complex to comprehend especially when it has the ability to create some *confusions of faith*. As described in Chapter 2, Stackhouse is the coordinating editor of the Centre of Theological Inquiry's ground-breaking God and Globalization Project. He argues for a view of Christian theology, which, in critical dialogue with other world religions and philosophies, can engage the new world situation and play a critical role in reforming the *powers* that are becoming diverse and autonomous, in order to generate a social ethic for the 21<sup>st</sup> century.<sup>203</sup>

The God and Globalization Project attracted much attention and critique within ecumenical circles because of its *too positive* picture it paints for the *outside world*. Speaking of God and globalization is awkward and uncertain all at the same time in the words of Lombard: "Embedded in the concept of God and globalization is no less than our own individual theologies about God and the world; about creation and its purpose; about the interference of sin and evil, but also providence and salvation; about the meaning of our mundane lives; about our expectations for the future; about the church and the kingdom of God; about moral behaviour; about body and soul; about heaven and hell; about the details regarding the person and work of Christ; about the function and work of the Spirit in and through us; and about our responsibilities as bearers of the image of God."<sup>204</sup>

What Stackhouse is presenting in this project is the fact that globalization in all its glory is totally acceptable and worthwhile to embrace for Christians as well as non-Christians. Despite the fact that there are so many injustices and inequalities within the current economic world order, he believes that globalization, just the way it is, is effective in all its compartments. This view is the *thorn in the flesh* in wider ecumenical economic debates.

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<sup>203</sup> Stackhouse 2010.

<sup>204</sup> Lombard 2010:209.

## 5.2 The Project: Background

In providing a background to the project, Stackhouse observes: “The project was, at one time, correlated with a conference cosponsored by World Vision and Princeton Theological Seminary, which brought together not only specialists in various academic fields, but specialists in development, aid, relief, and missiology from around the world and from many denominations. Neither they, nor I, nor any of the contributors agrees with everything that is said in the set of volumes, or even with all aspects of the design of the project; but those who composed the essays seemed to agree that it was a major intellectual, moral, spiritual, and collegial adventure to work together. We have sought to provide fresh resources that can help churches, seminaries, colleges and universities, other communities of faith, and, more broadly, the morally and spiritually committed leaders of the emerging international civil society to identify and face the issues posed by globalization.”<sup>205</sup>

Stackhouse is of the view that in considering God in conjunction with globalization, a process that requires an informed social analysis, we are also inquiring into the kind of world that is emerging with specific attention to those social issues that shape our understanding and guide our lives in it. Moreover he states that the increasingly globalized world is constituted by many spheres of dynamic activity that acknowledge, utilize, and channel the powers that are in play in them and that our issues have to do with how humanity is to live in the midst of the expanded ability to use the potential of these powers and to structure the dynamic, pluralistic spheres that the new complexity demands in ways that accord with values and norms that are not simply “worldly,” but which are pertinent both to human flourishing in the world and to our ultimate destiny.<sup>206</sup> It is clear that this Project became part of what Stackhouse and his co-writers believed about the globalization phenomenon.

## 5.3 Stackhouse and the Notion of Theological Ethics

For Stackhouse the idea of theological ethics has several presumptions. The term *God* refers to something about which we can reasonably speak; that this reality is concerned about life, especially human life in the world; and that this life is to be lived under conditions of both finite time and space, with an eye on that which is non-temporal and non-spacial and in describing the world today as a historical interaction called globalization, Stackhouse maintains that it is one that has many implications for the world as biophysical planet and for

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<sup>205</sup> Stackhouse 2000:2.

<sup>206</sup> Stackhouse 2000:3.



the world as a philosophical-theological concept. Furthermore the extent of this change invites reassessment of those traditions that have not only contributed to the dynamics now reshaping our various societies, but that may enhance or inhibit the capacity to participate in, avoid victimization and constructively guide key aspects of what appears to be the creation of a new, encompassing and highly complex civilization. According to Stackhouse globalization has promising as well as threatening possibilities, which cannot be seen clearly without attention to the larger picture and to certain “public theological” matters; one purpose of the God and globalization project is to assess various reactions, and to chart responses likely to address the realities we all face.<sup>207</sup>

#### **5.4 Stackhouse: How Should We Live?**

In outlining an idea of how we should live, Stackhouse observes the following: “Comparative philosophical theology, comparative ethics, and comparative social analyses are indispensable in investigating the relative validity of various religious claims about how we should live in this life and the role in this life of that which transcends it. Issues of justice and responsibility, righteousness and compassion, truth and virtue are thus intrinsic to this assessment, for no one authentically can give loyalty or credence to a view or lifestyle that does not evoke, ground, manifest, or sustain these qualities and in an emerging global civilization, theological-ethical issues are again unavoidable; we must come to an informed judgment, as many traditions would put it, about how God wants us to live in the global civilization, to respond to it, and to shape it. We face a complex question in a complex situation. Obviously, the question demands the joining of ethics and theology.”<sup>208</sup>

Stackhouse portrays the notion that in concert with most classical traditions and in contrast to many modern trends that divorced or even opposed the two disciplines, we hold that theology and ethics are mutually supportive, even necessary to each other and thus, we may use ethics to assess the assumptions and implications of every theologically approved practice and dogmatic claim. He maintains that we may demand further that valid ethical criteria find ultimate sanction in what is truly universal and enduring, and not only in what is religiously and temporarily mine or ours at the moment. This is one of the characteristics of public theology, which works with, but also beyond, confessional and dogmatic theology.

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<sup>207</sup> Stackhouse 2000:3.

<sup>208</sup> Stackhouse 2000:1-9.

Stackhouse emphasizes the fact that theological ethics tries to understand, evaluate, and help guide the spheres of the common life in which the social ecology is manifest as ethos, and to discern how theological ethics should interact with non-theological forces and fields of study beyond ethics that also influence these spheres. These other areas are also bearers of values and norms. Only some of our contributors are theological ethicists; many specialize in other fields. But each has manifested an interest in or a capacity to contribute to the issues raised by theological ethics, a field that always engages the intellectual, religious, and social traditions that shape an ethos.<sup>209</sup> Stackhouse's sentiments outlined here, illuminates even more curiosity on how he and his co-authors of this project sees God in the globalization phenomenon and how far they are willing to go to illuminate issues of grace and even public theology throughout this debate.

### **5.5 Stackhouse: Globalization, Grace and Public Theology**

Globalization, grace and public theology is just some of the important subjects addressed by Stackhouse in the final volume of the project. He summarises it like this: "On the whole, I think the weight of evidence presses us to see the Providential Grace view as the most realistic and most faithful theology of history, although those of us who hold it have not abolished sin, and need the constant reminders of the perils and difficulties that attend great civilizational shifts. God's providential grace is more powerful and significant than the human sinful betrayals of that grace that rightly demand repentance and reform at the level of managing the arks of social life on the surface of the tides. May God give us the insight and grace to know and do what we can as good stewards of what possibilities lay before us."<sup>210</sup>

In his statement that a Christian Public Theology has several motifs that indicate the globalization of ethics, Stackhouse proposes that: "The created world is good, although creation and all in it has become distorted and broken. History is lived in the tension between the way things are, and both the first principles of right and the ultimate ends that God intends for humanity and the world we can come to know. In that context, Christians interpret historical developments and civilizational shifts in terms of repeated "falls" into error and sin, but more profoundly in terms of God's providential grace. Globalization is, thus, a form of creational and providential grace coming to a catholic and ecumenical partial fulfilment that points us toward a salvific vision for humanity and the world. Those who grasp this vision may be called to become agents of God's Reign in all areas of the common life, and channel

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<sup>209</sup> Stackhouse 2000:1-9.

<sup>210</sup> Stackhouse 2007:248-250.

all the powers of life toward the new possibilities, which are even now breaking into time, by drawing them into covenanted communities of commitment. A dynamic Christian Ethics, inevitably synthetic and in need of reformation, is being globalized in manifest ways. Such a vision is part of the faith and a manifestation of God's love for the world."<sup>211</sup>

## 5.6 Lombard's Perspective on the Stackhouse Project

In support of Stackhouse' and his co-authors writings, there were and still is much opposition to his notions he puts forth in the God and Globalization Project. Christo Lombard, a participant in the joint South-North Globalization Project, is one of the critics of the Project, with its positive and negative connotations to it. Lombard reviewed the four books in the series edited by Stackhouse, pointing out that the editor had a decisive hand in the overall appreciation of globalization: "The four volumes in the series God and globalization, while separately focusing on different aspects of globalization, should be read as one project. Volume 1 investigates the relation between religion and the "spheres of the common life", and Volume 2 the possible influence of God's Spirit on "the authorities" in areas such as education, human rights and ecology. Volume 3 addresses the role that religions play in globalization, especially the future-shaping effect they could have on this seemingly relentless process. Stackhouse himself summarises the main argument which forms the framework for the whole project in Volume 4."<sup>212</sup>

As an ecumenist, Lombard strongly expressed his concern about the fact that in the fourth volume Stackhouse has the final word and makes no secret of the fact that he simply sees the Agape Document of the World Council of Churches (WCC) and the Accra Declaration within the circles of the World Alliance of Reformed Churches (WARC) as the fruit of liberationist and Marxist analyses: "I am worried about the caustic interpretations of the faith by those anti-globalization ecumenical voices who have theologically absolutized certain models of liberationist thought and Marxist social analysis. Of particular concern is the movement against globalization within the World Council of Churches, the World Reformed Alliance, and the Lutheran World Federation."<sup>213</sup> Lombard further notes that the Stackhouse Project provides very specific theological underpinnings of globalization, fine-tuned by the hand of the final editor and that the four volumes were written as public theology from a consciously chosen, and quite particular, Christian perspective; one in dialogue with other

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<sup>211</sup> Stackhouse 2007:248-250.

<sup>212</sup> Lombard 2010:210.

<sup>213</sup> Lombard 2010:204.

perspectives, not only on globalization but also on the religious appropriation thereof in different religious and ideological traditions.<sup>214</sup>

However, the downside of Stackhouse's writings for Lombard was that Stackhouse does not seriously engage with the motives and methods of ecumenical theology and thus easily bypasses the World Council of Churches, the Lutheran World Federation and World Alliance of Reformed Churches – quite a substantial portion of world Christianity! Lombard further observes that the method for producing the series of four volumes also made it possible for him to use expert contributions within a one-sided ideological approach to globalization and that he uses positive outcomes of globalization selectively, avoiding the extreme negatives while blaming the ecumenical for biased accounts of the state of the world; the critical question in this respect, especially now that the world markets once again have tumbled to quite a serious degree, is of course: whose analysis is closer to reality?<sup>215</sup> Lombard maintains: “Like many fundamentalist believers in the market and capital, Stackhouse refuses to admit to the existence of grave problems within neo-liberal economics – he merely blames the Chicago school for some excesses.”<sup>216</sup>

In his conclusion, Lombard does give some credit to the positive side of Stackhouse's writings, but only after indicating the lack of a critical hermeneutic and a prophetic critique of economic injustice:

“In Stackhouse's overall analysis, in which he does speak about *empire*, colonialism, and the world economy, we hear very little prophetic critique of the wrongs of these forces of history. This lack of hermeneutic of suspicion probably links up with his own biblical-theological exegesis of the different forms of grace in line with Kuyperian theology. Especially on this point more detailed work needs to be done, by Stackhouse and by his critics. On the positive side, it must be acknowledged that Stackhouse has brought together excellent essays by serious scholars who have addressed the issues theologically on a deep level and who have not turned a blind eye to the discrepancies and realities accompanying globalization. he does two things in the concluding volume which I believe every theologian who participates in ‘public theology’ should be doing: he has written an extensive chapter on why he thinks public theology is a better vehicle for this kind of apologetic theology, and in what sense and

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<sup>214</sup> Lombard 2010:203.

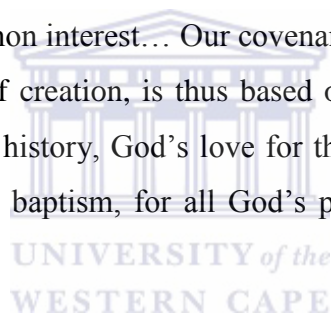
<sup>215</sup> It remains a bitter irony that the Stackhouse Project was completed, with the editor's one-sided final volume, exactly in the same year as the world market collapsed in an unprecedented way.

<sup>216</sup> Lombard 2010:218.

in what ways he wishes to operate as a public theologian. He also provides his account of the biblical narrative used as a framework for his theological arguments, with chapters on the three ‘graces’ he sees operating in God’s plan of salvation and providence: the grace of creation; the grace of providence; and the grace of salvation.”<sup>217</sup>

## 5.7 Conclusion

There is one thing for certain about the sentiments shared by Lombard: the real difference between the Stackhouse project and other ecumenical projects such as the Accra Declaration and ecumenical debates in line with Accra’s concerns. There is no uniformity between the authors of the Stackhouse project and thus there seems to be a confusion of faith perspectives amongst them. On the other hand, there is no confusion of faith amongst the authors of the Accra Declaration. Lombard succinctly summarises this shared perspective as follows: “Our process of covenanting together has deep theological roots, which should not be confused with the underpinnings of a secular covenant or social contract between two partners agreeing on some points of utility or common interest... Our covenanting together, in our joint witness for justice, peace and integrity of creation, is thus based on deeply-shared convictions deal with God’s work in and through history, God’s love for the whole globe, and the effects of God’s covenant, reflected in our baptism, for all God’s people and all God’s creatures all over the world.”<sup>218</sup>



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<sup>217</sup> Lombard 2010:218-219.

<sup>218</sup> Lombard 2010:245-246.

## CHAPTER 6

# ECUMENICAL GLOBALIZATION DEBATES ON THE ACCRA DECLARATION: AGAPE AND THE GERMAN-SOUTH AFRICAN GLOBALIZATION PROJECT

### 6.1 Introduction

“The Christian community has been actively involved in inter-religious dialogue and in shaping its potential response to the challenges of globalization. Among the different religious responses to globalization, those from the Christian community deserve particular attention. Christian ecumenism is being sharply challenged by globalization.”<sup>219</sup> This chapter focuses on the various ecumenical debates on globalization and how these debates have shaped the paradigms of *ecumenicals* over time. It includes discussions of the Accra Declaration of 2004, the Agape Process, and the German-South African Globalization Project. Similarities between these ecumenical globalization debates are illuminated through the various topics of conversation such as, God’s household, neo-liberalism, capitalism, poverty, creation, competition, deregulation, tax, consumerism, privatization, property, trade, foreign investment, debt relief, sustainability, quality of life and social justice.

But first, what is the definition of ecumenism and why is it important within such a controversial subject as globalization? In this regard Christo Lombard, a Professor of Theology at the University of the Western Cape in South Africa, argues that a comprehensive understanding and definition of ecumenism should be broad enough to include civil courage initiatives, not only since they are mostly started and driven by Christians, but also because their substances are human rights and justice issues embraced by the world ecumenical movement.<sup>220</sup> It is these core issues of human rights and justice issues that must be promoted even within global economic spheres. What is captured within this notion of Lombard is also a sense that ecumenism is the healing and lighting system to the world and therefore it is imperative that the voices of ecumenicals be heard within global economic discussions. Professor Dirkie Smit, who teaches Systematic Theology and Ethics at Stellenbosch

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<sup>219</sup> Raiser 2002:49, 71.

<sup>220</sup> Lombard 2013:129.

University in South Africa, on his turn, also radiates his ideas of ecumenism by stating the following:

“Ecumenism is concerned with the world. This ecumenical concern for the world is clearly based on normative vision. In recent years, attempts have increasingly been made to use the metaphor of *oikos*, household, implied in the *oikoumene*, to develop this vision further. The household-metaphor is rational – whether in the divine society or Trinity, in the church, in the political economy of the world, or in the fullness of creaturely life. It has been possible for the ecumenical movement to describe the nature of these relationships more fully, to give content to the ‘household of life’. The focus of faith and order has been, broadly speaking, on the visible unity of churches in the world, both globally and locally. The focus of life and work has been, broadly speaking, on furthering justice in the world. During the last decade voices grew stronger that the tension between the struggles for unity and justice should be overcome. There can be little doubt that globalization played a major role in bringing the ecumenical movement to this point where it is seriously striving to combine ecclesiological and ethical concerns under the vision of *koinonia*.”<sup>221</sup> In essence, the ecumenical movement has begun to address the challenge of globalization.

Raiser echoes the words of Smit by stating that the ecumenical community has articulated its commitment to an *oikumene* of faith and solidarity, to the life-centred vision of an *ecumenical earth*. He takes the position in this instance by arguing that the statements and recommendations from the governing bodies of the World Council of Churches recognize that calling for a new system of values alone will not be sufficient to shape a new culture, an alternative way of living, thinking and acting<sup>222</sup>. The centrality of Raiser’s idea points to the need to strengthen the capacity of Christian communities for moral and ethical discernment. Affecting the world for change and the building of a culture of reconciliation and peace has to be rooted in the concrete, local experiences of Christian communities facing situations of conflict.

Raiser suggests that generalized ethical principles will not be able effectively to transform globalization and violence and that the ecumenical response to globalization should, therefore, not limit itself to a critical confrontational stance nor to articulating some generalized global vision. The negative language of globalization should be changed into a

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<sup>221</sup> Smit 2007: 258-262.

<sup>222</sup> Raiser 2002:145.



positive message and so Raiser embraces the sentiment that ecumenical responses to globalization should rather foster a worldwide communion of particular, local embodiments of acted-out, shared, obedience to the gospel.<sup>223</sup> This is exactly what the Accra Declaration of 2004 proposed. Globally, certain critics within ecumenical circles have viewed the Accra Declaration of 2004 as positively, impacting the world for global economic change.

### **6.1.1 Background of the Accra Declaration of 2004**

The Accra declaration changed the pages of global economic conversation within ecumenical movements. It is the outcome of a fifteen-year-long process. The journey to the establishment of the Accra Declaration has not been easy to attain.

At the 1989 World Alliance of Reformed Churches (WARC) General Council in Seoul, Korea, An Open Letter to the Children and Young People of the Planet called upon WARC member churches to enter into a covenant for justice given the threats to life in our age, for the sake of the whole creation, the future of all humanity and especially for the children and young people of the planet. The call was intensified in 1995 when African churches at a consultation in Kitwe, Zambia, suggested to the Alliance that the current global economy be declared as antithetical to the Christian faith in a manner similar to the confessing churches' historical stances against Nazism and apartheid. The 1997 WARC General Council in Debrecen, Hungary, called WARC member churches to engage in "a committed process of recognition, education, and confession regarding economic injustice and ecological destruction. The process later became known as Covenanting for Justice in the Economy and the Earth and was implemented in the various regions of the world in partnership with the World Council of Churches and the Lutheran World Federation."<sup>224</sup>

The 2004 General Council at Accra, Ghana, was a culminating point of the Covenanting for Justice in the Economy and the Earth process. The churches from the global South in particular challenged the Reformed family at Accra, asking how long they would have to wait for a unified confession of faith against the harm done within the current global economy. While some of the churches from the global North were not willing to take a doctrinal confessional stance, in the end there was consensus regarding the problematic nature of today's global economy and the injustices it produces. Hence, the assembly reached a decision to respond in a confessional manner, that is, to take a faith stance regarding current

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<sup>223</sup> Raiser 2002:145.

<sup>224</sup> Accra 2004:1-2.

global economic injustices and ecological destruction. The Accra Declaration challenges current economic doctrines with the traditional Reformed criticism of idols that deny God's life-giving sovereignty and defy God's covenant by excluding the poor, the vulnerable, and the whole of Creation from the fullness of life.<sup>225</sup> The journey and gravity of the establishment and implementation of the Accra Declaration had and still has immense power and purpose within other ecumenical movements.

### **6.1.2 Accra 2004: The Purpose**

This trail-blazing paradigm shift that took place among ecumenical movements concerning the global economy at Accra 2004 was based on the theological conviction that the economic and environmental injustices of today's global economy require the Reformed family to respond as a matter of faith in the gospel of Jesus Christ. The purpose of the Accra Declaration also calls upon Christians around the world to engage injustices in the world as an integral part of their churches' witness and mission. The quest for justice is a reality and it is increasing every day and justice is a matter of faith. Faith demands that we take action towards the reality we desire as a human race. The Accra Declaration states that matters of economic and environmental justice are not only social, political and moral issues - they are integral to faith in Jesus Christ and affect the integrity of the church. Moreover being faithful to God's covenant requires that individual Christians and the churches take a stand against current economic and environmental injustices; the unity of the church is critical.<sup>226</sup>

A matter of purpose and direction falls under the subject of unity and the Accra Declaration defines unity as being concerned with togetherness, however divisive the issues confronting the confessing body may be. Despite the gross complexities of globalization and that it have not led to a full consensus, the global Reformed family addressed the problematic nature of today's global economy in the Accra Declaration. The central case in point is that the church stands in solidarity with persons who are suffering and struggling - following the justice traditions of the biblical prophets and of Jesus in the Gospel narratives, the Accra Declaration views the current world (dis)order by looking through the eyes of powerless and suffering people and it calls the churches and society to hear the cries of the people who suffer and the woundedness of creation itself, over-consumed and under-valued by the current global economy.

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<sup>225</sup> Accra 2004:1-2.

<sup>226</sup> Accra 2004:1.

The message and purpose of Accra 2004 is very clear. It encourages churches to read the signs of the times and to respond to the gospel imperative of justice for all. This call of Accra 2004 caused the rising of the Alternative Globalization Addressing Peoples and the Earth (Agape) which also takes a stand against global economic injustices. Agape explores the question of how the churches and the wider ecumenical family can respond to the human tragedies rooted in the project of economic globalization.

### **6.1.3 Agape: Alternative Globalization Addressing Peoples and the Earth**

Agape is a response to the question raised at the World Council of Churches (WCC) assembly in Harare, Zimbabwe, in 1998: “How do we live our faith in the context of globalization?”<sup>227</sup> It is said that churches and the wider ecumenical family, which includes world communions, regional ecumenical organizations and specialized ministries, have wrestled with this question over the past seven years or so. In series of consultations and studies on economic globalization, they were guided by the section on globalization in the Report of the Harare assembly that recognized the pastoral, ethical, theological and spiritual challenges that globalization poses to the churches and the ecumenical movement. An ecumenical group of 38 participants met in Geneva, Switzerland, from 22-24 June 2004 to prepare an initial document on *an alternative globalization addressing peoples and earth* (Agape) in preparation for the World Council of Churches’ next (2006) assembly in Porto Alegre.<sup>228</sup>

In response to Accra, with collective hearts, Agape agrees that this is a document from the churches to the churches. It reiterates the call of Accra 2004 by outlining the new challenges and possibilities for reflection and commitment based on the theme of the 2006 assembly: “God, in your Grace, Transform the World”. Agape believes in an economy of life that remind us of the main characteristics of God’s household of life that offers and sustains abundance for all - God’s gracious economy requires that we manage the abundance of life in a just, participatory and sustainable manner. They also believe that the economy of God promotes sharing, globalized solidarity, the dignity of persons, love and care for the integrity of creation, justice and preferential option for the poor. According to Agape, churches and even the wider ecumenical family are called to create spaces for, and become agents of transformation even as they are entangled in and complicit with the very system they are

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<sup>227</sup> Agape 2005:1.

<sup>228</sup> Agape 2005: 2.

called to change. This very challenged was tackled by the German South African Globalization Project that took the conversation forward.

#### **6.1.4 The German-South African Globalization Project**

The German-South African globalization project is a result of the collaboration between the Beyers Naudé Centre for Public Theology at Stellenbosch University (BNC), a German partner, the Evangelischer Entwicklungsdienst (EED), as well as two churches – one German, the ERK (Evangelisch-reformierte Kirche) and the other South African, URCSA (Uniting Reformed Church in South Africa). Since the adoption of the Accra Declaration (“Covenanting for Justice in the Economy and the Earth”) by the World Alliance of Reformed Churches in Accra, Ghana, 2004, churches in the Reformed communion all over the world have been confronted with some of the most burning issues of our day: globalization in the myriad and life-changing ways it impacts on the world and the lives of ordinary people in communities everywhere.<sup>229</sup>

In response to Accra 2004, the Globalization Project is committed to taking that crucial conversation forward. It emphasizes the fact that globalization has been hailed by some as a new world order heralding untold benefits for humanity and yet its sweeping progress has created an ever-growing gap between poverty and wealth, between North and South, and between the privileged and the excluded in both developed and underdeveloped countries. The excesses of global capitalism are having serious consequences for our world. Even more devastating will be the impact on poor countries. The burning questions that the German-South African Globalization Project discusses are: What damage is done to the earth in the name of development and our responsibility in this process? What sustainable development might mean in a world whose resources are threatened as never before? What the response of faith to all these burning issues should be?<sup>230</sup>

#### **6.1.5 God’s Household Threatened**

God’s household that is under threat through some of the devastating effects of globalization, is beautifully explained and defined through the branch of *oikothology* by Ernst Conradie, a Professor of Systematic Theology and Ethics in the Department of Religion and Theology at the University of the Western Cape, South Africa: “The root metaphor for *oikothology* is the notion of the whole household of God. The power of this metaphor lies in its ability to

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<sup>229</sup> Van der Westhuizen 2009:1.

<sup>230</sup> Van der Westhuizen 2009:2.

integrate three core ecumenical themes on the basis of the Greek word *oikos* (household) – which forms the etymological root of the quests for economic justice (amidst the inequalities and multiple injustices that characterise the current neo-liberal economic order), ecological sustainability (amidst the degradation and destruction of ecosystems) and ecumenical fellowship (amidst the many denominational and theological divisions that characterise Christianity worldwide).”<sup>231</sup>

This very useful definition provided by Conradie depicts a clear understanding of the whole earth community and why the possibility exist that God’s whole household is under threat. Globally, the signs of life and creation being under threat are so evident that cannot be ignored. Agape states that God’s household of life is threatened various ways. They argue that we exist in an era of dangerous paradoxes and that the neo-liberal economic paradigm of ‘global free markets’ has amassed more material wealth than ever in the hands of a small minority. Moreover the very processes of wealth creation have engendered massive inequalities and highly destabilising trends and the lives of the poor are being sacrificed for the gains of the rich.<sup>232</sup> The dilemma of global *brutal* wealth creation is resolved by explanations provided by the Accra Declaration. It observes that:

“The policy of unlimited growth among industrialized countries and the drive for profit of transnational corporations have plundered the earth and severely damaged the environment; climate change, deforestation, soil erosion, and treats to fresh water are among the devastating consequences; communities are disrupted, livelihoods are lost; high levels of radioactivity threaten health and ecology; life forms and cultural knowledge are being patented for financial gain. This crisis is directly related to the development of neo-liberal economic globalization.<sup>233</sup> God’s household being under threat is because all life is at the mercy of market forces.

## 6.2 Neo-liberalism: The False Promise

In the words of Christi van der Westhuizen, who is an Honorary Research Fellow, School of Politics at the University of Kwazulu-Natal, South Africa observes that: “Neo-liberal globalization contains a paradox in that it is a policy of depoliticization. It seeks to elevate economic power above conventional political power – which holds dire consequences for

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<sup>231</sup> Conradie 2013:97.

<sup>232</sup> Agape 2005:8.

<sup>233</sup> Accra 2004:3.

democracy.”<sup>234</sup> The false promise that neo-liberal globalization presented to the world economy had and still has devastating consequences. Accra captures the concept in this way: “Neo-liberal economic globalization is based on the following beliefs: unrestrained competition, consumerism and the unlimited economic growth and accumulation of wealth are the best for the whole world; the ownership of private property has no social obligation; capital speculation, liberalization and deregulation of the market, unrestricted access for foreign investments and imports, lower taxes and the unrestricted movement of capital will achieve wealth for all; social obligations, protection of the poor and the weak, trade unions, and relationships between people are subordinate to the processes of economic growth and capital accumulation.”<sup>235</sup>

Peter Wahl, working at the German NGO WEED – World Economy, Ecology and Development, and who is founder of ATTAC Germany, on his turn, explains that: “The whole finance system in its neo-liberal form has proved to be economically unstable and inefficient as well as harmful to equality, general welfare and democracy. Therefore, systematic changes are necessary. One of our major goals is to pull down the pillars of neo-liberalism, particularly the worldwide mobility of capital. Some regulatory measures aimed at maintaining the asset-driven accumulation of capital and pure financial stability, protecting the wealthy, and superficial reforms aiming, for example, at mere ‘transparency’ are not enough.”<sup>236</sup>

The mutual stand taken together within the sentiments of Accra and Wahl concerning neo-liberalism is quite profound in the sense that it explicitly depicts what the consequences of this system entails. Accra views neo-liberalism as an ideology that claims to be without alternative, demanding 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 prosperity, claiming sovereignty over life and demanding total allegiance which amounts to idolatry. Agape joins the conversation on neo-liberalism and states that: “Our faithfulness to God and to God’s free gift of life compels us to confront idolatrous assumptions, unjust systems, politics of domination and exploitation in our current world economic order. Economics and economic justice are always matters of faith as they touch the very core of God’s will for

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<sup>234</sup> Van der Westhuizen 2009:4.

<sup>235</sup> Accra 2004:3.

<sup>236</sup> Wahl 2009:26.



creation.”<sup>237</sup> It is useful to support the idea that the original vision of neo-liberalism became contaminated with issues of greed, lust for more power and self-interest at the expense of creation and those who are powerless. It is within these boundaries that ecumenicals advocate that the economy is not an issue for the world to control but it is also an issue of faith within worldwide ecumenical movements.

### 6.3 Ecumenical Perspectives: Issues of Faith

Issues of faith within such a heavy debate as globalization are imperative to consider. Jonathan Sacks, the author of *To Heal a Fractured World* 2005, writes: “To live the life of faith is to hear the silent cry of the afflicted, the lonely and marginal, the poor, the sick and the disempowered, and to respond. For the world is not yet mended, there is work still to do, and God has empowered us to do it – with him, for him, and for his faith in us.”<sup>238</sup> Sacks encapsulates the core essence of what faith in this global economic system can do. This indeed is not just any kind of faith, but the kind of faith that can impact the world for change despite of what is seen around us.

Impulses from this notion of Sacks also flow from the Accra Declaration that states: “What we see is the dramatic convergence of the economic crisis with the integration of economic globalization and geopolitics backed by neo-liberal ideology. This is a global system that defends and protects the interests of the powerful. It affects and captivates us all. Further, in biblical terms such a system of wealth accumulation at the expense of the poor is seen as unfaithful to God and responsible for preventable human suffering and is called Mammon. Jesus has told us that we cannot serve both God and Mammon (Luke 16:13).<sup>239</sup> Considering this bold statement made by Accra, it is almost always impossible to ignore the fact that faith plays a critical role within the times we are facing. Moreover Accra argues that global economic justice is essential to the integrity of our faith in God and our discipleship as Christians and they also believe that the integrity of our faith is at stake if we remain silent or refuse to act in the face of the current system of neoliberal economic globalization and therefore we confess before God and one another.<sup>240</sup> Common witness of faith within global ecumenical movements is needed in order to respond to the challenges of our time. Ecumenical perspectives on issues of faith should be based on common ground despite

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<sup>237</sup> Agape 2005:4.

<sup>238</sup> Sacks 2005:83.

<sup>239</sup> Accra 2004:3.

<sup>240</sup> Accra 2004:3.



differences and diversities. Therefore Accra suggests that *faith* commitment may be expressed in various ways according to regional and theological traditions: as confession, as confessing, as faith stance, as being faithful to the covenant of God. We choose confession to show the necessity and urgency of an active response to the challenges of our time and the call of Debrecen. We invite member churches to receive and respond to our common witness.<sup>241</sup> This invitation speaks volumes to the urgency of the global economic situation. It calls for unity in a time where people's lives and creation are almost fully controlled by the economy and should not be tolerated but curbed with the vision of faith portrayed by Accra and Agape and even the wider ecumenical family all over the world.

The sentiment is echoed in the words of de Santa Ana: "Consequently, we need a different way of understanding reality, one that is not based on contradiction and competition and domination, or on continuous consumption and the production of new needs. It should be based on the limitation of needs, on the discovery of ways to avoid destruction, on the sharing of life with others, on the development of relationships of *koinonia* among people and on the priority of life over any other experiences and pursuits. All these positive elements make up a spiritual attitude towards life and relationships, an attitude diametrically opposed to the conception of life based on economic productivity and the individualistic achievement of power and prosperity."<sup>242</sup>

The result of cultivating such theology and stance of faith will eventually evolve in taking responsibility and do what we can to make the world a better place. In this regard Sacks suggests that: "The greatest danger facing societies today is the sense of powerlessness...The sense of powerlessness is all too easily manipulated by those hungry for power. Fear can be quickly turned into anger. The antidote to fear is responsibility. An ethic of responsibility yields individuals of astonishing resilience."<sup>243</sup> With a strong faith based perspective, ecumenical movements and even all Christians around the world can address the problematic issues that is causing the increase of global poverty and the threats that is causing the destruction of God's creation.

## 6.4 Poverty and Creation

"We are concerned about the direction that the journey of humankind on this planet entrusted to us by God has taken. Excessive use of natural resources by human beings has led to a

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<sup>241</sup> Accra 2004:3.

<sup>242</sup> De Santa Ana 1998:129.

<sup>243</sup> Sacks 2005:270.

continuous destruction of the earth. While many people still live in poverty, others live in affluence. The on-going increase of world population and the urgent effort to make a life in dignity possible for every human person lead to the fundamental question how life on earth for everybody can be shaped in a way reconcilable with the dignity of nonhuman nature and the life possibilities of future generations. The pure continuation of current ways of global economic activities leads to a dead end. We have to turn it around. As churches we confess that we have not fulfilled our responsibility to care for God's creation in the way we are called to do. We look at indigenous cultures to get inspiration for a relationship of human being and nonhuman nature which is characterized by respect. We see the need of developing perspectives for the expression of such respect in a highly complex global economy and society. We speak as people of faith who come from Christian spiritual traditions. At the same time we hope that our conclusions are relevant for the publics of modern pluralistic societies in search of orientation. We understand such 'public theology' as a service to the world which we are called for as Christians.<sup>244</sup>

The sentiments expressed above in the preamble of a consultation by the leading representatives of German and South African churches in February 2013 in Stellenbosch, South Africa, who tried to find a new consensus between North and South on the implications of sustainable growth, almost clarify what the mission of Christians should be in these trying times. Sacks argue that there may be poverty in every age, but that does not make it God's will for the world. As long as there is hunger, poverty and treatable disease in the world, there is work for us to do. This includes promoting and advocating for sustainability and the duty to show kindness to the poor, the powerless, the suffering and even creation.<sup>245</sup> Freudenberg is of the view that amongst the Reformed faithful the conviction grew that directing one's kindness to the poor was a consequence of a new understanding of the Christian faith that transferred its activity of grateful charity from the individual to the congregation. He suggests that the contours slowly emerged of what was to become Calvin's attempt to address the

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<sup>244</sup> The words of this preamble was the result of a consultation by leading representatives of German and South African churches February 5-7, 2013, in Stellenbosch/South Africa trying to find a new consensus between North and South on the implications of sustainable growth. The meeting included church leaders, theologians and economists from both countries. It was the follow up of a consultation in 2010 which produced 20 theses meanwhile known as the 'Stellenbosch Consensus'. When the following 20 theses are now called 'The Second Stellenbosch Consensus' the continuity to the 2010 consultation is deliberately expressed. The relationship between ecological questions and justice questions are subject to a hot debate between wealthy countries and countries struggling to overcome poverty. This controversy has also been visible in the debates during this consultation. It is all the more valuable that our common ground as churches has nevertheless led us to the consensus.

<sup>245</sup> Sacks 2005:82.

social question of poverty: work, a modest and frugal lifestyle, and brotherly love-virtues that now increasingly asserted themselves and were able, at least partly, to address the ills of poverty.<sup>246</sup> This understanding of showing kindness to the poor can be traced throughout all the documents of the global ecumenical families.

Following and highlighting the negative effects that the current economic system has on the world, Agape presents us with a useful analysis of what poverty looks like within the current economic world order: “Today, 1.5 billion citizens of our planet – the majority of who are women, children, and Indigenous Peoples – live on less than one dollar a day, even as the world’s richest 20 per cent account for 86% of global consumption of goods and services. The annual income of the richest 1% is equal to that of the poorest 57%, and 24000 people die each day from poverty and malnutrition.”<sup>247</sup> Global poverty is but one of the devastating ramifications that is produced by the current economic system. The cry of the powerless and those who are suffering is so loud and should be heard on a global level. Churches, ecumenical movements and all Christians should stretch forth hands of kindness to those who are unable to help themselves. On the one hand it is the kindness that should overcome all boundaries and barriers and penetrate deep into the hearts of those caught up within the complexities of poverty and suffering and on the other hand it should be the kindness that displays love, caring and concern to the groaning of creation.

All of creation declares the work of God’s hands. Conradie is of the view that “Christians confess that the world is God’s creation, that God looks at the world with compassion and mercy – so much so that God regards it as worth dying for – and that the Spirit renews the whole of God’s creation from the destructive impact of sin so that it can flourish yet again. This is the way of looking at the world underlying the Christian liturgy but also its proclamation, fellowship and service. This cosmological vision, this way of looking at the world, provides the stimulus for a Christian environmental praxis, ethos and spirituality.”<sup>248</sup> Through this explanation it is clear that we are all connected and that God is the Sustainer of all life. And because God is the Sustainer of all life, it flows into the notion that human beings are placed on this earth to participate in his creation. Sacks help us to understand the power within this notion. He says that when God created the world, He provided an opportunity for the work of His hands – man – to participate in His creation. The Creator, as

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<sup>246</sup> Freudenberg 2009:155.

<sup>247</sup> Agape 2005:8.

<sup>248</sup> Conradie 2013:75.

it was, impaired reality in order that mortal man could repair its flaws and perfect it.<sup>249</sup> God has so much confidence within human beings that he even trusted human beings with the work of his hands. But what is happening to creation and the environment today? “Environmental problems of global warming, depletion of natural resources, and loss of biodiversity loom ever larger: for instance, we will lose 30 to 70 per cent of the world’s biodiversity in a time span of 20 to 30 years.”<sup>250</sup> If God entrusted his creation in our hands, responsibility must be taken to ensure that God’s creation is being looked after. “The God who created the world in love calls on us to create in love.”<sup>251</sup> Based on this fact is the notion amongst ecumenicals that even the world economy belongs to God and therefore they are opposed to any system such as, consumerism that set itself against the principles of God.

## 6.5 Consumerism and Competition

Consumerism has a unique dialect of its own within the context of globalization. Amongst many ecumenical critics there is the perception that one should not be surprised by consumerism’s destination, for it only leads to idolatry. In this instance Conradie argues that the consumer society is not sustainable, that consumerism exacerbates injustices, that the affluent have become the victims of their own desires, that consumerism undermines virtue and breeds vices, and that the consumer society encourages commercialised cultural and religious practices and therefore consumerism amounts to idolatry.<sup>252</sup>

In the same vein Adrian Pabst, a Lecturer in Politics at the University of Kent, UK, and who teaches political economy at the Institut d’Etudes Politiques de Lille (Sciences Po). France, draws attention to the global negative consequences consumerism has on the lifestyles of human beings. He observes: “In a society of consumers, inequality has created a new kind of cultural domination around lifestyle and the conspicuous consumption of status-enhancing goods. Consumer culture became a mass symbolic practice of individual social recognition distributing humiliation to those lower down the hierarchy. The shame of failing in education, of being a loser in the race to success, of being invisible to those above, cuts a deep wound in the psyche.”<sup>253</sup> Conradie’s view of consumerism is that: “The consumer culture with its depletion of available resources, its production of waste and its quest for pleasure and

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<sup>249</sup> Sacks 2005:71.

<sup>250</sup> Agape 2005:9.

<sup>251</sup> Sacks 2005:3.

<sup>252</sup> Conradie 2010: 58-59.

<sup>253</sup> Pabst 2011:243.

happiness cannot hide an inner spiritual emptiness.”<sup>254</sup> The culture of rampant consumerism creates spiritual emptiness, a void that cannot be filled by anything or anybody else but God. Based on the above-mentioned statements by Pabst and Conradie one can almost conclude that consumerism can sometimes be a destructive force and so is the case with global economic competitive greed and selfishness.

Like consumerism, ruthless competition can also become a destructive force within the global economic sphere if it is not managed properly. Rob Van Drimmelen, the author of *Faith in a Global Economy: A Primer for Christians* (1998) portrays global economic competition in this way: “One of the hallmarks of globalization is increased and almost ruthless competition. The focus on competition promotes a one-dimensional view of human nature and human relationships. That part of human nature which values cooperation is neglected at best, and devalued as ‘soft’, ‘unrealistic’ and ‘inefficient’ at worst. In this arrogantly reductionist view of human nature, the logic of the winner becomes the norm for success, the weak are excluded and the victims are blamed for their lack of competitiveness. If competition crowds out attention to the common good, it becomes a destructive force, putting people against each other and against nature, sacrificing what is most vulnerable in creation. What we consider as optimal mix between competition and cooperation will have something to do with how we see human nature.”<sup>255</sup> The mismanagement of global economic competition could cause numerous economic inequalities. As indicated by Van Drimmelen, competition should be for the common good. It should be to the benefit of the developed and developing countries and some measure of control should be exercised over the processes of global economic competition.

## **6.6 Deregulation and Tax**

The definition of deregulation is that governments withdraw restrictions on the operations of the free market. The issue of *no control* over the free market places global governments on the side of the powerful. Problematic effects on the economy then become the order of the day. Wahl explains: “The dynamics of the financial markets also has problematic effects on the important social security systems as a secondary means of distributing wealth liberalization and deregulation in this sector lead to insurers and pension funds in industrialised countries moving into newly industrialised countries and developing countries to sell health and old-age insurance to the middle classes. By doing so, they take away the

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<sup>254</sup> Conradie 2010:64.

<sup>255</sup> Van Drimmelen 1998:11.

basis on which social security systems are built. These systems of solidarity have been a mark of progress in civilization that made it possible for subaltern classes to gain some kind of insurance against life's vicissitudes. However, this is based on a social alliance with the middle classes through which the system of redistribution from top to bottom was financed.”<sup>256</sup>

In this regard the wider ecumenical family appear to resonate with the sentiments of Wahl and they suggest that: “The goal for conservatives is deregulation. They want to destroy the liberal state so that the liberal agenda will never again be a possibility. The current financial crisis is a direct result of this conservatism in the States and its analogues around the world. Christians and non-Christians need to recognize that deregulation is a deliberate political strategy to conceal what is going on in the economy. Governments are unable to do anything about climate change whilst they are beholden to these powerful elites. Unmasking the truth should be a priority for the churches.”<sup>257</sup> Moreover, this does not only apply in the case of deregulation but also within all other economic systems such as the global tax system.

The tax system is a complex issue in globalization debates. Many critics of the tax system believe that globalization is a problem for taxation and it made the escape of paying taxes somewhat easier. Van Drimmelen provides at least three reasons for their argument: “Firstly many firms have more freedom over where to locate, and thus more easily choose to operate in countries where taxes are low. Second, globalization makes it hard to decide and control where a company should pay taxes. The third reason why globalization is a problem for taxation has to do with the mobility of skilled professional workers.”<sup>258</sup> Wahl also advocates the complexities of tax system in this way: “The effects of redistribution from bottom to top not only arise from the uneven distribution of direct income and wealth, but tax policy usually also contributes to social polarisation. To increase a country's attractiveness as a financial destination, financial investors often are attracted by means of tax reductions. Financial markets use their political influence to lower direct taxes and to increase indirect taxes. This leads to tax regression, meaning that the relative tax burden on the lower classes increases and that the fairness of the tax system is eroded.”<sup>259</sup> Wolfgang Gern shares the following illuminating views on tax evasion: “The wealthy must contribute to making social safety nets poverty-proof. So if burdens are to be distributed anew, our society cannot avoid

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<sup>256</sup> Wahl 2009:25.

<sup>257</sup> Shockley 2009.

<sup>258</sup> Van Drimmelen 1998:22-23.

<sup>259</sup> Wahl 2009:25.



contending more seriously with tax evasion and the flight of capital and taxes from the country. A conflict of powerful interest is already programmed here. International resistance to the erosion of the welfare state has been spreading widely for some time, as the various networks seeking control of international financial markets show.”<sup>260</sup> Reflecting on all the sentiments set out above it might be fair to conclude that if we want to create an economy for life, which is the just distribution of wealth to all, we need to stick to a *concrete ethical taxation agenda* that is both and beneficial equitable for everyone.

## 6.7 Privatization and Property

Van Drimmelen is of the view that governments of all kinds across the globe currently engage in the wholesale privatization of state-controlled economic sectors and companies as the key policy instrument in the move to more market-based economic systems - this drive towards more and more privatization. It must be recognized that governments and business influence each other in many direct and indirect ways. He maintains that what lies behind the present wave of privatization is generally when governments sell their assets, two over-riding aims are involved - to shrink the state, in pursuit of greater economic efficiency through more competition and to raise cash to curb a deficit in public sector.<sup>261</sup>

Again traces of the policies and processes of neo-liberal economic globalization are detected within the sentiments of Van Drimmelen. Privatization appears to be the gateway that leads to many economic injustices. “Free trade agreements rely on privatization, deregulation and liberalization policies that are central planks of neo-liberal structural adjustment programmes. Competition now permeates the whole world. Schools and universities compete for pupils, culture and sports, consumers rival each other in rampant consumerism, and states compete to attract investment and capital. In almost all spheres everywhere, co-operation has been replaced by competition; the public domain is rolled back and transferred to private, often monopoly and transnational corporate control.”<sup>262</sup>

The United Church of Christ in their article of Economic Globalization in 2013 states that: “Regulations governing property are intended to balance the interests of inventors, scientists, artists and other creators with those of society at large. But today, the holder of a patent frequently is not a scientist or inventor but a corporation. Regulations governing property operate through a complex web of economic, political and social networks and legal

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<sup>260</sup> Gern 2003.

<sup>261</sup> Van Drimmelen 1998:12-13.

<sup>262</sup> Agape 2005:20.



agreements (usually involving transnational firms and governments) that are often titled against the interests of society in favour of corporations.”<sup>263</sup> Puleng LenkaBula who is an Associate Professor of Ethics in the Department of Philosophy and Systematic Theology at the University of South Africa, provides a short illustration of the issue of property and ownership in this way:

“Property, referred to as ownership of land, capital and/or wealth, has been the subject of Christian theological and ethical reflection for a long time. Biblical witness attests to moments when the prophets, at various times, would reflect on the uses, sharing and responsibilities of the people of Israel toward the land. Sometimes the prophets would be distressed by the unjust use and sharing of the resources of the Earth, and they would encourage their societies to opt for radical transformation of the unjust use and ownership of property. The prophets would even condemn the exploitative uses of property that alienated the poor or the lowly from stewardship of the land; the uses of wealth and of material resources which were understood as belonging to God.”<sup>264</sup> Everything in the earth belongs to God and this includes the ownership of private property. In this regard Pabst observes:

“Property relations are the most basic economic relations, and all other economic outcomes will depend in large measure on the nature of the basic property relations. Property is natural to man; we might even say it is proper to him. It is as natural for a man to say, ‘This is my house’ or ‘This is my land,’ as it is for him to breathe. Indeed, when a man cannot say, ‘This is mine,’ then he really is less of a man; he might even find it difficult to breathe, or at least draw a free breath; his rights and freedoms have been truly compromised. The socialists correctly analysed the problem in terms of property, but they analysed it in the wrong direction. Having ascertained that there were too few owners, they tried to ensure that there would henceforth be no owners. But the distributist takes the problem in the other direction; he wishes to make the mass of men more properly human by giving them what is proper to a man, namely property.”<sup>265</sup> Inclusive of these sentiments of property shared here by Pabst and LenkaBula is the critical issue of justice at all levels of economic globalization even with regards to global trade.

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<sup>263</sup> United Church of Christ 2013.

<sup>264</sup> Lenka Bula 2010:35.

<sup>265</sup> Pabst 2011:263, 265.

## 6.8 Global Trade, Foreign Investment and Debt Relief

Trade is a powerful stimulus to global development and it is also more than the exchange of goods and services. . Agape holds the view that trade is about relationships and exchange of goods and services. Agape calls for reciprocity, mutuality, respect and solidarity in just relationships. Justice in trade relationships is a biblical principle. Amos, echoing the other prophets, decries those who “practice deceit with balances” and who “buy the poor for silver and the needy for a pair of sandals” (Amos 8:5f). Justice for the poor remains the test of any system. Abolishing inequalities must apply at all levels of trade.<sup>266</sup>

Griffiths illuminates the importance of global trade for the global economy: “Trade is important, yet it is not the only cause of economic growth. Growth depends on many internal factors, such as the skills of the labour force, the robustness of property rights, the infrastructure for transportation and communications, the rewards for risk-taking, monetary and fiscal stability, expertise in accounts, management and law, transparency and integrity in public administration. In the long list of possible causes of growth, foreign trade would not be number one. But if the other factors are beginning to be put in place, then openness to trade and investment can be a powerful stimulus to development.”<sup>267</sup> More attention should be given on how global trade is being managed and how effective its benefits are to those in the developed and developing countries.

With all its benefits, global trade, if managed correctly, can reduce poverty in a ways beyond comprehension. To clarify this notion, Frein describes how churches around the globe can contribute in making trade more equitable for all. He maintains: “International trade today is more than the exchange of goods. The concept includes in particular the supply of services, including investment in service areas and the protection of intellectual property rights. A fresh trade policy directed towards global justice, protection of the environment, and the realisation of economic, social and cultural human rights is needed. In this the churches, their organisations and institutions can play an important role. First, they have to be a forerunner; secondly they should be influencing political decision makers by way of lobbying as well as sharpening the awareness of trade injustice and foreign investment policies through information and education in churches and society.”<sup>268</sup> “Increased international foreign investment hold out the hope that the people of the developing world may participate in the

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<sup>266</sup> Agape 2004:17.

<sup>267</sup> Griffiths 2004:23.

<sup>268</sup> Frein 2010:2, 17.

prosperity enjoyed by others. After generations of almost exclusively providing primary products to the industrialized world, the building of factories in developing countries to process those products for export and to manufacture a large variety of goods for both export and domestic consumption has enabled some people to move out of poverty. Others however have become poorer and experience a growing feeling of insecurity; and the fact is that most developing countries are not enjoying these potential benefits of direct foreign investment.”<sup>269</sup> As mentioned in this statement, foreign investment has its positives and its negatives.

Agape is of the view that among those working for economic justice, there is considerable debate about the efficacy of promoting ethical practices and corporate codes for foreign investment. They maintain that many feel that the issues are systematic and can only be solved systematically, while others believe that a gradualist approach creates conditions that can foster deeper transformation. More and more individuals and institutions are applying social and environmental criteria, in addition to financial considerations, when they take investment decisions. Many religious organizations, including the World Council of Churches, have drawn up social and environmental responsibility guidelines for their investments - while there are differences of opinion about what makes for *responsible* or ethical investment.<sup>270</sup>

Foreign direct investment can play a positive role when it is invested in productive rather than speculative activities, when it transfers appropriate technology and when it facilitates access to markets and creates employment consistent with democratically determined national development plans. Developing countries need to have tools that enable them to be selective about which foreign investment should be welcomed and which should be prohibited. Justice demands that developing countries be able to use capital controls to regulate inflows and outflows of foreign investment of every kind. International trade and investment agreements must be changed so that developing countries can exercise more control over foreign investment and in so doing promote the reduction and global relief of debt.<sup>271</sup>

Anne Pettifor, a well-informed ecumenical commentator on global economic justice issues, is of the view that central to our planned global economy and dominated by finance capital, is

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<sup>269</sup> De Santa Ana 1998:11.

<sup>270</sup> Agape 2005:35.

<sup>271</sup> World Council of Churches 2000.

the powerful lever of debt. Debt acts as the key mechanism for the transfer of wealth from weak to strong; from debtor nations to international creditors; from taxpayers and wage earners to the holders of paper claims; from productive to financial activity. Without the leverage of debt, IMF policy-makers, bankers and creditors would not be able to intervene in the design of economic policy, nor to impose the deflationary policies and the deregulation of capital markets that are essential to ensure such transfers. The new dominance of creditors in the global economy has led since the late 1970s to a massive expansion of credit and an equivalent growth in household, corporate and sovereign debts.<sup>272</sup> Debt relief is one of the paramount aspects of the globalization conversation within ecumenical circles.

Pabst explains: “Across the world governments and private sector must consider the option of debt forgiveness for heavily indebted individuals, households, small- and medium-sized enterprise as well as certain financial institutions such as mutualized banks or regional credit unions. Debt forgiveness is ethically imperative and economically egalitarian, as it breaks the vicious cycle of debt-deflation and puts a floor under the value of real assets like personal saving funds, homes as well as the human, social, and physical capital embodied in SME and other businesses. Reigning in debt in itself is only one precondition for re-localizing global finance and transforming the world economy.”<sup>273</sup>

Pabst lays the foundation for the World Council of Churches to advocate their stand on the issue of debt relief. They state that the foreign debt is growing exponentially. Present debt-management proposals such as those devised by creditors offer too little, too late, to few countries. Because these are designed by creditors, their purpose is debt collection not debt relief. Furthermore, Western creditors, represented by the IMF, impose conditions whose purpose is to generate revenues for debt service. Structural Adjustments Programmes impose unacceptable conditions on debtor nations and drain them of precious resources. Unless present debt-management plans are transformed into debt release opportunities, the devastating cycle of debt accumulation will repeat itself, condemning millions more people to suffering.<sup>274</sup> Debt relief is a critical element for the progressive processes of globalization. If developed countries assist developing countries in their dilemma, sustainable economic growth can possibly become a reality.

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<sup>272</sup> Pettifor 2004:57.

<sup>273</sup> Pabst 2011:197-198.

<sup>274</sup> World Council of Churches 1998.

## 6.9 Sustainability, Global Equality and Social Justice

De Santa Ana holds the view that there are several areas in which elements of the process of globalization affect the requirements of sustainability.<sup>275</sup> Any international financial system should be designed to maximize progress towards justice, poverty eradication and environmental sustainability. To reach that end, diverse strategies are needed. It is imperative to promote debate concerning alternative systems of finance that are democratic in the full sense of the word.<sup>276</sup> In this regard, ecumenicals promote sustainability as sustainable community rather than sustainable development. Wahl sets out a few guidelines on how to attain efficient sustainability and also at the same time ensure economic justice for all:

“In economic and financial decision-making, priority has to be given to sustainable development and to all three generations of human rights. National supervision and international co-operation between regulatory and supervisory bodies have to be strengthened, democratised and broadened, with a mandate to serve societal needs. The participation of trade unions, consumers and other stakeholders in regulation has to be assured. Rating has to become a part of public supervision with a mandate to also assess the impact on society. Limits must be placed on unrestricted free trade and on the free mobility of capital worldwide. The dogmatic ‘openness’ of goods and services and financial in- and outflows must be substituted by a more differentiated approach. New international agreements must set other goals – such as financial stability, tax justice, or social justice and sustainability – above the free flow of capital, goods and services. Social rights and historically won benefits of workers must not be endangered by these treaties; on the contrary, these treaties should foster international solidarity instead of competition.”<sup>277</sup>

The World Council of Churches is of the opinion that all economic systems must be tested from the perspective of their effect on the poor, the oppressed and the marginalized, which in these days include many members of the natural world as well. God has created the whole cosmos to be good; it is common inheritance for all peoples for all times to be enjoyed in just, loving and responsible relationships with one another. This understanding is foundational in our vision of a just and moral economy where a) people are empowered to fully participate in making decisions that affect their lives, b) public and private institutions and enterprises are accountable and held responsible for the social and environmental impacts and consequences

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<sup>275</sup> De Santa Ana 1998:9.

<sup>276</sup> Agape 2005:37.

<sup>277</sup> Wahl 2009:27.

of their operations, and c) the Earth and whole created order is nurtured with utmost respect and reverence rather than exploited and degraded.<sup>278</sup> Christians are called to anticipate the just and loving community, the *shalom* kingdom that God wills and promises. Jesus came to give abundant life. We see him in the signs of genuine community: his healing ministry, his inclusion of outcasts, children, women, and his servanthood on behalf of the world. The saving work of the Spirit restores community and brings harmony within creation. Christians should be salt and yeast in society for the sake of justice, peace and the integrity of creation. In our vision of community, sufficiency is a key element- there is enough for all and all have enough. This vision includes physical, mental and spiritual health, food security in quantity and quality, clean air and water, good housing, educational opportunities, and adequate transportation. Relationships of justice and sufficiency produce a high degree of contentment, celebration and spiritual fulfilment that stands in marked contrast to the spiritual poverty and compulsive consumerism that is so much a part of many contemporary societies.<sup>279</sup>

“We believe that God calls us to hear the cries of the poor and the groaning of creation and to follow the public mission of Jesus Christ who came so that all may have life and have it in fullness (Jn 10.10). Jesus brings justice to the oppressed and gives bread to the hungry; he frees the prisoner and restores sight to the blind (Lk 4.18); he supports and protects the down-trodden, the stranger, the orphans and the widows. Therefore we reject any church practice or teaching which excludes the poor and care for creation, in its mission; giving comfort to those who come to “steal, kill and destroy” (Jn 10.10) rather than following the “Good Shepherd” who has come for life for all (Jn 10.11). “We believe that God calls men, women and children from every place together, rich and poor, to uphold the unity of the church and its mission so that the reconciliation to which Christ calls can become visible. Therefore we reject any attempt in the life of the church to separate justice and unity. We believe that we are called in the Spirit to account for the hope that is within us through Jesus Christ and believe that justice prevails and peace shall reign. We commit ourselves to seek a global covenant for justice in the economy and the earth in the household of God. We humbly confess this hope, knowing that we, too, stand under the judgment of God’s justice.”<sup>280</sup>

Ecumenism considers the quality of life and the equality for all human beings as very important to the globalization debate. There is a distorted definition of anthropology in neo-

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<sup>278</sup> World Council of Churches 2002a.

<sup>279</sup> World Council of Churches 2002a.

<sup>280</sup> Accra 2004:4-5.



liberalism in which human beings are defined by financial and economic value and not by their intrinsic dignity as persons created in the image of God. This anthropology has nested in humanity, colonising our mind and our dreams. This definition leads to racism, sexism and other form of categorisation, exclusion, inequality and oppressive behaviour. This is a sin against God, humanity and all creation. Pabst is of the view that inequality not only destroys the well-being and damages the life chances of people living in poverty; it increases levels of mental illness across society, undermining trust, and creating fear and intolerance.<sup>281</sup> The price of inequality has disastrous effects on the well-being of all human life. It is God's will that all human beings be treated equally, with the utmost respect and with justice at all times.

In in this regard Agape calls for the need of transformative justice to be top priority. They maintain: "We encourage not to lose our hope and not to give up confronting the reality surrounding us with our vision for an economy of life. The sacred gift of life that is the free gift of God's grace is not withdrawn. Rather, it is the very basis and power for creating and living alternatives to the forces of death and destruction. It draws its power from agape, the love of the Triune God that permeates all creation. Every form of power is tempted to constitute itself as absolute, without accountability to those affected and in denial of the manifold relationships that constitute the web of life and need to be respected and recognized. The focus of transformative justice is a clear preference for participation, mutual recognition and the agency of every member of a community, and the critique of all forms of power-concentration in the hands of only a few. The fruit of transformative justice is human dignity and peace."<sup>282</sup> Global justice is the ultimate ingredient to make globalization work for all human and planetary life.

We need an economy that recognises the link between gender justice and ecological justice. The degradation of the land and Earth has dire consequences for the lives of the marginalised, especially the poor, women and children in poor countries. Land is tied closely to women both physically and symbolically. Physically women till the land and walk the miles for water for their families. Symbolically, the sufferings of the land are likened to the pains and groans of a woman at childbirth (Rom. 8:22). To put it differently, the "economy of care" for the Earth cannot be separated from the issue of justice for all of God's creation.<sup>283</sup>

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<sup>281</sup> Pabst 2011:243.

<sup>282</sup> Agape 2004:38.

<sup>283</sup> World Council of Churches 2012b.



## 6.10 Conclusion

In light of what is discussed in this chapter, it would be reasonable to agree with Dirkie Smit's theory of the Accra document. He asserts that: "The Accra document is not and cannot be the final word. It is rather a call to the many social forms of the church to commit themselves to the process, because they confess that nothing less than the integrity of their Christian faith, life and witness is at stake. It is a call to consider together with one another and together with other social institutions and powers what could and should be done to love and serve justice in the face of the injustices and exclusion of the global economy today, and in the face of ecological destruction and impending disaster."<sup>284</sup> The Accra document cannot be the last word because there is still a lot of work to be done in order to achieve this enormous task of making globalization work. The alternative globalization that is put forward by Agape is also a journey, not a destination to this task hence it is somehow possible to achieve it. The German-South African Globalization Project seems to stress their commitment to promote alternatives to neo-liberal capitalism. This is also the case of the World Council of Churches who state that: "We are committed to affirming existing alternatives to neo-liberal capitalism."<sup>285</sup> Concluded from all the above-mentioned is that a *new economic world order* is a possibility. Sacks also highlights the fact that: "We can imagine a world different from the way it is now and has been in the past."<sup>286</sup> This suggests a *new reformed globalization* where everyone in the developed and developing countries have the responsibility to make it work!

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<sup>284</sup> Smit 2009:184.

<sup>285</sup> World Council of Churches 2012b.

<sup>286</sup> Sacks 2005:133-134; 145-146

# CHAPTER 7

## CHRISTIAN ETHICS AND THE THEORY OF RESPONSIBILITY APPLIED WITHIN THE CONTEXT OF GLOBALIZATION

### 7.1 Introduction

An appropriate means of investigating the complexities and ambiguities of globalization, as identified as a normative ethical framework for this thesis (see chapter 1), is to view this phenomenon within the theoretical ambit of *responsibility theory* (e.g. as developed and refined within a Christian ethic by W. Schweiker, J. Sacks and H.E. Tödt.). Since globalization is really the responsibility of all of us, 6 plus billion human beings on the planet, responsibility theory could be a possible guide to answers on what went wrong with the phenomenon, how this can be rectified and especially what role there is to play for all good citizens, including Christians, in order to ensure that the core ethical issues such as economic justice, equality, solidarity and unity are accomplished.

The contemporary world is rapidly demanding that a sense of responsibility must be taken by human beings with regards to moral discourses. Policies and processes of the globalization phenomenon are one example that took on a form of moral discourse; this discourse includes pluralism and technological power, and needs critical attention. According to Schweiker, “The purpose of an ethics of responsibility, within the Christian context, is to make sense of and to clarify the moral and practical meaning of Christian faith.”<sup>287</sup> It is possible that contemporary understandings of morality, e.g. in the instance of globalization, can be clarified through means of human accountability (which is also strongly emphasised in Christian faith traditions) as a foundation. The aim of this chapter is to investigate whether common ground can be established between Stiglitz’s *ethical beliefs* regarding globalization and Christian *ethical responsibility theory* as applied to globalization. This is done on the basis of zooming into responsibility theories, as formulated by remarkable theologians such as, Tödt, Bonhoeffer, Schweiker and Sacks.

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<sup>287</sup> Schweiker 1995:xii-xiii.

## 7.2 Tödt: Towards a Theory of Making Ethical Judgments

Tödt, taught theology and ethics at the University of Heidelberg, Germany. He undertook tasks in theology and in the church that show us a possible path of understanding our responsibilities as human beings theologically, and providing the ethical wisdom we need to navigate the ideological struggles of our own time.<sup>288</sup> Already in 1978 Tödt proposed a schema that has six steps or material elements in the formulation of moral judgments. He then considers the most likely objections to the proposed schema, discusses the relation of the schema to traditional forms of moral judgment-making, and concludes with reflections on the relation of the proposed schema to the proprium of Christian ethics.<sup>289</sup> The six steps in his formulation of moral judgments include:

“Definition of the problem (A clarification of what it is that requires a moral decision is the first task) ; analysis of the situation (This involves an investigation of the real context in which the problem arises in order to determine how the definition and solution of the respective problem is conditioned by this context; behavioural options (The usual reaction to a problem or problematic situation is always: “What is to be done?”); testing the norms (We must survey and choose among the ethically relevant criteria of decision; The judgment as decision (The judgment is a synthetic act made with a view to the problem presented, on the basis of the cognition of the facts of the situation, the possible behavioural options, and the applicable norms; and the last step is retrospective adequacy control (Judgmental decisions are often made in a tentative and preliminary manner).”<sup>290</sup>

Tödt is of the view that what must be affirmed as of fundamental importance is that the theological dimension can and must be present in several elements, at several steps. He observes that the way the believer understands the problem at hand, weighs the behavioural options, and chooses the applicable norms, will in some respects differ from the way of an unbeliever. Tödt surmises that the judgment-making schema permits us to replace the stereotypical opposites – faith vs. reason, church vs. world – with more differentiated kinds of questions. He argues that at every concrete step, it should be evident whether the movement towards a judgment is taking place within the horizon of faith, with its pronounced understanding of self and world, or outside it.<sup>291</sup>

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<sup>288</sup> Tödt 2002.

<sup>289</sup> Tödt 1978:108-110.

<sup>290</sup> Tödt 1978:108-110.

<sup>291</sup> Tödt 1978:120.

In *Authentic Faith* (2007), Tödt clarifies major dimensions of Bonhoeffer's ethics with precision and enables us to enter personally into the political, ecclesiastical, and family context in which Bonhoeffer wrote: "A result of our considerations is that individuals, groups, and the church cannot be separated, but must be closely correlated when responsible resistance against an inhuman and illegitimate regime of injustice is called for. All three have different responsibilities that cannot be substituted and distinct mandates. The individual must fight in faith the trial of conscience that unavoidable accompanies the free venture of an illegitimate deed. The group is the space within which a judgment of the situation and the will to act are formed in solidarity and communication. The church is, for both, individuals and groups, the support that gives certainty through witnessing to the truth, the source of inseparable community grounded in Christ, and the place where sin and guilt are forgiven. Bonhoeffer's thinking centres on a concept of responsibility for history that admits neither individualism nor collectivism."<sup>292</sup> In essence, what can be drawn from these notions are the fact that the practical need for a responsibility theory comes from changing social expectations, affluence, and even globalization for that matter.

### **7.3 Bonhoeffer Perspective: Ethics for this World**

Dietrich Bonhoeffer was a German Lutheran pastor, theologian, dissident anti-Nazi, and founding member of the confessing church. His writings on Christianity's role in the secular world have become widely influential, and many have labelled his book *The Cost of Discipleship*, a modern classic. Robin W. Lovin, the Dean of Perkins School of Theology, Southern Methodist University, Dallas, proposes the following about Bonhoeffer's writings: "Bonhoeffer's struggle was with his temptation to view the German people with the same contempt that Hitler had for them. Only because God has become human is it possible to know and not despise real human beings."<sup>293</sup>

On the issue of a responsibility theory, Lovin observed what Bonhoeffer illuminated as imperative for responsible action: "Responsible action must be undertaken on behalf of these real human beings whom God loves and not to vindicate one's own superiority, righteousness or wisdom. Responsible action is a true imitation of Christ, a willingness to be despised and abused for the sake of those who have themselves have been despised."<sup>294</sup> In the same vein there are sentiments like these that can be drawn from policies and processes of globalization.

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<sup>292</sup> Tödt 2007:71-72.

<sup>293</sup> Lovin 2005:26-31.

<sup>294</sup> Lovin 2005:26-31.

Because some countries, globally, have reaped the benefits of globalization, including privatization, deregulation, and freeing of international trade and investment flows, they should also assume much more of the burdens of a responsibility theory (responsible action).

Bonhoeffer also wrote: “Responsible action is not only responsible before God. It is responsible in those specific places where life is shaped for a whole society. You cannot be responsible by yourself, without living in solidarity with the people who share the world with you. You cannot be responsible only by being the church. The practice of the Christian life can be learned only under these four mandates of God, let the church be the church, then, but let family, government and the economics social institutions that make up the culture be themselves, too. Responsible action creates institutions that allow the settings that are essential to a full human life. This is the witness that the church has to give to the world, that all the other mandates are not there to divide people and tare them apart but to deal with them as whole people before God the Creator, Reconciler, and Redeemer – that reality in all its manifold aspects is ultimately one in God who became human, Jesus Christ.”<sup>295</sup> In everything we do we should act in a responsible way. This notion is also deeply rooted in the writings of Jonathan Sacks, whose theological and ethical vision for humanity is one in which God calls us to a life of responsibility.

#### **7.4 Sacks: Life is God’s Call to Responsibility**

Jonathan Sacks makes an impassioned plea for the return of religion to its true purpose - as a partnership with God in the work of ethical and moral living.<sup>296</sup> Globalization is but one of the controversial moral issues where Christians need to exercise their responsibility to ensure justice and equality through the ultimate power of God. Sacks advocates that we are here to make a difference, to mend the fractures of the world, a day at a time, an act at a time, for as long as it takes and to make it a place of justice and compassion where the lonely are not alone, the poor not without help - where the cry of the vulnerable is heeded and those who are wronged are heard - someone else’s physical needs are my spiritual obligation. He notes that the truths of religion are exalted, but its duties are close at hand. Sacks suggest that we know God less by contemplation than emulation and the choice is not between ‘faith’ and ‘deeds’, for it is by our deeds that we express our faith and make it real in the life of others and the world. Beautifully taken together, Sacks proposes that in lifting others, they find that they themselves have been lifted and that the ethic of responsibility is the best answer he knows to

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<sup>295</sup> Lovin 2005:26-31.

<sup>296</sup> Sacks 2005a.

the meaning and meaningfulness of a life.<sup>297</sup> He proposes that global ethical responsibility appears in different forms and realities.

“The twenty-first century confronts humanity with challenges of a scale and scope that seem to defy solution. Power entails responsibility, and the immense power generated by modern technology, medicine, instantaneous worldwide communication and the global economy will call for responsibility on the same scale. We can make a difference, and only we can make a difference. We can change the world, but we need partners, and the best way of finding them is to lead by personal example. Virtue is contagious. One good deed begets another. What is important is that we begin.”<sup>298</sup> Yes we need to begin to set the wheel in motion by taking ethical responsibility, especially in our world economy. In marrow deep urgency we need to consider that global ethical responsibility is supposed to emerge from agreement among societies, corporations and other organizations regarding the appropriate ethical frameworks and behaviours in given situations such as globalization. In this regard, Schweiker brings the idea of an ethical approach based on responsibility to light.

## **7.5 Schweiker: An Ethical Approach Based on Responsibility**

William Schweiker (born 1953), who is the Edward L. Ryerson Distinguished Service Professor of Theological ethics at the University of Chicago, formulates a way of thinking about issues of power, moral identity, and ethical norms by developing a theory of responsibility from a specifically theological viewpoint; that thereby makes clear the significance for Christian commitment of current reflection on moral responsibility.<sup>299</sup> He holds the view that all moral reflection is undertaken from some perspective on the meaning and purpose of human life in the universe: “Christian ethics contends that human beings live, move, and have their being in God. The task of theological ethics is also to articulate the meaning and demonstrate the truth of this distinct interpretation of the moral life. Moral responsibility is rooted in God as value creating power, in Christ who emptied himself and took the form of a servant, and in the Spirit who empowers persons to be responsible agents.”<sup>300</sup> Schweiker suggests that the global economy and even global business ethics should take into account moral attitudes and moral reasoning on the basis of Christian ethics.

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<sup>297</sup> Sacks 2005:5-6.

<sup>298</sup> Sacks 2005:264-267.

<sup>299</sup> Schweiker 1998.

<sup>300</sup> Schweiker 1995:213-216.

“Christian ethics renders this fact explicit, and thereby provides a way to understand the full meaning and scope of the responsible life. Christian ethics must face the demand to validate its claims in the arena of public moral debate. Moral inquiry seeks to advance an ethical position, clarify basic concepts, and examine experience by engaging other ethical positions and basic moral questions. But in order to respond rightly to positions and moral problems we must meet certain demands: 1) openness to the positions of others; 2) truthfulness in the presentation of all views; 3) appeal to generally accessible evidence in making arguments; and 4) willingness to acknowledge the force of the better argument.”<sup>301</sup> In this sense, Schweiker boldly posits that people of different cultures (all over the world) share similar attitudes toward questionable processes and policies of globalization practices but their element of reasoning is based on different values.

“Dialectical reasoning is the form respect for others takes in the domain of moral inquiry. It requires that we question and answer others, be accountable for arguments, and also subject the power to speak and think to criteria which respect the integrity of others and ourselves. How we think morally must be consistent with the end or purpose of ethics, which is to guide actions that respect and enhance the integrity of life. The approach to validating an ethics is undertaken in order to address pervasive moral problems within the social context in which the question of responsibility is being debated. Christian ethics seeks to understand the coherence or integrity of all of life before God. It is to that point that Christian moral philosophy can and must and may speak its distinctive word.”<sup>302</sup>

Having grappled with the serious consequences for millions in the world of globalization processes based on negative values of self-enrichment, selfishness and greed, it seems almost common sense that these *words* from Christian moral philosophy should be taken seriously in (and on) all walks of life, and it should include advocacies of economic and ecological justice for all planetary life, globally!

## **7.6 Responsibility and Christian Ethics Applied**

In this thesis the concept of responsibility ethics is put forward as a crucial ingredient in finding a solution to the problem of globalization. The quest in the analysis of responsibility theory is to determine whether Stiglitz’s globalization paradigm is compatible with the Christian view of economic justice. My hypothesis has been that it certainly is. Though there

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<sup>301</sup> Schweiker 1995:218-227.

<sup>302</sup> Schweiker 1995:218-227.n



is no common definition of the ethics of responsibility among the authors discussed in this chapter, *responsibility* seems to have become the queen of modern virtues.

The element of commonality shared amongst Tödt, Bonhoeffer, Sacks, and Schweiker, is the fact that responsibility associate itself with autonomy and personal initiative. We need to understand our responsibility as human beings in this world and make the change that will count. In the context of globalization and in an age where neo-liberalism is on the increase, we ought to understand what we are called to do. If we grasp our understanding of our responsibility as individual, as groups, and as a church, we will soon come to realise how effective we can be in our different life spheres. We can prevent the moral missteps of the policies and processes of globalization if we shed some light on the notion of our responsibility in it. Responsible action is not only responsible before God but it is also responsible in those specific places where life is shaped for a whole society, as Bonhoeffer stated it clearly. The contemporary world system, in all its facets, needs the element of *human responsibility*; a Christian ethics that provides a way to understand the full meaning and scope of the responsible life.

## 7.7 Conclusion

Based on the analysis, perceptions and ideas put forward by the authors in this chapter, we can conclude that Christian ethics and the theory of responsibility can be applied within the context of globalization. Responsibility theory changes the language of globalization to a more positive one. Within the Christian whirlpool of different kinds of ethics and virtues and the application thereof across all moral subjects of this life, responsibility ethics stands out as both very relevant and in sync with more secular ethical discourse on the issues of modern, globalized society. In essence, the language of the ethics of responsibility has the ability to take debates and talks about globalization to whole new levels, in such a way that it can change the pages of the world economy. Sacks, as in fact all the other theorists of responsibility theory we encountered here, is convinced that we can make the change; we are able to, and it can be done when we start to realise what our true responsibilities are, own up to them and impact the world for change. We are called to do it.<sup>303</sup>

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<sup>303</sup> See Sacks 2005:264. We cannot take this quest into ethical theory further here, but enough has been said to realise that Sacks's "call to do it" sounds close to Kant's categorical imperative, "Du sollst!", written in the conscience, and guiding ethical behaviour with this deontological "practical reason" (Kant 2008), and that Tödt's and Schweiker's responsibility approaches are compatible with and enhancing towards Rawls' "justice as fairness" ethic (Rawls 1971).

## CHAPTER 8

# COMPARING THE STIGLITZ CRITIQUE WITH ECUMENICAL PARADIGMS ON GLOBALIZATION

### 8.1 Introduction

A comparison of Stiglitz and ecumenical paradigms on the subject of globalization clearly shows the resemblances between their views. Both paradigms and lines of thinking and reasoning show that globalization is being mismanaged and if policies and processes of the phenomenon are revisited and adjusted to benefit all it might just work. The ecumenical paradigms complements those of Stiglitz's in the sense that both address the overriding and urgent problems globalization presents which is the gross imbalances between rich and poor, the injustices and inequalities that is developed through the phenomenon. The modern language of globalization is being shaped by these gross urgent problems.

Stiglitz is of the view and so are ecumenicals that there is no universal conceptualization and perception of globalization. The common and most paramount aspect of the Stiglitz and ecumenical paradigms on globalization is that it should relate to the benefit of humankind and creation. Both paradigms suggest that the element of *ethics* should be applied within the context of globalization. Moreover the sense of responsibility amongst human beings should be promoted in order to contribute to the urgency of making globalization work.

The paradigms presented by Stiglitz and the ecumenical introduction to globalization belong together because both strongly advocate the urgency to make right what went wrong in the phenomenon through means of human *ethical responsibility*. Joining them in this venture is Hans Küng who proposes that: "What the fundamental goal and criterion of ethical action in a global economy and global ecology has to be the human being in the midst of an environment worth living in. Human beings must expend their human potential and responsibility in a different way from before to ensure the most humane society possible and an intact, habitable, environment capable of functioning and corresponding to human values, and therefore worth living in; for the possibilities of their humanity which can be activated are greater than the state in which they actually exist."<sup>304</sup> In recent history there have been

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<sup>304</sup> Küng 1998:246.

enormous changes within the global economy. Stiglitz criticizes the globalization phenomenon as unfair and dysfunctional. Economic equality and economic justice can become a reality for all - rich and poor! On issues of the way ahead and making globalization work, Stiglitz is of the view that the developed world needs to do its part to reform the international institutions that govern globalization. He states that we set up these institutions and we need to fix them and if we are to address the legitimate concerns of those who have expressed a discontent with globalization, if we are to make globalization work for the billions of people for whom it has not succeed, then our voices must be raised. Therefore, he maintains that we cannot, we should not, stand idly by.<sup>305</sup>

On the basis of everything outlined in this thesis so far it can be stated that it is possible to bring ethics back into business or even back into globalization for that matter as stated by Stiglitz. The way we are able to do it is through the application of *responsibility ethics*. Küng argues that an ethically responsible way of engaging in business (and globalization) is by applying the framework effectively. He observes: “The only ethic that is of use for a new world economic order is a responsible ethic of realist economists with idealist horizons. Such an ethic also presupposes ideals and values in doing business, but asks realistically about the foreseeable consequences of economic decisions, particularly if they are negative, and also takes responsibility for them. A responsible way of doing business in the postmodern period is convincingly to combine business strategies with ethical judgment. This new paradigm of a business ethic becomes concrete by testing business dealings – even though profit is legitimate – to see whether they violate higher goods or values, whether they are compatible with society, the environment and the future. Because such a reasoned examination of ethical justification is difficult in each individual instance, some political ordinances are necessary.”<sup>306</sup>

Responsibility is a key ingredient to the globalization phenomenon. Sacks highlights the fact that: “The essential consequence is that man, being condemned to be free, carries the weight of the whole world on his shoulders; he is responsible for the world and for himself as a way of being. This is responsibility stretched beyond the limits of sense. That one can be responsible for events one could not affect, or even know about, are either mystical or non-sensical.”<sup>307</sup> Human beings have responsibilities from the beginning. Schweiker also

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<sup>305</sup> Stiglitz 2001: 252.

<sup>306</sup> Küng 1998:239.

<sup>307</sup> Sacks 2005: 116.

illuminates the fact that: “Responsibility involves cognition and critical reflection aimed at the question of what has constituted our lives under the recognition of and care for others and for our lives before God. Christian faith does have a distinctive contribution to make to the general discussion about responsibility. Christian communities at their best offer a radical and encompassing sense of life as grace which enlightens and empowers people to imagine and create an ever better life, and also to overcome the forces of destruction which one could otherwise only join and increase, but never beat. Moral action is a product of a subtle and complex juxtaposition of interdependent moral virtues.”<sup>308</sup>

Globalization has been cited by the World Council of Churches as a prime cause of economic inequality, poverty and political injustice. Globalization is drawing humankind into a dangerous place dominated by values of consumerism, and where scientific and technological advances have no moral orientation. As powerful nations and corporations take advantage of their opportunities at the expense of the poor and powerless, only a church transformed by the ecumenical vision can intervene as the herald of God’s globalization.<sup>309</sup> Making the economic changes globally requires that Christians too should take ethical responsibility and stand together on this controversial subject of globalization in order to make economic equality and justice a reality. This is a vision that grew within the ecumenical movement since the Accra Declaration (2004) and the Agape Process (2005), and was recently strongly confirmed, supported and strengthened by the Globalization Project of Reformed Churches from South Africa and Germany.

These documents are discussed in detail in the thesis with the aim to address the issue of how Christians live their faith in the context of globalization. It is used to assess how compatible, in content, approach and form, Stiglitz’s ethical discourse on globalization is with a specific prophetic and ecumenical Christian critique of economic and ecological injustice. In this chapter the Stiglitz vision for a new globalization process and the ecumenical vision of justice and sustainability for all people and for the earth will be assessed as to its ethical compatibility.

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<sup>308</sup> Schweiker 1995: xi-xiii.

<sup>309</sup> World Council of Churches 2002b.

## 8.2 Neo-liberalism

A conviction shared by Stiglitz and the ecumenicals is the fact that neo-liberalism has negative effects on the economic world order. Both are of the opinion that it is impossible for neo-liberalism to justify itself by the reality it creates; destruction upon destruction, gross inequalities, injustices and numerous environmental problems. The negative effects neo-liberalism has on humankind and creation has become serious. Neo-liberal advocates create the false promise that it brings prosperity for all elements of life. Both Stiglitz and ecumenicals find this fact to be no further from the truth. In fact, Stiglitz is adamant to stress the reality that the rise of neo-liberalism was hypocrisy in its worst element from the start; the rise of neo-liberalism created the effect of greater global instability. From the same vein the ecumenical vision propagates that neo-liberal economic globalization 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 prosperity, claiming sovereignty over life and demanding total allegiance which amounts to idolatry.

Collectively ecumenicals and Stiglitz agrees on the conviction that neo-liberalism has turned everything that would ensure a good life for all human beings and creation into a flat spin. Both ground the thought that plundering, exploitation, destruction, violence, war, mercilessness, accumulation, greed, corruption are the results from what this new economic world order brought humankind and creation. In the same contexts they radiate the notion that alternative approaches to sustainability and economic growth in the globalization phenomenon should be pursued and implemented to create equality and justice for human and non-human life.<sup>310</sup>

## 8.3 Poverty and Creation

In origin, content, and goal Stiglitz and the ecumenicals permeates an idea that globalization has two faces; globalization has helped raise the standard of living for many people worldwide and it has also, however, driven many deeper into poverty. Both have the vision for a world without poverty and suffering. But the difficulty in making the dream a reality is somewhat challenging. According to Stiglitz it would take more than free trade to end poverty. Stiglitz capitalizes on the clarity that the world is in a race between economic growth and population growth, and so far population growth is winning and even as the percentages

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<sup>310</sup> See 4.3 and 6.4.

of people living in poverty are falling, the absolute number is rising. The goal-committed concept for a world without poverty should be shared by all human beings all over the world. Poverty is an overriding urgent global problem and needs urgent attention. Echoing on the likings of Stiglitz, ecumenicals incorporate the idea that global poverty must and should be eradicated aggressively. The fundamental ground of thought that should be considered is that global poverty is but one of the devastating ramifications that is produced by the current economic system. The cry of the powerless and those who are suffering is so loud and should be heard on a global level. Churches, ecumenical movements and all Christians should stretch forth hands of kindness to those who are unable to help themselves.<sup>311</sup>

Serious environmental concerns within the whirlpool of globalization are shared by Stiglitz and ecumenicals. Both appear to resonate with the notion that globalization has a negative impact on the environment through global warming and climate change, just to name a few examples. Their accurate blend of agreement is that the negative impacts on the environment far outweigh the positives. Pointed out in criticism Stiglitz suggests that it will take a global collective effort to clean up the act around global environmental issues and making globalization work. He propagates that environmental conditions are important for sustainability and their immediate impact on the quality of people's lives. Ecumenicals mutually points out that God is sovereign over all creation and because God is sovereign over all creation human beings are placed on this earth to participate in his creation. The paramount aspects of environmental problems are the overuse of natural resources due to increased demand and also the removal of ecosystems due to population growth. These elements have had a large negative impact on the environment. In other words, collectively, Stiglitz and ecumenicals shares the idea that the responsibility rests upon humankind to address and solve environmental problems and to make the world a better place.<sup>312</sup>

#### **8.4 Competition and Consumerism**

Stiglitz and the ecumenicals finds collaboration in the idea that globalization has led to growth on a global basis. Pointing out the obvious, both elevates the message that there are many benefits global economic competition can contribute to the world economy and on the flipside of the coin it can also lead to economic conflict gravitating to economic warfare and possibly to military conflict. Stiglitz introduces the idea that at least since the time of Adam Smith, competition has played a central role in economics. He observes that it is because of

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<sup>311</sup> See 4.3 and 6.4.

<sup>312</sup> See 4.3 and 6.4.



competition that individuals and firms pursuing their own self-interest are led, as if by an *invisible hand*, to do what is the common good and yet, though almost all economists applauded competition, the concept of competition has many different meanings. The style of delivery of ecumenicals on the message advocated here by Stiglitz is somewhat the same. They clearly imply that one of the hallmarks of globalization is increased and almost ruthless competition. Furthermore the focus on competition promotes a one-dimensional view of human nature and human relationships. Moreover if competition crowds out attention to the common good, it becomes a destructive force, *positioning* people against each other and against nature, sacrificing what is most vulnerable in creation. In essence and taken together, though competition has different meanings it still radiates beams of destruction on human - as well as non-human life.<sup>313</sup>

Against the backdrop of the competition analysis tabled above, Stiglitz and ecumenicals collectively conceptualize the effects of globalization and consumerism as negative. Both is of the opinion that consumerism is needed within globalization processes to promote sustainability and growth but it also births somewhat negative effects in the global economy such as, poverty, inequality, unsustainable consumption and even the excessive use of environmental resources. Stiglitz suggests that global consumerism has the ability to lead not only to negative economic consequences for the individual but also to unsustainable global economies. Ecumenicals actuate this view in stating that consumerism exacerbates injustices; the affluent have become the victims of their own desires, consumerism undermines virtue and breeds vices, the consumer society encourages commercialised cultural and religious practices, and consumerism amounts to idolatry. The two faces of consumerism proposes that one is paramount to the world economy for positive economic growth if managed correctly and another has the ability to destroy the meaning and purpose of its cause through robustness and ruthlessness pursuit of greed.<sup>314</sup>

## **8.5 Deregulation and Tax**

Stiglitz and ecumenicals pointed out in criticism that ruthless competition destroys the ability of governments to set their own economic policies. In different contexts they seem to commonly advocate that deregulation reduces government powers to protect and promote the interests of their people. According to Stiglitz deregulation filled the glass with all its issues. He observes that the doctrines that supported deregulation were predicated on the assumption

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<sup>313</sup> See 4.4 and 6.5.

<sup>314</sup> See 4.4 and 6.5.



that sophisticated market participants were rational and had rational expectations. This was not so. Supporting Stiglitz's view, ecumenicals state that in deregulating practices the basis on which social security systems were built was taken away. Furthermore the systems of solidarity have been a mark of progress in civilisation that made it possible for subaltern classes to gain some kind of insurance against life's vicissitudes. But now this has also been taken away. In the global economy, deregulation undermines governments to determine their own business. There is no balance to access the benefits that globalization brings especially in developing countries that are poor. Deregulation also causes the rise of instability of the financial market. In comparison with each other both Stiglitz and ecumenicals share relational attributes that depicts that deregulation of markets within globalization processes and policies means no controls, no rules and no security or protection even for the average citizen.<sup>315</sup>

According to Stiglitz every tax system is an expression of a country's basic values- and its politics and it translates into hard cash what might otherwise be simply high-flown rhetoric. Stiglitz claims that tax cuts increases nation debt and he critically opposes it. Ecumenicals join in on Stiglitz's view and raise some *red flags of ignorance* on tax policies. They state that to increase a country's attractiveness as a financial destination, financial investors often are attracted by means of tax reductions, financial markets use their political influence to lower direct taxes and to increase indirect taxes and this leads to tax regression, meaning that the relative tax burden on the lower classes increases and that the fairness of the tax system is eroded. The world economy requires that the correct policies for paying taxes must be implemented. This will result in the effective eradication of poverty and the equal redistribution of wealth and care for the benefit of humankind and creation. Also, globally, taxes can increase income and can be used as a vessel to promote justice for the environment. Collectively Stiglitz and ecumenicals are against the evasion of paying taxes. Global governments should ensure a policy that puts a leash on the *dogs that want to run away*.<sup>316</sup>

## 8.6 Privatization and Property

The global perception of privatization is that it benefits the rich at the expense of poor. On the one hand Stiglitz maintains that privatization has many implications on the world economic system. His argument for privatization is converting state-run industries and firms into private ones. He suggests that privatization should create and not destruct employment. On

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<sup>315</sup> See 4.4 and 6.6.

<sup>316</sup> See 4.4 and 6.6.

the other hand ecumenicals holds the view that what lies behind the present wave of privatization is generally when governments sell their assets, two over-riding aims are involved - 1) To shrink the state, in pursuit of greater economic efficiency through more competition. 2) To raise cash to curb a deficit in public sector. Some of the devastating effects of privatization are that jobs are lost, higher prices are paid for goods and services, etc. The harsh reality is that the global implementation of privatization in developed and developing countries causes and contributes to gross poverty and inequalities. Stiglitz maintains the conclusion that privatization does not guarantee good economics runs counter to one of the results often cited as the centre of modern economics - Coase's conjecture of property. He states that all the government has to do is to assign property rights clearly. Once this is done, economics efficiency will naturally follow. Stiglitz argue that in this Coasian view, then, the essential problem with socialism is the failure to assign property rights clearly - when everyone owns property, through the state, no one does. No one has the incentive to ensure that capital goods are used efficiently; no one has the incentive to design efficient incentive structures. Ecumenicals observe that property relations are the most basic economic relations, and all other economic outcomes will depend in large measure on the nature of the basic property.<sup>317</sup>

Both Stiglitz and ecumenicals share the opinion that: The assignment of property to owners and the rights to hold property is central to globalization policies and processes. It is therefore imperative to ensure that the strictest rules are followed in this process. The different changes that are made in the assignment of property globally can result into on-going conflict and rivalry. This counts for land and intellectual property. The distribution of rights to own property is sometimes adjusted by governments just to serve in their own self-interest. This should be prevented in the most effective way possible. Taken together both Stiglitz and ecumenicals calls for justice when it comes to the distribution of property and property right, on land and intellectually.<sup>318</sup>

## **8.7 Trade, Foreign Investment and Debt Relief**

Stiglitz is of the view that it is important to make the trading world more development friendly. He maintains that the advocates of trade liberalization believe it will bring unprecedented prosperity. Ecumenicals share the same sentiments as Stiglitz. They state that trade is about relationships and exchange of goods and services. Ecumenicals call for

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<sup>317</sup> See 4.6 and 6.7.

<sup>318</sup> See 4.6 and 6.7.

reciprocity, mutuality, respect and solidarity in just relationships. Justice in trade relationships is a biblical principle. On the issue of foreign investment Stiglitz states that the upside of foreign business is that it brings with it technical expertise and access to foreign markets, creating new employment possibilities. In contrast to this the downsides of foreign investment sends the message that people living in small towns worry about what will happen to the character of the community if all local stores are destroyed; these same concerns are a thousand times stronger in developing countries. Ecumenicals on their turn advocate that increased international foreign investment hold out the hope that the people of the developing world may participate in the prosperity enjoyed by others; others however have become poorer and experience a growing feeling of insecurity; and the fact is that most developing countries are not enjoying these potential benefits of direct foreign investment. Both Stiglitz and the ecumenicals propose that: trade is but one of the key elements within the world economy. Therefore it is paramount to promote and enhance human ethical responsibility in the process of trade liberalization. Trade liberalization can promote growth and development and also in the process lay the foundation for future sustainability. Spotting and implementing issues of justice on all levels of the economic process is important for successful and effective results. Through this it should be noted that as traders and investors benefit from more liberal trade so must humankind and the environment also benefit from the process.<sup>319</sup>

Against the above backdrop Stiglitz and ecumenicals both conclude that debt relief is a powerful tool in nipping global debts and releasing resources that will decrease poverty and increase growth. Historically debt relief and poverty has highlighted the economic stance for both developed and developing countries. Stiglitz maintains that debt relief has to be done in ways that do not detract from the availability of forms of assistance and that help for the very poor should not come at the expense of the poor. Debt forgiveness is ethically imperative and economically egalitarian, as it breaks the vicious cycle of debt-deflation and puts a floor under the value of real assets.<sup>320</sup>

## **8.8 Sustainability and Inequalities**

It is said that an economic and political system that does not deliver for most citizens is one that is not sustainable in the long run. Sustainability has a dialect of its own and it is in this regard Stiglitz portrays the idea that sustainability requires the simultaneous preservation or

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<sup>319</sup> See 4.5 and 6.8.

<sup>320</sup> See 4.5 and 6.8.

increase in several *stocks* - quantities and qualities not only of natural resources but also of human, social and physical capital. Ecumenicals believe that any economy of the household of life given to us by God's covenant to sustain life is accountable to God and that the economy exists to serve the dignity and wellbeing of people in community, within the bounds of the sustainability of creation. Common conceptualization is layered here by Stiglitz and ecumenicals. They seem to agree that sustainable development is development that meets the need of the present without compromising the ability of future generations to meet their own needs. In this view the concept is based on an ethical principle of equality in the distribution of income, wealth and control of resources between generations. Stiglitz observes that there is a worldwide crisis in inequality. The problem is not only that the top income group are getting a larger share of the economy pie, but also that those in the middle are not sharing in economic growth, while in many countries poverty is increasing.<sup>321</sup>

Ecumenicals are of the view that inequality not only destroys the well-being and damages the life chances of people living in poverty; it increases levels of mental illness across society, undermining trust, and creating fear and intolerance. The issue of economic inequalities are directly linked to the current global neoliberal model. It is clear to both Stiglitz and ecumenicals that the criticisms of their excessive growth, as well as of the increase of poverty should be comprehended as a signal that the globalization course has to be reconsidered to the extent allowed by the laws underlying it.<sup>322</sup>

## 8.9 Conclusion

Stiglitz's critique on social justice includes the sentiment that we should be concerned with the plight of the poor. Ecumenicals say focus of justice is a clear preference for participation, mutual recognition and the agency of every member of a community, and the critique of all forms of power-concentration in the hands of only a few. Collectively stated they propagate that globalization has provided an opportunity to focus global attention on neglected issues such as justice, equality and the costs and benefits of globalization to the world's poorest people. Social justice should be the foundational element for every aspect of the promotion of globalization across the globe.<sup>323</sup>

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<sup>321</sup> See 4.7 and 6.9.

<sup>322</sup> See 4.7 and 6.9.

<sup>323</sup> See 4.7 and 6.9.

## CHAPTER 9

# RECOMMENDATIONS: MAKING GLOBALIZATION WORK

### 9.1 Introduction

This thesis has given an account of Stiglitz's sustained critique on globalization and the ecumenical paradigms on the phenomenon. It also introduced the element of *empire* to its already controversial discussion (from the use and abuse of power to power and politics, etc.). As mentioned above, it includes the wide-ranging debate of globalization from the so-called optimists, the pessimists to the third-way analysts. The purpose of the current study was to determine in terms of the so-called responsibility theory whether Stiglitz's globalization paradigm is compatible with the Christian view of economic justice.

Returning to the question posed at the beginning of this thesis, it is now possible to state that Stiglitz's globalization paradigm is compatible with the Christian view of economic justice. The evidence from the comparison made in this thesis suggests that the Stiglitz vision for a new globalization process and the ecumenical vision of justice and sustainability for all people and for the earth is viable within the framework of *responsibility ethics*.

Taken together, the results in the comparison made in this thesis between Stiglitz and the ecumenical vision suggests that recommendations can now be made to illuminate possibilities on how to make globalization work. It also suggests the role for *Christian responsibility ethics* in promoting effective globalization policies and processes that will be to the benefit of humankind and creation. In essence it also suggests that the discrepancy between the proclaimed benefits of the globalization process and the extreme negative effects of millions of people worldwide be narrowed down. In this chapter the most prominent recommendations of Stiglitz and the ecumenical vision of economic justice are presented. These recommendations sets a solid foundation for the *new economic world* order to work from and to be able to fix what went wrong with globalization.

## 9.2 Stiglitz' Key Recommendations

Stiglitz proposes that what is needed, if globalization is to work for all, is an international economic regime in which the well-being of the developed and developing countries are better balanced; a new global social contract between developed and less developed countries. Among the central ingredients are: A commitment by developed countries to a fairer trade regime, one that would actually promote development; A new approach to intellectual property and the promoting of research, which, while continuing to provide incentives and resources for innovation, would recognize the importance of developing countries' access to knowledge, the necessity of the availability of lifesaving medicines at affordable prices, and the rights of developing countries to have their traditional knowledge protected; an agreement by the developed countries to compensate developing countries for their environmental services, both in preservation of biodiversity and contribution to global warming through carbon sequestration.<sup>324</sup>

In his analysis he also notes that we - developed and less developed countries alike – share one planet, and that global warming represents a real threat to this planet, one whose effects may be particularly disastrous for some of the developing countries; we all need to limit carbon emissions; we need to put aside our squabbling about who's to blame and get down to the serious business of doing something; we need a commitment by the developed countries to pay the developing countries fairly for their natural resources and to extract them in ways that do not leave behind a legacy of environmental degradation.

Stiglitz surmises a renewal of the commitments already made by the developed countries to provide financial assistance to the poorer countries of 0.7% of GDP – a renewal accompanied this time by actions to fulfil that commitment; reforms of the global financial architecture that would reduce its instability and a shift of more of the burden of the risk to the developed countries, which are in such a better position to bear these risks. Among the key reforms is a reform in the global reserve system that would not only lead to enhanced stability, from which all would benefit, but could also help finance the global public goods that are so important if we are to make globalization work. A host of institutional (legal) reforms are also needed to ensure, for instance, that new global monopolies do not emerge, to handle fairly the complexities of cross-border bankruptcies both of sovereigns and companies, and to

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<sup>324</sup> Stiglitz 2006:285.



force multinational corporations to confront their liabilities, from, for instance, their damage to the environment. If the developed countries have been sending too little money to the developing world, they have also been sending too many arms, they have been part and partner in much of the corruption, and in a variety of other ways they have undermined the fledgling democracies. The global social impact would entail not just lip service on the importance of democracy but the developed countries actually curtailing practices that undermine democracy and doing things to support it – and especially doing more to curtail arms shipments, bank secrecy, and bribery.<sup>325</sup>

For globalization to work, of course, developing countries must do their part. The international community can help create an environment in which development is possible; it can help provide resources and opportunity. But in the end, responsibility for successful, sustainable development – with the fruits of that development widely shared – will have to rest on the shoulders of the developing countries themselves. Not all will succeed, but there is reason to believe strongly that with the global social contract described above, far more will succeed than in the past. Elements of this new global social contract are already in place. One way of achieving greater balance is to strengthen the Economic and Social Council at the UN. The Council could play an important role in defining the global economic agenda, in ensuring that attention gets focused not just on issues that are of interest to the advanced industrial countries but on those that are essential to the well-being of the entire world. It could encourage discussion of global financial reform which addresses the problems of the developing countries in which the bankruptcy process is not controlled by creditor countries.

According to Stiglitz, it could have a particularly important role in the many issues that cross the soils in which so much of international decision making is confined. It could push for the rain forest which would simultaneously provide developing countries with incentives to maintain their rainforests and with money to promote their development. It could push an intellectual property regime that advances science and pays due respect that any international oversight of a country's economic policies focuses not just on inflation, which is of such concern to financial markets, but also on unemployment, which exerts such a toll on workers. Discontent with globalization, as it has been managed, has partly reflected the discontent with outcomes, and partly the discontent with the lack of democratic process. Reducing the

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<sup>325</sup> Stiglitz 2006:286-287.



democratic deficit would be a major step forward in making globalization work on both counts.

When all these positive steps are undertaken, the world can again have faith that policies and programs that have been subject to democratic scrutiny are likely to be more effective and more sensitive to the concerns of the citizenry.<sup>326</sup> Stiglitz's favourite description of the mishaps with globalization, as experienced by large portions of the world, is that it seems globalization has been managed in a way that simulates a *pact with the devil*. Stiglitz sounds like a preacher on this point: "A few people in the country become wealthier; GDP statistics, for what they are worth, look better, but ways of life and basic values are threatened. For some parts of the world the gains are even more tenuous, the costs more palpable. Closer integration into the global economy has brought greater volatility and insecurity, and more inequality. It has even threatened fundamental values. This is not how it has to be. We can make globalization work, not just for the rich and powerful but for all people, including those in the poorest countries. The task will be long and arduous. We have already waited far too long. The time to begin is now."<sup>327</sup>

Stiglitz maintains that enhancing our understanding of globalization's problems will help us to formulate remedies – some small, some large – aimed at both providing symptomatic relief and addressing the underlying causes. He observes that there is broad array of policies that can benefit people in both developing and developed countries, thereby providing globalization with the popular legitimacy that it currently lacks. In other words, globalization can be changed; indeed it is clear that it will be changed. The question of whether change will be faced upon us by a crisis or result from careful, democratic deliberation and debate. Crisis-driven change risks producing a backlash against globalization, or a haphazard reshaping of it, thus merely setting the stage for more problems later on. By contrast, taking control of the process holds out the possibility of remaking globalization, so that it at last lives up to its potential and its promise: higher living standards for everyone in the world.<sup>328</sup>

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<sup>326</sup> Stiglitz 2006:287-288.

<sup>327</sup> Stiglitz 2006:292,

<sup>328</sup> Project Syndicate 2006.

### **9.3 Ecumenicals Working Together for Change and Covenanting for Justice: Recommendations**

The recommendations suggested by ecumenicals, working together for change and covenanting for justice, are in comparison with those of Stiglitz equally profound. They state that by confessing their faith together, they covenant in obedience to God's will as an act of faithfulness in mutual solidarity and in accountable relationship. This binds them together to work for justice in the economy and the earth both in their common global context as well as their various regional and local settings. On this common journey, some churches have already expressed their commitment in a confession of faith. Ecumenicals urge these churches to continue to translate this confession into concrete actions both regionally and locally. Other churches have already begun to engage in this process, including taking actions and they urge them to engage further, through education, confession and action. To those other churches, which are still in the process of recognition, they urge them on the basis of the ecumenicals' mutual covenanting accountability, to deepen their education and move forward towards confession.<sup>329</sup>

The General Council calls upon member churches, on the basis of this covenanting relationship, to undertake the difficult and prophetic task of interpreting this confession to their local congregations. The General Council urges member churches to implement this confession by following up the Public Issues Committee's recommendations on economic justice and ecological issues. The General Council commits the World Alliance of Reformed Churches to work together with other communions, the ecumenical community, the community of other faiths, civil movements and people's movements for a just economy and the integrity of creation and calls upon our member churches to do the same. Now they proclaim with passion that they will commit themselves, their time and their energy to changing, renewing and restoring the economy and the earth, choosing life, so that they and their descendants might live (Deut 30.19).<sup>330</sup>

The Agape process challenges all churches to consider these and to act in appropriate contextual ways. Churches, congregations and service organizations are called to align their economic management and investment structures with the principles of an Agape economy. Churches are encouraged to build alliances with social movements and trade unions that

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<sup>329</sup> Accra 2004:5.

<sup>330</sup> Accra 2004:5.

advocate for decent jobs and just wages; and work for programmes that encourage participatory budget processes where they become subjects of their own resource allocation for self-development. There are many initiatives that religious bodies can support, such as alternative ethical financing of small entrepreneurs, farmers, Indigenous Peoples, women, youth and people with disabilities. They can support and develop economies of solidarity by drawing lessons from the solidarity economy initiatives and networks, public policies that foster an economy of solidarity, the economy of communion, the practices of the Focolare movement, developing further the El Escorial guidelines of sharing resources, and the Russian Orthodox Church initiative of developing a code of moral principles and rules of economic activity. Churches are encouraged to engage in efforts of regional ecumenical organizations and world communions to develop alternative economies, such as the efforts of the Pacific churches on the *Island of Hope* concept; to engage in inter-faith cooperation in the search and work for alternatives such as the *economics of enough* as a challenge to the economies of greed and completion. They can support initiatives promoting adequate social services and access to medical care in particular in the fight against HIV/AIDS; they can advocate for education for all, particularly for women and children.<sup>331</sup>

Agape promotes the idea that churches need to advocate the shift from fair trade to just trade. Churches should establish the practice of using fair trade products to a minimum. At the global level, churches should join the trade for people campaign. Churches are expected to contribute to the re-negotiations of entitlements under multilateral trade agreements, and should collaborate closely with social movements in making those agreements just, equitable and democratic. Churches and congregations should use money and manage their finances according to biblical standards. This would include investments only in businesses following social and ecological justice as well as in alternative banks which do not apply interest rates higher than the real growth of the economy, which do not engage in speculation, nor in helping money owners to avoid taxes. Agape also calls upon the WCC to develop an ecumenical code on these issues. Churches and specialized ministries are asked to reaffirm their commitment to the campaign for debt cancellation and the control and regulation of global financial markets.<sup>332</sup>

In addition to this, Agape suggests that churches and congregations are supposed to, work on global financial systems that link finance and development, break the dominance of

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<sup>331</sup> Agape 2005:57.

<sup>332</sup> Agape 2005:58.

international financial institutions and transnational corporations by calling national governments to regulate transnational corporations, and for a more active role for transformed multilateral bodies, and open up space for communities and governments to exercise democratic control over critical financial issues that affect people's lives – which includes the audit of financial debts as a means to identify illegitimate and odious debts. They can advocate to reverse the flow of financial and ecological wealth from the South to the North by cancelling illegitimate debts and devoting 0.7% of industrialized countries' Gross National Income to Official Development Assistance, not as an act of charity but as restitution or past exploitation. They can help seek redress for injustices such as illegitimate debts and unfair trade conditions for capital retention for poverty eradication and development.

In Agape's vision, churches and congregations should care for the web of life and the rich bio-diversity of creation, become engaged for a change of unsustainable and unjust patterns of resources extraction and use of natural resources, especially in respect of Indigenous Peoples, their land and their communities, support movements, groups and international initiatives defending vital common resources against privatization, such as water and bio-diversity, advocate for resource and energy efficiency and a shift from fossil fuel-based energy production to renewable energies; this implies that the churches themselves adopt appropriate policies.<sup>333</sup>

In essence, Agape encourages public engagement in the reduction of greenhouse gas emissions beyond the targets of the UNFCCC, and work with churches on adopting policies and programmes for peoples affected by the sea level rise, strengthening the eco-justice movement that involves the wider ecumenical family. Churches in rich and affluent societies should work for sustainable consumption and production patterns by adopting self-restraint and simplicity in lifestyles and resistance to dominating patterns of consumerism. Churches and congregations are encouraged to join the global struggle against the privatization of public goods and services and actively defend the rights of countries and people to define and manage their own development.<sup>334</sup> It seems that churches and congregations have a clear directive to ensure the use of church land for life-giving farming, build and promote a life-giving agriculture ecumenical forum, oppose TRIPS and patenting of seeds and life forms, ensure food sovereignty, oppose the production of genetically modified organisms (GMOs),

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<sup>333</sup> Agape 2005:58.

<sup>334</sup> Agape 2005:59.

promote organic farming and joining resistance movements against agro-business. Especially churches are encouraged to analyse the convergence of the imperial powers and their military hegemony and economic domination. Churches are called to reflect on the question of power and *empire* from a biblical and theological perspective, and to take a clear faith stance on hegemonic powers. Churches are encouraged to support global initiatives to transform multilateral bodies such as the United Nations to address the real needs of the peoples of the world for peace and justice. Churches are asked to support initiatives of the churches in their reflection on hegemonic powers, such as critical efforts of the European churches on the contract for a European constitution, and the US churches' debate on empire.<sup>335</sup> Agape concludes its recommendations as follows:

“So let us, as churches together, make a clear decision, choosing between God and mammon, and opting for an economy of life; We affirm that the earth and all it contains are God’s gifts, given out love and care for all created beings – living and non-living. We acknowledge the interdependence of creation and human society, and that the sustainable use or excessive abuse of this relationship will either enhance or destroy our living together in this interdependence. We affirm our hope that a just global economy built on the creative alternatives of people the world over is not only possible, but that it already exists in communities based on communitarian sharing and resources distribution. Here in small pockets, we discern the absence of the selfish pursuit of wealth. God’s love and justice calls the church to its true vocation to accompany these small initiatives in all regions that seek just alternatives. The church can not only learn from such local initiatives, but can draw lessons from them in seeking global alternatives. We acknowledge that this process of transformation requires that we as churches make ourselves accountable to the victims of the project of neoliberal globalization. Their voices and experiences must determine how we see and judge this project in the light of the Gospel. This implies that we as churches from different, regions also make ourselves accountable to each other, and that those of us closer to the centres of power live out their first loyalty with their sisters and brothers who are suffering and oppressed.”<sup>336</sup>

Taken together, these recommendations outlined by Accra, Agape and the German-South African Globalization Project suggest a sought after transformative theological praxis that not only delegitimizes, displaces and dismantles the present social and economic order but also

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<sup>335</sup> Agape 2005:60.

<sup>336</sup> Agape 2005:60.

envisions alternatives that emerge from the margins. On the issue of ecumenical initiatives and statements, the following has been suggested in the 2012 São Paulo Statement at the World Council of Churches: “There is thus a requirement for an active radicalising of their theological discourse that will no longer allow too much power being placed into capitalist ideologies that have resulted in an inability to think beyond existing financial and *economic world order*. To move forward the agenda outlined above, a global ecumenically instituted commission should be formed immediately to carry forward the valuable work of the Stiglitz Commission, linking with other faith communities, civil society organizations, interested governments, institutions and other relevant stakeholders to develop a concrete proposal for the governance of a new world economic and financial architecture. The WCC, WCRC, CWM and LWF should, together with other partners, develop a coherent strategy of advocacy for a new economic and financial architecture.”<sup>337</sup>

“Effective communication strategies are important for successful advocacy initiatives. Churches should substantially increase the number of staff working on building dialogue on economic and financial developments with decision makers in the fields of politics, the private sector, professional associations, standard setting institutions, research organizations and civil society organizations. An ecumenical school of Governance, Economics and Management (GEM) should be established to develop economic competencies and empowerment within the ecumenical movement. In addition, educational materials should be developed to enhance the economic and financial literacy of church members. Churches should affirm a commitment to communication rights to advance the empowerment of communities in developing alternatives to the current financial and economic structures.”<sup>338</sup>

“The ecumenical movement should accompany alternative social movements from below that protest against the injustices of the present system and strive to develop alternatives. As a matter of accountability, churches should be asked to report on how they have followed up on recommendations on ethical investments. Such responses could be used to strengthen ecumenical cooperation in this area. The agenda for transformation is vast, and it is easy to be overwhelmed by all that is required to implement it. Yet numerous alternatives have already been established by people all over the world and that serve as signposts of change.”<sup>339</sup>

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<sup>337</sup> World Council of Churches 2012a.

<sup>338</sup> World Council of Churches 2012a.

<sup>339</sup> World Council of Churches 2012a.



## 9.4 The Public Theology Platform: Service to the World

The public theology platform should also be a platform that must be the middle-ground between Christian and secular worlds to discuss issues of globalization. It is also important to make recommendations from such a platform in order to ensure that the right policies and processes are followed within the global economy. Hans Küng, an early and keen promoter of this notion of public theology and the proposer of a global ethic, summarises the following on the global application of the Golden Rule and the commandment not to steal:

“Numberless men and women of all regions and religions strive to live their lives in solidarity with one another and to work for authentic fulfilment of their vocations. Nevertheless, all over the world we find endless hunger, deficiency, and need. Not only individuals, but especially unjust institutions and structures are responsible for these tragedies. Millions of people are without work; millions are exploited by poor wages, forced to the edges of society, with their possibilities for the future destroyed. In many lands the gap between the poor and the rich, between the powerful and the powerless is immense. To be authentically human in the spirit of our great religious and ethical traditions means the following: We must utilize economic and political power for service to humanity instead of misusing it in ruthless battles for domination. We must develop a spirit of compassion with those who suffer, with special care for the children, the aged, the poor, the disabled, the refugees, and the lonely. We must cultivate mutual respect and consideration, so as to teach a reasonable balance of interests, instead of thinking only of unlimited power and unavoidable competitive struggles. We must value a sense of moderation and modesty instead of an unquenchable greed for money, prestige, and consumption! In greed humans lose their souls their freedom their composure their inner peace and thus that which makes them human.”<sup>340</sup>

The sentiments outlined above by Küng call for the necessity and imperativeness for a common global ethic in the current *economic world order*. The public theology platform seems like an appropriate vessel to use to advocate the message of service to the world from. The recommendations described in this chapter by Stiglitz, Accra, Agape and the Globalization Project, assume and develop a positive rhetoric a basis that there is still hope for globalization to work if we see ourselves as servants that render service to the world. In this regard leading representatives of German and South African churches offer the following consensus to churches, to all people of good will, to global civil society and to governments

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<sup>340</sup> Küng 1998:232-233.



which look for moral guidance for their daily decisions and for their long term policies. They are of the view that this consensus is a sign of hope for us and they see it as an encouraging example that we can find a common direction for the future journey of humankind beyond differences of context, of culture and of social status. They commend it to the churches and to the publics in global civil society for review and further discussion.<sup>341</sup> Together they state, in a so-called Second Stellenbosch Consensus:

“We are agents of our future. There is no automatism. We are responsible for our actions. Human beings and nature are created by God. Therefore our relationship to nature is not characterized by domination but by respect and good will. Respect for nature and responsibility for future generations require a fundamental transformation of our global economy toward a low carbon and low natural resources development. We need to take into account the increasing scientific consensus on the damages of climate change and on the limitation of natural resources and of the capacity to absorb waste, pollution, CO2 emission etc. which indicates the impossibility of globalizing unsustainable models of material wealth. Each human being on this earth has the same right to equally participate in the global wealth of natural resources. Present levels of inequalities and injustices are questionable. This places limits on private ownership of and trade in natural resources.”<sup>342</sup>

“The question of ecological reorientation must be inseparably linked with concerns for justice and human rights. Taking justice and human rights seriously implies acknowledging the necessity of growth to achieve human development to a minimum standard of living in dignity for each human being. Yet moving out of poverty requires different kinds of growth and transformation. Growth must be a qualitative growth which means that it is promoted only where it is reconcilable with both improving the situation of the poor and limiting harm against nonhuman nature to a sustainable level. This requires an economy that lives up to the goal of sustainability in all its dimensions. Market economy needs to be reformed accordingly to embrace a socio-ecological market. We need technological progress to enable energy- and resource- efficiency and sustainability and to strongly reduce the natural resource intensity of our economies.”<sup>343</sup> “Possible *rebound effects* on increased consumption levels need to be taken seriously and addressed appropriately. We do not believe in shifting the expenses of our present lifestyle to people in poorer countries and future generations. We consider it to be

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<sup>341</sup> The Second Stellenbosch consensus 2013:1.

<sup>342</sup> The Second Stellenbosch consensus 2013:2.

<sup>343</sup> The Second Stellenbosch Consensus 2013:2.

the responsibility of the rich to support the poor everywhere in the process of transformation. Markets can play a decisive role in allocating scarce natural resources. Prices which speak the ecological truth reveal the preciousness of such resources and thus help the economy to use and allocate them with care. Governments and corporations should review the impact of all their decisions, operations, processes and structures on the economic, social and cultural rights and on the environment in order to minimize harm. The state in particular must play a decisive role in allocating scarce natural resources by encouraging a responsible use of common goods such as water and air, and by making sure that all citizens, also the less advantaged ones, benefit from them. State regulations should prevent market players from overexploiting the natural and social commons for private advantage. Political strategies are required for legally framing economic activities in a way that gives incentives for saving natural resources. Transformation can be effective by substantially moving towards consumption habits which have less or no destructive potential for the earth and by embracing a holistic vision of good life. Religions and caring people can contribute to such a vision.<sup>344</sup>

“Companies and organizations need to continue to embrace guiding values and institutional designs in their policies and governance which enable transformation. This might also contribute to self-benefit. Transformation includes a change of social norms and values for the common good of humankind and creation. The transformation we call for is global in nature. We need new forms of multilateral cooperation and democratic global institutions, structures and binding global conventions to enhance and drive transformative just processes towards sustainability, nurturance of creation and human development. All nations have a common but at the same time different responsibility in building a just and sustainable world. Transformation also requires global financial institutions to seriously reconsider their policies and systems of operations in the light of building a more just and equal world. We recommit ourselves to a vision of fulfilled life which includes a life in dignity for every human person and a relationship to nature mirroring its character as God’s creation.”<sup>345</sup>

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<sup>344</sup> The Second Stellenbosch Consensus 2013:3.

<sup>345</sup> The Second Stellenbosch Consensus 2013:3.

## 9.5 Conclusion

To bring this two-legged ethical discourse, on the possibilities of an *alternative globalization*, a *just economic world order*, to a conclusion, we should ask a question involving the third element in this conversation: In terms of the so-called responsibility theory, is Stiglitz's globalization paradigm compatible with the Christian view of economic justice? It is clear that the answer to this question has become quite evident throughout the various chapters of this thesis. Clearly, the answer is yes. The Stiglitz Commission enjoys extra-ordinary attention on the platform of the World Council of Churches, indicating the resonating beams it radiates with his paradigm and notion of economic justice and equality for all the peoples of the earth. Ecumenicals are in full agreement with Stiglitz's sentiments, also used here to summarise what can be seen as a surprising and hope-giving ethical *consensus* between economic and ecumenical discourse, mediated on the common ground of shared human responsibility:

“Of course, those who are discontented with economic globalization generally do not object to the greater access to global markets or to the spread of global knowledge, which allows the developing world to take advantage of the discoveries and innovations made in developed countries. Rather, they raise these concerns: The rules of the game that govern globalization are unfair; specifically designed to benefit the advanced industrial countries. Globalization advances material values over other values, such as a concern for the environment or for life itself. The way globalization has been managed has taken away much of the developing countries' sovereignty, and their ability to make decisions themselves in key areas that affect their citizens' well-being. While the advocates of globalization have claimed that everyone will benefit economically, there is plenty of evidence from both developing and developed countries that there are many losers in both. Perhaps most important, the economic system that has been pressed upon the developing countries is inappropriate and often grossly damaging.”<sup>346</sup>

“Making globalization work will not be easy. There are many things that must be done. Today, there is an understanding that many of the problems with globalization are of our own making – are a result of how globalization has been managed. But another world is possible, even more; another world is necessary and inevitable. We cannot carry on along the course we have been on. We can restructure globalization so that those in the developed and the

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<sup>346</sup> Stiglitz 2006: 13, 24.

developing world, the current generations and future generations, can all benefit – though there are some special interests that will lose out, and they will resist these changes. We can have stronger economies and societies that put more weight on values, like culture, the environment, and life itself.”<sup>347</sup>

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Looking back at the road travelled with Stiglitz, Accra, Agape, the North-South Globalization Project, and Responsibility Theory, a few sobering remarks may be in order. As mentioned, right from the start of this project, there has been, throughout, a disciplined focus on very specific (albeit representative) discourses, and the interest was, foremost, on ethical discourse, even though much economics and theology also contributed to the discussion on globalization. It is now time to put the findings of this limited investigation on the table, and to hope that economists will react (hopefully not with a “business as usual” attitude, but rather with a new engagement with the real context of poverty, discrepancies in quality of life, and ecological disaster), that theologians of all religions will participate in the continuing quest for meaning and the good life (not simply repeating old credos and practices, but pursuing justice and peace that will truly lead to human dignity and fulfilment), and that ethicists will shine new light on all these conversations from the perspective of utility, command, natural law, fairness, common sense, evolution, etc. (and thus bring their theories to bear on real life issues which are indeed determining the future of the planet and humanity).

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<sup>347</sup> Stiglitz 2006:13, 24.

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