

University and Globalization: Yes, But*

Michael Czerny, S.J.

1. University and globalization

Both our title words “university” and “globalization” come from the Latin via Middle French, and they have similar pretensions.

The University was born at Bologna in 1088 with the name *universitas studiorum*. It was an amalgamation of various monastic and cathedral schools known as *studia* and also a bringing together of the various branches of knowledge. These were then distributed among the four basic faculties of theology, philosophy, medicine and law. Later, much the same structure was found at Padua, Salamanca, Paris, Oxford and Prague. Underlying the birth of the medieval University was the intuition that knowledge cannot be parcelled out in separate, unconnected disciplines, as tends to happen nowadays, but has a global indeed divine unity.

At Salamanca where St. Ignatius of Loyola studied, a new gate was erected bearing a Greek inscription which linked the notion of “university” with the word *enkyklopaideia* or encyclopaedia. Knowledge, in other words, is cyclical, round and rounded, that is, really global, and so must the University be.

This was also true geographically: the professors and students came from all the countries of the known world (Europe), and the degrees were valid globally because they were granted on the basis of a charter from the Holy See and so recognized throughout the Christian world.

The University was born in the bosom of the Church, out of her interest in knowledge and her commitment to man. This has remained constant throughout history and explains why so many universities trace their origins to the Church and, more specifically, to the Society of Jesus.

Twenty years ago, the great Jesuit philosopher, educator and martyr, Fr. Ignacio Ellacuría, S.J., spoke at Santa Clara University about what a Jesuit university should be. First and obviously, he said, “the University has to do with culture, knowledge, and a particular exercise of intellectual reason.” This corresponds to the medieval idea of *universitas*.

The second consideration is not so obvious. He went on, “the University is a social reality and a social force, historically marked by what the society is like in which it lives, and destined as a social force to enlighten and transform that reality in which it lives and for which it should live.”¹ The reality in which we live today is, to a great extent, globalization. What can Santa Clara do to enlighten and transform it?

* With gratitude for the help of Paolo Foglizzo, S.J., Louisa Blair, and Fernando Franco, S.J., in preparing this paper, published as a Santa Clara Lecture: www.scu.edu/BannanCenter/ and then look for “Santa Clara Lectures.”

¹ Ignacio Ellacuría, S.J., “The Task of a Christian University,” Convocation address at the University of Santa Clara, June 12, 1982; “Una universidad para el pueblo”, *Diakonia* 6:23 (1982), 41-57.

To confront it authentically, Santa Clara University must question its own place in the world, its entanglement with the structures of globalization, and the responsibilities which flow from its role as a university and its Jesuit heritage.² Santa Clara is to be commended for undertaking an **Institute on Globalization** in order better to understand, evaluate and tackle this enormous phenomenon.

Globalization is not just about economics, business and marketing: the whole person is at stake. That's why the Holy Father keeps saying, "Yes, but!" . The approach to take is an ethical one, faith linked with justice, solidarity nourished by prayer.

2. We have mixed feelings

I have mixed feelings about globalization:

On the one hand, I wholeheartedly reject globalization because it is monolithic, short-sighted, imposed and unfair. I sympathize with the protestors at Seattle, Prague and during these days (6-10 November) at Florence, and I utterly reject the neo-liberal market ideology, with its consumerist and individualist culture which grinds down differences and destroys identities, favours the already-rich and penalizes the poor. I hate the globalization which drags the world back down into a huge jungle whose first and only law is the survival and prosperity of the fittest.

On the other hand, at the same time and in the same world, I appreciate the many options to choose from. I'm happy to make authentic, personal choices and have access to many possibilities. For example, while I never miss the chance to criticize the mega-corporations and especially Microsoft, yet when I visit any corner of the world, I am happy to find well-known Windows, Word and Outlook Express already waiting for me there. So I travel, I surf, I explore, I enjoy my cell phone, my jeans are stylish but cheap, made in Burma but designed in San Francisco. I won't let anyone or anything exclude me, and in fact I struggle so that others, especially the poor, might enjoy the same possibilities and have the same access. Obviously I'm a globalization fan!

What I like about globalization seem to be legitimate benefits of a globalizing economy: products and services, advantages and by-products. What I hate about globalization are its imposition, its pretensions, its cultural imperialism and its grinding injustice. Can I both benefit from it and struggle against it, both love it and hate it?

As mixed-up as I feel, the world seems mixed up, too: a global village with widening gaps, very rich and scandalously poor, generous in its liberties for some and worsening exclusion for many. Such are the fragmentations and tensions that I have to confront in myself, in my friends and colleagues, in the Church and the Society of Jesus, and in practically any group that I meet.

² A Jesuit university must be faithful to both the noun "university" and to the adjective "Jesuit." Society of Jesus, General Congregation 34 (1995), D.17, "Jesuits and University Life," nn. 6, 7.

We forget how new globalization is. Only fifteen years ago, Pope John Paul II wrote *Sollicitudo Rei Socialis*, an encyclical which dealt with globalization, but as the word didn't exist yet he spoke about "interdependence." Almost as soon as the Berlin Wall came down, multinational corporations began setting up plants and shops in formerly forbidden territories and, within a mere fifteen years, the world we used to know had irrevocably changed, and not always for the better: Many countries are poorer than ten, twenty and in some cases thirty years ago.³

3. Impact analysis: let's do an experiment

When physics can't get at something and take it apart to figure out what it is, it uses an indirect method: it takes a known object and smashes into the unknown one. Watching what happens, the physicists work their way back from the effects of this collision to what the formerly unknown object is most probably like.

Similarly, "globalization" is too fast, too new, too vast and complex for us to figure out what it is and how it works. So we watch it smash into things we know, and from the effects we work our way back to what the unknown new force is probably like. Let's call this approach "impact analysis." It is a method that will be much used at this Conference.

We are planning to look at the following six impacts of globalization:

- i) on human dignity and the common good, especially with regards to the poor and marginal.
- ii) on cultures and religions, on the systems of thought and behaviour of traditional cultures.
- iii) on poverty
- iv) on local and regional economies
- v) on labour
- vi) on the environment

[i] This perspective pays particular attention to the impact of globalization on human dignity and the common good, especially with regards to the poor and marginal. While advances in communication, the removal of barriers to trade, and the shift of manufacturing facilities to the developing world may provide opportunities for social development, the process may also diminish the capacity of great numbers of peoples to participate in these advances. They may have no voice in decisions about international trade structures, labour and environmental conditions. Their religious and cultural traditions may be undermined by market-driven, secularized value systems. The benefits of globalization accrue to elites while the costs are borne by a global underclass.

ii) Conference participants will analyze the impact of the neo-liberal model of economic development on the systems of thought and behaviour of traditional cultures. The increasing interconnection of peoples and systems can produce cultural dislocation as traditional systems of meaning lose their power to make sense of the

³ *Human Development Report 2002*, New York: Oxford University Press, 2002, p. v.

world. Fundamental cultural convictions about gender and family, the land and community are challenged by market-based values that promote individual accumulation and secularization. This brings cultural benefits to some, but also widespread loss of cultural identity to many. The backlash can be violent. While the impact of globalization on traditional cultures is inevitable, the question remains as to whether it can be humanized. Can this global integration respect cultural distinctiveness? To what extent is it compatible with religious traditions, particularly Christian faith?

iii) A central theme of the conference will be the impact of globalization on poverty. Will the increasing cross-border flow of labour, material and financial resources, and goods and services alleviate poverty or exacerbate it? Will increased investment in developing economies and the spread of mass communication technology lead towards more open societies and democratic institutions or expand the gap between the prosperous and the poor? Discussion about the economic impact of globalization has centred on who benefits from the process. Globalization keeps on increasing the difference between the rich and the poor. According to the latest *Human Development Report*, the world's richest 1% of people receive as much income as the poorest 57%. The richest 10% of the U.S. population has an income equal to that of the poorest 43% of the world. The income of the world's richest 5% is 114 times that of the poorest 5%.⁴

iv) Some argue that without globalized production and trade, many of the world's poor would have few opportunities for earning income. Persistent poverty may result from local conditions of corruption, discrimination and distortion of markets, which are only exacerbated by free trade. Others argue that local and regional economies are increasingly shaped by decisions made by international traders and lending entities without any participation by the people affected. A free market ideology undermines local economies in favour of market forces unhampered by governmental intervention and unaccountable to political scrutiny.

v) Labour – “Even more visceral and threatening to those who fear [international changes] is the growth of a global labour pool that during the next decade will absorb nearly two billion workers from emerging markets, a pool that currently includes close to one billion unemployed and underemployed workers in those markets alone. These people will be working for a fraction of what their counterparts in developed nations earn and will be only marginally less productive. You are either someone who is threatened by this change or someone who will profit from it. But it is almost impossible to conceive of a significant group that will remain untouched by it.”⁵

vi) Environment – “Developing countries fear their economic futures may be jeopardized by policies that may burden their nations with the responsibility of reducing global warming, an environmental crisis caused by the wealthy, industrialized North. Within the challenge of developing global environmental policy to meet both the environmental and development needs of different sectors of the world is the answer to the question: Can globalization green the world?”⁶

⁴ *Human Development Report 2002*, p. 19.

⁵ David Rothkopf, “In Praise of Cultural Imperialism,” *Globalization and the Challenges of a New Century: A Reader*, ed. Patrick O’Meara, Howard D. Mehlinger & Matthew Krain. Indiana University Press, 2000, p. 443.

⁶ Leslie Grey, “Globalization Conference Planning Document.” San José: Santa Clara University, July 2001.

We look forward to seeing the results of these six impact analyses. Given the pace of globalization and how it seems to impose itself, it is already an unusually open-minded step to pause and ask, “What is the impact?” rather than simply applaud the headlong rush to globalize.

It will become harder and harder to disentangle the impacts of the exponentially expanding opportunities for a rather small minority from the terrible sufferings of (millions of) others. Such a mass of ambiguous data is disorienting. And so with the promise of a trade-off like “The impact may be negative today, but they’re likely to improve tomorrow,” or with a bit of cynical wisdom, “History always smiles on some and penalizes others,” we are tempted to bale out: “Why bother? let things take their course.”

The various data pouring in are more or less reliable. But the challenge is to give them their proper weight so that ethical choices can be made. Here is where our principles, values and deep beliefs come in. To take a simple example: why is putting \$1000 per year into the pockets of a million poor families better than putting \$1 billion into the pocket of someone like the inventor of Windows? On what basis would you make this judgement?

Impact analysis is not enough, as we will see when we observe the debate on globalization at the World Summit for Sustainable Development that took place earlier this year.

4. Sustainable development in a globalizing world

At the Johannesburg Summit, you wouldn’t think that the nations would come to blows over a description of globalization, but that’s in effect what they did. By the time delegates arrived there were already two competing definitions. Paragraph 45 was apparently drafted by those who benefit from globalization, and Paragraph 45 (alt) is like the title of this Conference: “Globalization as seen from the developing world.”

45. Globalization – the growing integration of economies and societies around the world – is integral to sustainable development and has the potential to improve living standards for all. Globalization has meant increased trade and capital flows, increased sharing of ideas, and the extension of democracy and rule of law to an ever-widening circle of countries. While globalization has improved lives around the world and offers enormous opportunities for further improvement, our challenge remains to ensure its benefits are enjoyed by all countries. Developing countries and countries with economies in transition face special difficulties in responding to the challenges and opportunities of globalization.

45 (alt). Globalization offers opportunities and challenges. While it has great potential to improve living standards for all, it is a matter of great and increasing concern that not all countries are reaping the benefits of globalization, and that some may even be falling behind. In particular,

developing countries and countries with economies in transition face special difficulties in responding to the challenges and opportunities of globalization. There is further fear of increasing instability in the international economic and financial system, marginalization, environmental stress, negative social implications and loss of cultural diversity. Globalization should be fully inclusive and equitable, and there is strong need for policies and measures at the national and international levels, formulated and implemented with the full and effective participation of developing countries and countries with economies in transition to help them respond effectively to those challenges and opportunities. Efforts at the international, regional and national levels are required to make globalization work for sustainable development and make it equitable, inclusive and responsive to the needs of developing countries. The potential of globalization to promote sustainable development for all remains yet to be realized.

Par. 45 talks about globalization as “integral to sustainable development” with “the potential to improve living standards for all.” Globalization, it boasts, “has meant increased trade and capital flows, increased sharing of ideas, and the extension of democracy and rule of law to an ever-widening circle of countries.” Par. 45 (alt) grants globalization “great potential” but “not all countries are reaping [its] benefits” and this is “a matter of great and increasing concern.” “Instability in the international economic and financial system, marginalization, environmental stress, negative social implications and loss of cultural diversity” are all feared to increase. It also mentions the need for governance: “Efforts at the international, regional and national levels are required to make globalization work for sustainable development and make it equitable, inclusive and responsive to the needs of developing countries.” And it concludes: “The potential of globalization to promote sustainable development for all remains yet to be realized.”

Evidently, how you describe globalization depends on where in the process you sit or on how it impacts on you. The final compromise is headed, V. Sustainable development in a globalizing world, and it balances the language of “opportunities and challenges” with that of “challenges, crises, special difficulties and strong need.”

45. Globalization offers opportunities and challenges for sustainable development. We recognize that globalization and interdependence are offering new opportunities to trade, investment and capital flows and advances in technology, including information technology, for the growth of the world economy, development and the improvement of living standards around the world. At the same time, there remain serious challenges, including serious financial crises, insecurity, poverty, exclusion and inequality within and among societies. The developing countries and countries with economies in transition face special difficulties in responding to those challenges and opportunities. Globalization should be fully inclusive and equitable, and there is a strong need for policies and measures at the national and international levels, formulated and implemented with the full and effective participation of developing countries and countries with economies in transition, to help them to respond effectively to those challenges and opportunities.

In the end, at the World Summit for Sustainable Development, the real battles were finally won according to one yardstick alone. Practically the only commitments that were entertained and the only conditions that were tolerated were those that fit into the framework of the World Trade Organization. Thus, we have some sense, not only of the facts and their complexity, but also of their import.

We may be ready to create some of our own definitions of globalization.

5. Like defining the wind

Globalization is not an object of theoretical speculation that may eventually affect people's lives; what we're talking about is globalization as it exists today – closely linked with free enterprise thinking and with market structures – as experienced especially in the developing world. It is something happening today on our streets (thanks to the world petroleum market), in our homes (thanks to television), on our dinner-plates (where does our food come from?), in our minds and perhaps also in our hearts and spirits (prayer!).

Scanning the four definitions listed here, what first hits the eye is how heavily economic globalization is, interlinked with the technological, from which flow important consequences in the social and cultural sphere, with benefits on the one side, “injustices on a massive scale” on the other.

- 1) In our times there is a growing consciousness of the *interdependence* of all peoples in one common heritage. The globalization of the world economy and society proceeds at a rapid pace, fed by developments in technology, communication, and business. While this phenomenon can produce many benefits, it can also result in injustices on a massive scale: economic adjustment programmes and market forces unfettered by concern for their social impact, especially on the poor; the homogeneous "modernization" of cultures in ways that destroy traditional cultures and values; a growing inequality among nations and — within nations — between rich and poor, between the powerful and the marginalized.⁷
- 2) As a result of changes in economic policy and technology, economies that were once separated by high transport costs and artificial barriers to trade and finance are now linked in an increasingly dense network of economic integrations. This veritable economic revolution over the last fifteen years has come upon us so suddenly that its fundamental ramifications for economic growth, the distribution of income and wealth, and patterns of trade and finance in the world economy are only dimly understood.⁸
- 3) The globalization of commerce is a complex and rapidly evolving phenomenon. Its prime characteristic is the increasing elimination of barriers to the movement

⁷ Society of Jesus, General Congregation 34 (1995), Decree 3, “Our Mission and Justice,” n.7.

⁸ Jeffrey Sachs, “International Economics: Unlocking the Mysteries of Globalization,” *Globalization and the Challenges of a New Century: A Reader*, eds. Patrick O’Meara, Howard D. Mehlinger & Matthew Krain. Indiana University Press, 2000, p. 215.

of people, capital and goods. It enshrines a kind of triumph of the market and its logic, which in turn is bringing rapid changes in social systems and cultures.⁹

- 4) Considered generically, the process of globalization is the increasing interconnection of nations and cultures that is primarily driven by market forces augmented by technology, capital transfer, and international trade structures. In addition to economic integration, globalization refers to the impact on all cultures of the liberal, individualistic free enterprise value system that predominates in the developed nations.¹⁰

Scanning the four definitions, there is a lot to keep in mind: “barriers, impacts, communications, structures and cultures.” Moreover, the process seems to have a power that is uncontrollable or unstoppable. To describe this feature, Thomas Massaro, S.J., has recently used the fascinating word ‘juggernaut’: “It comes from the Hindi, where it refers to a particular incarnation of the god Vishnu which exacted blind devotion and terrible sacrifice from its worshipers, so that the word juggernaut has come to mean, according to Webster’s dictionary, a ‘terrible irresistible force.’”¹¹

So if globalization is primarily an economic and commercial process, then in the University it belongs in the business school. But the economy is not separable from the rest of human life. It is shaped by people and it shapes them, and therefore it is in relationship with all the other aspects, dimensions, and systems of human life in common.¹² It is too important to be left to business students, future entrepreneurs, or professors of accounting and law alone. Many other faculties have something relevant to say, yet none can pretend to have the only word.

The process of globalization is inextricably founded on the market system and its logic, and it comes across as irresistibly pervasive, spilling over into all other areas of human life. Defining is an important step. As in a Socratic dialogue, the discovery of reality (i.e. is there such a thing?), its definition (i.e. what is it and how real?), and its evaluation (i.e. what is it worth?) take place together. We cannot define globalization without evaluating it, just as we cannot denounce it without understanding it as based on competent research. We dare to go on.

6. You’re messing with our anthropology

The economy is the way in which society organizes the production, distribution and consumption of material goods and services to meet human needs: material, social and even spiritual needs. The market appears to be the most efficient system known so far for resolving the problem (at times a dramatic one) of allocating too scarce resources to satisfy all the needs.

⁹ John Paul II, “Address to the Pontifical Academy of Social Sciences,” 27 April 2001, n.2.

¹⁰ Materials for the Conference “Globalization as Seen from the Developing World,” Santa Clara University, 7-10 November 2002.

¹¹ Thomas Massaro, S.J., “Judging the Juggernaut: Toward an Ethical Evaluation of Globalization,” *Blueprint for Social Justice*, 56:1 (September 2002), p. 3.

¹² “Human life in common” is the Jesuit social apostolate’s sphere of action, as in the *Constitutions of the Society of Jesus, Complementary Norms* (1995), n. 298.

The logic of the market, using the system of prices, permits the intelligent producer to choose whether to produce tea or coffee. Under the strict conditions of perfect market competition (conditions which are virtually never found in reality) the producer wishing to maximise profits will choose to produce those goods society considers more valuable, i.e. is ready to pay a higher price for (of course considering different production costs). In this way a waste of resources is avoided (that is, the production of goods which consumers don't want at all or want less than other products). But when this logic trespasses outside its own field it reduces human beings to producers and consumers to mere economic agents. Neo-liberal economics uses as the actor in its calculations an individual whose only characteristic is to be constantly on the prowl to maximize his own advantages. This calculation ignores the rich variety, dimensions and depths of human experience.

Thus the neo-liberal economic logic reduces “the greatness of man and woman to their capacity to generate monetary income. This intensifies individualism and the race to earn and to own, and easily leads to attacks on the integrity of creation. In many cases, greed, corruption, and violence are unleashed.”¹³ Moreover these ideas, in practice, tend to destroy community.

Even economists seems to be beginning to recognize the limitations of this reduced conception. There has been a steadily increasing interest on the part of economists in happiness research. For example, an article in the recent *Journal of Economic Literature*¹⁴ deals with the relationship between the economy and happiness, and reveals some interesting surprises. Above a certain level, apparently, increases of income are experienced, not as the expected increase in happiness, but as a loss. For happiness is much broader than economics, it is a fully anthropological concept, it is the core of classical ethics and represents the meaning of human life, a completely different way of defining man in terms of the goal or end of life.¹⁵

This reduction in the vision of humanity translates into a parallel reduction in the idea of society, “which reduces more and more the area available to the human community for voluntary and public action at every level.”¹⁶

With the claim that the market, with its logic of constantly seeking to maximize individual advantage,¹⁷ is capable of solving all problems even outside of the usual sphere of the market, one passes from the market economy to the market society. How often we hear that business alone is the competent institution and valid model for solving social problems. Thus the headlong rush to privatize public services especially in Europe and the Third World, since in the United States these have more or less always been private. For example, in Bolivia the distribution of water has been privatized, and so when mountain villagers want to drill a new well, they have to pay a fee to the multinational that holds the water monopoly. Or the increasing for-profit approach of institutions that formerly used to function on a different basis, for

¹³ Latin American Provincials, “A Letter on Neo-Liberalism in Latin America,” *Promotio Iustitiae* 67 (May 1997), n. 10.

¹⁴ Bruno S. Frey and Alois Stutzer, “What Can Economists Learn from Happiness Research?” *Journal of Economic Literature* 40:2 (June 2002). <<http://www.aeaweb.org/journal/contents/june2002.html#frey>>

¹⁵ As the very word de-fin-ition suggests, the end or goal is happiness (Aristotle), *beatitudo*, *visio Dei* (Aquinas).

¹⁶ “Address to the Pontifical Academy of Social Sciences,” 27 April 2001, n.3.

¹⁷ Notice the interest of the WTO to include very broad areas like knowledge (patents), labour laws (ILO), social security (insurance companies), and food (FAO) within its reach.

example, the hospitals in Italy and the prisons in the United States. A growing number of areas are patrolled by private police services – along with the wild proposal in the UK, so far unaccepted, to privatize police investigation and interrogation and put these “services” out for tender. There is a newly vitriolic and radical rejection of any public regulation or state control, routinely tarred as untoward interference or disturbances; and there is the patenting of natural genetic material or the medicinal properties of plants – as if life itself can profitably be submitted to this logic.

From a Latin American viewpoint this imposes a set of values that puts priority on individual freedom of access to satisfaction and pleasures; and “it legitimizes, among other things, drugs and eroticism without limits. It is a freedom that rejects any government interference in private initiatives, opposes social planning, ignores the virtues of solidarity, and acknowledges the laws of the market alone.” This is a good example of the passage to a market society or how the market generates values.¹⁸

This attractive discourse “considers it normal for millions of men and women on the continent to be born and die in misery, unable to generate enough income to obtain a more human level of life. Consequently, governments and societies are not shocked by the hunger and insecurity of multitudes left hopeless and bewildered by the excesses of those who abuse society’s and nature’s resources with no thought for others.”¹⁹ The reduction of man to a producer/consumer and the submission of society to market logic somehow make the violation of the human dignity of millions acceptable or – even worse – unnoticeable.

A good question for Santa Clara is the nature of its real ‘bottom line’. Does Santa Clara consider itself, or feel forced to consider itself, at bottom an enterprise obliged to use a managerial logic for-profit accounting? After all, who decided that a University must necessarily function like a business? Globalization cannot be allowed to reduce man to *homo oeconomicus* and human society to market society any more than we want to see this University turned into a factory or a shopping mall.

7. Yes, but

In the name of a richer and more articulated anthropology, founded upon revelation and the experience of faith, the Church stands up in protest. Here we find the source of the subtitle of this Conference: “Yes, But.” YES, the free enterprise system has a real BUT limited role in human fulfilment.

As the Holy Father said, “The market economy is a way of adequately responding to people’s economic needs while respecting their free initiative,” BUT “it had to be controlled by the community, the social body with its common good.”²⁰ So we are looking for “a globalization ... that is no longer imposed but controlled.”²¹

¹⁸ “A Letter on Neo-Liberalism in Latin America,” n. 11.

¹⁹ *Op.cit.*, n. 14.

²⁰ “Address to the Pontifical Academy of Social Sciences,” 27 April 2001, n.2., referring to *Centesimus Annus* nn. 34, 58.

²¹ John Paul II, “Address to the Pontifical Academy of Social Sciences, 11 April 2002, n. 5.

In 1999, the new administrator of the UNDP noted that “This year’s [Human Development] Report comes down clearly in favour of the power of globalization to bring economic and social benefits to societies: the free flow of money and trade is matched by the liberating power of the flow of ideas and information driven by new technologies.” And now comes the BUT, the HOWEVER: “the Report champions the agenda of the world’s weak, those marginalized by globalization, and calls for a much bolder agenda of global and national reforms to achieve globalization with a human face.”²²

[A second practical critique often found in Catholic social teaching and other sources, is that globalization is unfair or unjust even by its own free enterprise standards. Except for the relatively few economies that benefit greatly, many economies face enormous difficulties. Both costs and benefits are unevenly distributed. Does this come from mismanagement of a powerful tool, or can we legitimately suspect the tool itself less effective than its supporters claim? Its performance seems spotty at best.

One of the most exciting studies in economics has been how ‘imperfections’ and specifically asymmetries in knowledge influence the competitiveness. It is precisely this asymmetry that make prices in a competitive market a very poor ‘clearing device’. Information technology has reduced costs (transportation and other transactions), but differences in all kinds of knowledge affecting production, technology, sales and finances makes a complete caricature of the concept of ‘competition,’ much less ‘perfect competition.’ The second important principle for a clearing mechanism in the market is a law that ‘guides demand’ (Pareto optimality principle), but it has also been proved that under imperfect competition it is impossible to satisfy the conditions.

The fact that the market is the place to clear transactions at minimum cost has been known for centuries. So what is new about the present talk of the markets? One might say that, in a perfect competitive world, markets distribute commodities and resources in an optimal manner. But this is today denied by many economists. The markets function as function the societies in which they are embedded. If there is a power asymmetry in society, this will be reflected in the way markets operate.

“Globalization risks plunging ahead without respecting cultures, nations, languages or even persons in their due distinctiveness. Especially at the economic level, globalization is judged rather negatively, since a market economy gone global does not function for the benefit of everyone. It looks to its own development, and so it makes the rich richer and the poor still poorer.”²³

Thus even by its own standards, the theory falters seriously and today’s globalization is inconsistent and unfair.²⁴ It champions free enterprise when convenient and

²² *Human Development Report 1999*, New York: Oxford University Press, 1999, p. v.

²³ Peter-Hans Kolvenbach, S.J., “Co-responsible in service of Christ’s mission,” Loyola, September 2000.

²⁴ Joseph Stiglitz, *Globalization and Its Discontents*, New York: W.W. Norton & Company, 2002 (i) the great economic powers have not played by the rule of the markets (subsidies and protectionism are only one example). (ii) The IMF original goal was to strive for the stability of national economies and of the international monetary system. As Stiglitz and others have shown just the opposite has happened due to the contractionist policies that have been pushed down the throats of many countries.

protectionism when advantageous to the powerful. For the world's majority it would be the other way round.

So in the University: who has the right to study and teach about globalization? A monopoly by economics, law and business administration would be unacceptable. For man is multi-dimensional, the human and social sciences cannot be mono-dimensional, and the economy is neither separable from, nor equivalent to, the rest of human life. Let economists be economists and let the business school teach good business, BUT anthropology, history, ethics and theology have a lot to contribute, too.

Briefly summarizing the “Yes, But” argument: We affirm the free enterprise approach and the market economy. But discourse about the market and about globalization becomes ideological when they are presented as capable of meeting every need and solving every problem. Thus, when market becomes culture;²⁵ when market economies become market societies; when international relations are limited to the enhancement and protection of market transactions (which seems to lead inevitably to the logic of war): then we must protest, resist, and fight back.

8. Ethics of a social conscience

In a recent article, Cardinal Oscar Rodríguez of Honduras imagined the following scene in New York. “The country whose great eastern harbour boasts the beautiful Statue of Liberty, needs to erect vis-à-vis an equally majestic statue, the Statue of Responsibility, in order to show the first statue her limitations and obligations.”²⁶ Maybe those most anxious to see such a Statue of Responsibility go up are the very ones too poor to have it erected – the Honduran people, for example, in whose name Cardinal Rodríguez was looking forward to addressing this Conference.

Liberty plus Responsibility makes ethics. Ethics focuses on the experience of conscience, that is, the experience in which a possible concrete option becomes a real good, pressing, normative and indeed obligatory: it engages my freedom, orients my will, and strengthens my responsibility to move from discernment to action. Social ethics accompanies the subject not as “I” but as a community, a nation, in a similar dynamic. The Christian faith that wants to do justice discovers interdependence and presses moral obligations. Interdependence is raised to a normative level.

Rather than a reductionist anthropology, a more complete one such as biblical anthropology puts persons – in their integrity with their inalienable dignity and their capacity for self-transcendence – at the centre. Thus it is a raising, not a reduction, that is the basis for an ethical evaluation of globalization.

“Ethical values cannot be dictated by technological innovations, engineering or efficiency; they are grounded in the very nature of the human person. Ethics cannot be the justification or legitimisation of a system, but rather the safeguard of all that is

²⁵ “The market imposes its way of thinking and acting, and stamps its scale of values upon behaviour” is how the Holy Father denounces reductionism. Cf. “Address to the Academy of Social Sciences,” 27 April 2001, n.3.

²⁶ Cardenal Oscar Andrés Rodríguez, “El desarrollo humano, una llamada permanente de la Iglesia,” *Vida Nueva* 2340 (3 de agosto de 2002), 22.

human in any system. Ethics demands that systems be attuned to the needs of the person, and not that the person be sacrificed for the sake of the system.

“The Church for her part continues to affirm that ethical discernment in the context of globalization must be based upon two inseparable principles:

- First, the inalienable value of the human person, source of all human rights and every social order. The human being must always be an end and not a means, a subject and not an object, nor a commodity of trade.
- Second, the value of human cultures, which no external power has the right to downplay and still less to destroy. Globalization must not be a new version of colonialism. It must respect the diversity of cultures which, within the universal harmony of peoples, are life’s interpretative keys. In particular, it must not deprive the poor of what remains most precious to them, including their religious beliefs and practices, since genuine religious convictions are the clearest manifestation of human freedom.”

Hence the Pope’s ethical assessment: “Globalization, a priori, is neither good nor bad. It will be what people make of it. No system is an end in itself, and it is necessary to insist that globalization, like any other system, must be at the service of the human person; it must serve solidarity and the common good.”²⁷ What a responsibility the Holy Father identifies as ours!

Globalization will mirror the structure of the world – if the world is governed on human and egalitarian principles, so globalisation will be good. Paul Locatelli, S.J., said, “Some might see economic forces as inexorable laws that cannot be tampered with, while others might argue that such a conviction is as much an act of belief as any religious assertion.”²⁸ But if the unequal or asymmetrical structure does not change, globalization will reflect and indeed impose these distorted values.

When it comes to ethics, because of its deep links with anthropology, the former “Yes, but” position (accepting the positive, balanced with criticizing the negative) becomes straightforward opposition instead. A philosophy and an ethics that see human beings as profoundly social and interdependent are not going to be happy with neo-liberal ideology disguised as economics.

When interdependence is recognized as a moral determinant, the correlative response is solidarity, solidarity as a moral and social attitude, in fact as a virtue. Interdependence → moral imperative → solidarity.

I’m not talking about a feeling of vague compassion or shallow distress at the misfortunes of so many people, both near and far. On the contrary, solidarity is a firm and persevering determination to commit oneself to the common good; that is to say to the good of all and of each individual, because we are all really responsible for each other. What is hindering full development is the desire for profit and the thirst for power. These attitudes and “structures of sin” are only conquered – presupposing the help of divine grace – by a diametrically opposed attitude: a commitment to the good of one’s neighbour with the readiness, in the Gospel sense, to “lose oneself” for

²⁷ “Address to the Academy of Social Sciences,” 27 April 2001, n.2.

²⁸ Paul Locatelli, S.J., “Justice in Jesuit Education Today: Integrating the Hunger for Truth and Bread,” *Blueprint for Social Justice* 53:3 (November 1999), section III.

the sake of the other instead of exploiting him, and to "serve him" instead of oppressing him for one's own advantage.²⁹

“Solidarity helps us to see the ‘other’ – whether a person, people or nation – not just as some kind of instrument, with a work capacity and physical strength to be exploited at low cost and then discarded when no longer useful, but as our ‘neighbour,’ a ‘helper’ (cf. Gn 2:18-20), to be made a sharer on a par with ourselves in the banquet of life to which all are equally invited by God.”³⁰

And so the Pope calls political and economic leaders to action: It is their responsibility, first of all, “to do everything possible to ensure that globalization will not take place to the detriment of the least favoured and the weakest, widening the gap between rich and poor, between rich nations and poor nations.” It is the job of politics “to regulate the market, to subject market laws to solidarity, so that individuals and societies are not sacrificed by economic changes at all levels and are protected from the upheavals caused by the deregulation of the market.”³¹

In a University that trains future political and economic leaders, many diverse expertise are needed in taking up the great task: to strengthen society culturally, socially and politically so that society has the strength to regulate the market, which mainly means to keep it in its proper place.

Where globalization is well managed so that it bears good fruit, while the negative effects are safely under control, I am free to enjoy its benefits with a good conscience; but where it abuses its economic power and uses political power to its narrow advantage, where it fails to meet the most basic needs and causes disproportionate damage, I'm perforce against it and in solidarity with its victims.

9. Finding God in this mess

We have examined the situation, learned on which basis to evaluate it, heard what we should do. But how to do it? It's a question of finding the energy and resources for a task which seems utterly vast. It's enough to dismay me and cause me to take refuge in my little world without even giving it a try! “Obviously you can't do it, so why bother trying?” With fallacious common sense like this, St. Ignatius teaches, is how the Tempter leads me astray.

There's another temptation easy to fall into: “Reality is complex, there are many interpretations, one opinion is about as good as another.” That's a good liberal one, it's easy to buy. Looking at the same complex reality, this Christian comes along and, without really changing the colour, just adds a coat of Christian varnish. But nothing changes, and so to worry about globalization is just to wring one's hands about the inevitable.

Our post-modern instincts tell us, Christ is one thing, social reality is quite another. But in the name of the Lamb of God who came to take away the sins of the world: Is

²⁹ Cf. Mt 10:40-42; 20:25; Mk 10:42-45; Lk 22:25-27. John-Paul II, *Sollicitudo rei socialis*, n. 38

³⁰ *Op.cit.*, n. 39.

³¹ “Address to the Academy of Social Sciences,” 11 April 2002, nn. 3,5.

nothing evil, is there no sin outside the bedroom? Violence, multinationals, what the world trade rules do to poor farmers and poor countries, greed, fear, etc. – do none of these count as evil, as sin?

We find strength to resist the guiles and even power of globalization, if our social reading, our social intuitions, pass through our relationship with Christ. Our reading and our living of social reality is part of the experience of encountering the Lord. And since if the structures of our common life can embody greater justice and charity, as we firmly believe, then the social realm must be where we can encounter Christ and experience his liberation!

When there's a tragic massacre like 11 September, the Bali night-club or the Moscow theatre, we say it's too bad, we're disgusted, we'd like to weep ... but do these sufferings come into our prayer, or do they stay on the outside? We must let the gritty reality of this world into our lives, so we can learn to feel it, to think about it critically, respond to its suffering and engage it constructively. Let these social and cultural sufferings caused by globalization into our prayer, not just our university conferences?

In God's presence, we review the graces and shadows of each day. In this simple, grateful and penitent review which in Jesuit tradition we call the *examen*, gritty reality emerges. It's not easy to do alone, and it's not easy to do in community. But it is the way of finding God every day in everything, including the mixed feelings and the contradictory convictions. Just as Jesus reveals himself to me in my individual experience, so with the same logic the Lord of History reveals himself to us in the social realm.

When we pray to see and understand, we shouldn't be asking the Holy Spirit for greater intelligence, that is to have a more brilliant picture, a more complete or comprehensive theory, a higher viewpoint and broader horizon than everyone else.

Rather, we should ask the Spirit to help us let this world, as it is and as it works, come into our prayer. We should ask the Spirit for more humility, to recognize the wiles of the Evil One, and to be more cautious and respectful of how evil is at work in the world, in the economy and in society, in globalization. Essential to his strategy is to keep his strategy hidden. So we need to pray very sincerely to know how to recognize the ways of the enemy, and so we really ask for the help of the Holy Spirit. To ask for what I want, the '*id quod volo*': here it will be to ask to know the wiles of [of globalization] and for help to defend myself from them.³²

What the disciples ask Jesus is, "Teach us how to pray." It is not enough for us to do research into globalization, to lecture about it, to undertake social action that'll right its wrongs, if we do not learn to pray and teach others how to pray. The way in which Jesus can operate in the social realm is through us, but this requires an ability on our part to pray (for) these things: to pray for the social sufferings around us, to pray about globalization. There are bigger problems pressing, than what market forces can solve. There are messier solutions needed, than what market forces provide.

³² Ignatius of Loyola, *Spiritual Exercises*, n. 139.

So we pray about globalization, not just so that it'll turn out well, but to penetrate it and, if necessary, for us to change and do something. We're not interested in Christian adjustments to the market much less in Christian justifications for it. We are looking for a Christian way of living, praying and struggling in this society (whatever "this" means for each one of us, in the United States or in Africa or in developed and developing countries in between).

"Our dialogue about the policies of the economic system," said the Latin American Jesuits, should "bring the perspective of the Gospel to the heart of cultural experience: where we find or reject God, build or destroy the meaning of humanity and of nature, welcome or impede the Kingdom. This is the place for deep discernment where we must insert ourselves with lucidity, understanding and freedom, and work with others to build new social relationships of transparency, justice and solidarity."³³

10. Conclusion: 'A global vision can prevail'

The great contemporary philosopher Paul Ricoeur once paid us a great compliment: "It is good that the Society of Jesus is one of the rare places where a global vision can prevail and therefore where intense – because invalid – contradictions to this vision can be clarified."³⁴

The contradictions are intense: Globalization is an economic system and an ideology, and it seems much greater than solidarity.

The contradictions are invalid: globalization has its place, but solidarity is at a different level, running deeper than market logic and reaching as far as the human heart can reach. So solidarity is an antidote to globalization.

A global vision can prevail: Solidarity is a Christian virtue, the law of love in social terms, and maybe it's an inter-religious and secular virtue, too.

Today we begin a conference which dares to explore how this Jesuit University can work on globalization in a way that engages everyone both where we stand in our national reality and from a global viewpoint. It will call our research, teaching, writing and response into question. It will push us to become better inter-connected and to co-operate at the local, regional and international levels; and (to say the first last) it should engage our faith, hope and love.

For a Jesuit University to make good the promise of its name, "*universitas studiorum*," it must help our world become what it really is, a globe: round and beautiful and fair. Just as "St. Ignatius' vision was unabashedly global – 'our vocation is to travel through the world and to live in any part of it whatsoever'³⁵-- because he wanted to deal with the universal good, which is always the greater good."³⁶ And

³³ Latin American Provincials, "A Working Document on Neo-Liberalism in Latin America," *Promotio Iustitiae* 67 (May 1997), n. 6.5, p. 59.

³⁴ Paul Ricoeur, "Letter," *Promotio Iustitiae* 56 (June 1994), p. 22.

³⁵ *Constitutions of the Society of Jesus*, n.304.

³⁶ Peter-Hans Kolvenbach, S.J., "Co-responsible in service of Christ's mission," Loyola, September 2000.

according to the thousands gathered in Florence these days, a different world is possible even if, ironically, the protestors are known as “anti-global”!

“In its journey to greater unity, solidarity and peace,” the Holy Father prayed in April this year, “may today’s humanity pass on to the coming generations the goods of creation and the hope of a better future!”³⁷

Michael Czerny, S.J.
Social Justice Secretariat
C.P. 6139
00195 Roma Prati
ITALY

Santa Clara University
7 November 2002

³⁷ “Address to the Academy of Social Sciences,” 11 April 2002, n. 5.