

# Just Capitalism

*A Christian Ethic  
of Economic Globalization*

Brent Waters

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*To Ferre and Mary Joy*

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## Preface

To propose a Christian ethic of globalization requires coming to terms with free market capitalism, because a globally integrated economy is inconceivable without its underlying capitalist principles. Hence the admittedly equivocal title of this book. Readers may think that it's just *capitalism*, and Christians should learn to make the best of this situation; or they may think that it is *just* capitalism, and it can be ordered in certain ways to promote Christian moral convictions. Although I have nothing against the former orientation—Christians, after all, are enjoined by Scripture to be as wise as serpents—it is the latter approach that I use in this book. My principal contention is that globalization is the only credible means at present for alleviating poverty on a global scale. Consequently, a well-ordered global capitalism is compatible with such core convictions as a preferential option for the poor and promoting human flourishing. To be naively anticapitalism is thereby to effectively opt against the poor and diminish human flourishing. Therefore, an ethic of globalization necessarily entails a defense of capitalism.

For many Christians, the world “globalization” often provokes strong negative reactions. It is frequently blamed for such ills as unemployment, exploited workers, illegal immigration, political instability, poverty, income inequality, global warming, and many other items could be added to the list. For many critics, globalization has come to serve as convenient bogeyman to blame as the principal source of suffering and material depredation throughout the world.

There are two principal causes underlying this disdain. First, it is often assumed that economic exchange in general is a tawdry affair, and the creation of affluence and wealth in particular is invariably ill-gotten gain.

The Christian moral tradition seemingly supports these assumptions. The bulk of Christian moral teaching on riches and material possessions has tended to be deeply suspicious, and at times unambiguously condemnatory. And there were good reasons for this suspicion and condemnation. For roughly the first eighteen centuries of Christianity, economies were based predominantly on the ownership of land, agriculture, and extraction of raw materials and precious metals. These economies were essentially zero-sum; one became wealthy at another's expense. To hoard possessions or consume more than was needed was tantamount to impoverishing or harming those in need.

Modern economies, however, are based on productivity and exchange, and are therefore not zero-sum. Wealth or affluence is created through the production and exchange of goods and services. Modern economies are competitive, but one does not often, or even usually, become prosperous by impoverishing another, or conversely one is not always poor because another is rich. In an exchange-based economy, producers want affluent rather than impoverished consumers. Consequently, when much of traditional Christian moral teaching is simplistically applied to contemporary economic issues, it is often irrelevant, if not misguided. The principal cause of poverty is no longer greed that can be easily solved by redistributing wealth, but entails a complex constellation of factors preventing individuals from participating productively within competitive markets.

The second cause prompting a Christian disdain of globalization, then, stems from insufficient contextualization, updating, and revision of traditional moral teaching on riches and material possessions in light of how modern, market-based economies work. There are certainly numerous gems from the tradition that need to be preserved, but they also need to be refined and polished if they are to provide pertinent guidance within our present circumstances. To a large extent this contextualizing, updating, and revising has not been undertaken to any significant degree by much of contemporary Christian moral teaching or ethics literature.<sup>1</sup> The problem is further compounded by ideological commitments, often unacknowledged, that invariably trigger an allergic reaction to anything

1. There are some notable exceptions: see, e.g., Kenman L. Wong and Scott B. Rae, *Business for the Common Good: A Christian Vision for the Marketplace* (Downers Grove, IL: InterVarsity Press, 2011); Samuel Gregg, *The Commercial Society: Foundations and Challenges in a Global Age* (Lanham, MD, and Plymouth, UK: Lexington Books, 2007); and *Economic Thinking for the Theologically Minded* (Lanham, MD, and Oxford: University Press of America, 2001).

remotely smacking of capitalism that is believed to have spawned the globalization monster.

In this book I defend globalization and in doing so address the two causes of Christian disdain noted above. My chief reasons for doing so, however, are more expansive and theological, for I am defending this purported culprit as a Christian moral theologian. But what am I defending, and why am I defending it? Globalization is an imprecise term that can mean many things, such as intercultural exchange or conflict, social and cultural homogenization, reconfiguration of political identities and loyalties, or technological integration.<sup>2</sup> I focus on economic globalization not only because of its popular prominence but also because of its promising means for addressing the material needs and wants of people across the globe in a more expansive and efficient manner. In this respect my thesis is quite simple: new and expanding global markets, in conjunction with an increasingly integrated global economy, are potentially best situated for addressing the material wants and needs as a necessary prerequisite for human flourishing.

Why I am defending globalization, then, is based primarily on two arguments. First, the world is part of God's good creation and as such is the source of abundant material goods that may be enjoyed by humans as God's creatures.<sup>3</sup> These goods, however, are not at hand but are latent and must be developed. Humans must develop this potential not only to meet their most basic needs and wants but also to more fully enjoy and share the goods of creation as part of their calling to exercise God's mandate of limited dominion and stewardship. At present, global market-based exchange offers the best means for both developing and distributing these material goods.

Second, at present, globalization offers the most realistic and promising way of exercising a preferential option for the poor. The liberalization of trade and capital investment over the past two decades has helped lift around a billion people out of dire poverty and has created a fledgling global middle class. With increased globalization these trends cannot only be sustained but also enlarged and strengthened. In short, the best way to help the poor, to love them, in part, as neighbors, is to enable them to participate more fully in new and expanding global markets.

To be clear, I am *not* contending that globalization (and its underlying capitalism) is a direct outgrowth of Christian moral thought and practice.

2. This does not imply that issues involving culture, politics, and technology are irrelevant to economic globalization as is readily apparent in the following chapters.

3. Creatures, it might be added, who bear explicitly the image and likeness of God.

More modestly, I am arguing that globalization is not inherently incompatible with some central Christian theological and moral convictions. For instance, better meeting the material wants and needs for more people is a concrete, albeit indirect, way of enacting a love of neighbor. Less modestly, I am also suggesting that the disruption resulting from new and expanding global markets can afford opportunities for the Spirit to be at work in the world in ways that have previously not been available.

Again, to be clear, I am aware that globalization is not without its problems; indeed, they are legion. I readily admit that the growth of a globally integrated economy is in need of extensive scrutiny, regulation, and reorientation. I mention some of the more pressing issues throughout the book but leave most unmentioned. Moreover, those I mention I make little effort to resolve. This is partly due to the limits of my knowledge; to paraphrase the prophet, I am neither a policy wonk nor the son of a policy wonk. More important, proposing potential solutions in any detail would distract from what I am trying to achieve in this book. My goal is to provide a conceptual understanding of globalization in and through which Christians may both critically and constructively engage this phenomenon. Globalization is admittedly deeply flawed and in need of repair; but it is nonetheless a powerful force, for both good and evil in our world, that must be reckoned with. For Christians to simply indict globally market-based exchange as, at best, a distasteful enterprise, or, at worst, an unmitigated evil is, I believe, to be both foolhardy and unfaithful if theological claims about enjoying God's good material creation and exercising a preferential option for the poor are to be taken seriously.

Finally, to be clear once again, I am *not* arguing that producing and exchanging material goods and services is synonymous with human flourishing. It is a means for achieving this objective and not an end in itself. But exchange is a vital necessity and should not be given short shrift. Humans flourish in sharing or communicating the goods of creation. Consequently, a properly ordered pursuit of producing, exchanging, and enjoying created goods can promote communicative associations in which human flourishing occurs most prominently. The instrumental necessity of economic exchange reminds us that as embodied creatures we are in want and need of many material things. But fulfilling these wants and needs through exchange is not sufficient to satisfy the longing for fellowship with others in which we flourish. Although exchange and fellowship are distinguishable, they are nevertheless inseparable; fellowship is enfeebled when exchange is impaired. To use a crude example, you cannot shop your way to happiness, but you are likely to

be unhappy if you cannot easily buy or otherwise obtain what you want or need. Or as Scripture rightfully insists, we do not live by bread alone,<sup>4</sup> but we cannot really know this until we have more than just bread to eat. Globalization has the potential to provide this material surplus.

4. Matt. 4:4.

# Introduction

## Globalization 3.0

Globalization is not a new phenomenon.<sup>1</sup> As long as people living at some distance from each other have engaged in trade, a kind of global exchange has existed, because no group of human beings can be completely self-sufficient in satisfying their material wants and needs. Archaeologists have discovered Roman trade stations in India. Throughout the medieval period, Europe and Asia engaged in extensive trade, often through Muslim intermediaries. And in the early nineteenth century New England clipper ships delivered ice to Asian customers.<sup>2</sup> The extent of global trade and economic exchange has historically ebbed and flowed, but following Thomas Friedman's schema there are three distinct periods that encapsulate globalization.<sup>3</sup>

Globalization 1.0, roughly from 1492 to 1800, was driven principally by innovations in transportation and nationalism. As traveling across great distances became faster and more reliable, various European states competed and cooperated with each other in creating global markets. Globalization 2.0, roughly from 1800 to 2000, was based on further advances in transportation and, more importantly, on the development of new information and communication technologies. In addition,

1. Portions of the following are adapted from Brent Waters, "Two, or Perhaps Two-and-a-half Cheers for Globalization," *Anglican Theological Review* 92, no. 4 (Fall 2010).

2. See William J. Bernstein, *A Splendid Exchange: How Trade Shaped the World* (New York: Atlantic Monthly Press, 2008). Archaeological evidence indicates that trade between distant people began around 35,000 years ago; see Eric D. Beinhocker, *The Origin of Wealth: Evolution, Complexity, and the Radical Remaking of Economics* (Boston, MA: Harvard Business School Press, 2006), 6–11.

3. Thomas L. Friedman, *The World Is Flat: A Brief History of the Twenty-First Century, Further Updated and Expanded* (New York: Picador / Farrar, Straus and Giroux, 2007).

multinational corporations displaced nation-states as the principal players. Despite the disruptions of the Great Depression and two world wars, this second phase established globally integrated markets. According to Friedman, Globalization 3.0 begins in 2000, and its driving force “is the newfound power for *individuals* to collaborate and compete globally.”<sup>4</sup> The convergence of the personal computer, Internet, and affordable software has rendered physical location largely irrelevant for participating in global markets as both producers and consumers. Moreover, unlike the previous periods, the principal players are increasingly ethnically diverse.

Four factors make Globalization 3.0 unique. The first factor is its *scope*. Participants in global markets now include billions of individuals, as well as companies, corporations, and financial institutions of varying size and complexity. A person in North Dakota can, with a few clicks, provide a microloan enabling an individual in Bangladesh to start a new business.<sup>5</sup> The relative *ease* of participation is the second factor. With a computer, tablet, or smart phone, almost anyone can enter the global marketplace. I need not leave the comfort of my home to go on an international shopping spree. The third factor is the *speed* of exchange. It is now assumed that goods and services are routinely delivered quickly to customers around the world. In the first two phases, delivering a book from London to Hong Kong was compressed from months to weeks or days. The time required is now further reduced to seconds if the text is an e-book. The fourth factor is the *fluidity* of capital, finance, and labor. Money, expertise, and workers can, at least potentially, converge anywhere in the world to produce goods and services that are sold to customers across the globe. Friedman believes the world is flat because there are fewer and fewer barriers preventing the free flow of production and consumption. Or in the words of Ian Goldin and Mike Mariathan, “The current period of integration is revolutionary in that a larger set of changes have occurred with a pervasively wider influence than over any comparably short time in previous phases of globalization.”<sup>6</sup>

Globalization, however, is not without its problems. Many people, for instance, are suffering the aftermath of oppressive colonial rule that was a prevalent feature of Globalization 1.0, and financial crises, widening income disparities, social unrest, widespread anxiety concerning

4. Ibid., 10 (emphasis original).

5. There are a number of websites that match lenders with borrowers.

6. Ian Goldin and Mike Mariathan, *The Butterfly Defect: How Globalization Creates Systemic Risks, and What to Do about It* (Princeton, NJ, and Oxford: Princeton University Press, 2014), 10.

unemployment, and ensuing political instability are seemingly endemic to the bust-and-boom cycles of global markets. For some these challenges appear so threatening that the very future of globalization is called into question.<sup>7</sup> These are admittedly important issues—additional ones could be added to the list—and I address a number of them throughout the following chapters. Yet despite these concerns there are good reasons why globalization, particularly in its 3.0 manifestation, should be welcomed and supported.

### Two-and-a-Half Cheers for Globalization

There are two principal reasons to welcome and support Globalization 3.0. First, economic globalization is the only realistic strategy for ameliorating poverty. Starting with the formation of the World Trade Organization (WTO) in 1995, for instance, and in conjunction with liberalized and integrative economic policies, it is estimated that nearly a billion people have escaped abject poverty, and income has risen steadily even with the recent financial crisis and economic downturn. The percentage of people living on less than \$1.25 (US) a day in Brazil, for example, has been cut in half from 2.6 percent to 1.3 percent of the population while per capita Gross Domestic Product (GDP) has more than doubled from \$3,431 to \$7,896. More impressively, China's poverty line has fallen from 10.7 percent to 4 percent, and per capita GDP increased from \$466 to \$3,528. Even a desperately poor country such as Ethiopia has cut the poverty rate from 21.2 percent to 9.6 percent while increasing per capita GDP from \$94 to \$226.<sup>8</sup>

These benefits are partly the result of greater trade that creates new jobs, as well as increasing purchasing power by providing cheaper goods and services. Perhaps more important, an integrated global economy stimulates the creation of capital. This is a crucial factor in alleviating poverty, for capital is the source of investments that in turn create production, exchange, and employment.<sup>9</sup> In this respect, it should be emphasized that capital is not self-sustaining but must be constantly

7. See, e.g., Harold James, *The Creation and Destruction of Value: The Globalization Cycle* (Cambridge, MA, and London: Harvard University Press, 2009); Joerg Rieger, *No Rising Tide: Theology, Economics, and the Future* (Minneapolis, MN: Fortress Press, 2009); and Dani Rodrik, *The Globalization Paradox: Democracy and the Future of World Economy* (New York: Norton, 2011).

8. Statistics provided by IHS Global Insight.

9. See Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2000).

generated. Policies discouraging the creation of capital, therefore, are ultimately recipes for promoting greater poverty. As Martin Wolf has observed, the “failure of our world is not that there is too much globalization, but that there is too little.”<sup>10</sup>

Second, economic globalization helps resist the encroachment of the “universal and homogenous state.” Alexandre Kojève coined this phrase in his correspondence with Leo Strauss.<sup>11</sup> Kojève contends that the ordering and meaning of civil society depends on and is derived from the state. Economic exchange should, therefore, be regulated to promote political goals as opposed to political policies designed to enable the economic exchanges of private citizens. It is politicians rather than consumers that should determine what is and what is not available in the marketplace; nationalism is privileged over every other form of human association.

Strauss’s retort is that when such power is concentrated in the state, tyranny is the inevitable outcome as exemplified by the rise of totalitarian regimes in the twentieth century. Some pundits claim that with the collapse of the Soviet Union and China’s embrace of the free market, globalization’s purported benefit of checking the encroachment of the state is now overstated. However, such an easy dismissal should be resisted, for even in a world of nearly two hundred nation-states the momentum to concentrate power in these regimes or in intergovernmental organizations is disquieting. Nationalism tends to exacerbate conflict, given contending national interests that are resolved through the threat or implementation of coercive solutions. In short, it is consumers, not politicians, who have much more at stake in preserving a peaceful world of trade and exchange.

This is not a radical libertarian proposal that envisions no constructive role for the state. There are no serious advocates of globalization that naively dismiss the state as an unqualified evil. To the contrary, capital creation, investment, production, trade, and economic exchange require the rule of law. It is not coincidental that failed states are among the most impoverished nations. The debate over globalization is not whether or not states have any role to play, but the extent of their involvement and whether that involvement serves to promote or discourage the flow of capital, finance, labor, and trade.

10. Martin Wolf, *Why Globalization Works* (New Haven, CT, and London: Yale University Press, 2004), 4.

11. See Leo Strauss, *On Tyranny* (Chicago and London: University of Chicago Press, 2000), 133–314.

This debate is both interesting and vexing because the emergence of Globalization 3.0 may be coinciding with a significant, perhaps epochal, change currently underway in political ordering: namely, the transition from the nation-state to the market-state. According to Philip Bobbitt, the nineteenth century was dominated by the state-nation. Citizens were expected to serve the interests of the state that were expressed primarily through consolidating national identities and imperial expansion. Such state-nations inevitably came into conflict with each other, and their era comes to an end in the First World War. This in turn leads to the rise of the nation-state in which the state exists to serve the interests of its citizens. The twentieth century entailed a long war, or series of wars, to establish the principle of individual freedom as the dominant political paradigm. But the victory was short-lived, for by the end of the twentieth century the market-state begins to emerge. What exactly the goals and aims of the market-state might be remains to be seen, for this transition is nascent and ill-defined.<sup>12</sup> If the era of the nation-state may be characterized by the centralization of power through large and cumbersome bureaucracies, then in contrast the market-state entails the dispersal of power through informal networks in and through which individuals gain access to free-flowing capital, employment, and acquisition of goods and services. Unlike the nation-state, the market-state is, or more accurately will be, populated by individuals whose interests as consumers often trump those of citizens.

If Bobbitt is correct, then this uneasy transition helps to account for the wide range of concerns and issues often associated with globalization, because at the beginning of the twenty-first century people continue to live in nation-states but within a global economy better suited for market-states. Moreover, their respective interests cannot be easily reconciled. It is in the interest of the nation-state to protect its capital, finance, manufacturing, and labor behind impenetrable borders; whereas it is in the interest of the market-state to have porous borders enabling free-flowing access. It is difficult, for example, to have much enthusiasm for the slogan “buy American” for someone residing in Pittsburgh who works for a financial institution owned by the Royal Bank of Scotland, drives a Hyundai, and has invested much of her retirement portfolio in corporations headquartered around the world.

12. See Philip Bobbitt, *The Shield of Achilles: War, Peace, and the Course of History* (New York: Knopf, 2002); and *Terror and Consent: The Wars for the Twenty-First Century* (New York: Knopf, 2008), 180–238.

The nascent transition from nation-state to market-state and its concurrent globalization is not free of potential peril. It cannot be known in advance whether privileging the emerging market-state will ultimately prove less menacing than the threat of the universal and homogenous nation-state. Some of the more prominent challenges are examined below.

Although globalization generates new employment opportunities, thereby helping ameliorate poverty and increase prosperity on a global scale, one consequence is localized short-term displacement and unemployment. For example, when manufacturing and service jobs are shifted from developed to developing regions, two things occur: new jobs are created in one locale and old jobs are lost in another, resulting in a series of subsequent dislocations. On the one hand, new employment opportunities may promote rapid urbanization, while on the other hand unemployed workers may need to migrate or immigrate to new locales in order to find new jobs. Responding to changing market demands prompt short-term disruptions for both individuals and communities. As Roger Scruton contends, “By disrupting old patterns of settlement and managed environments globalization undermines the values and expectations on which a stable way of life depends.”<sup>13</sup>

Such disruptive shifts are not unprecedented. In 1910 33 percent of Americans were either farmers or farm laborers, while the amount declines to slightly over 1 percent in 2000.<sup>14</sup> Concurrently, roughly 54 percent of Americans lived in rural areas in 1910,<sup>15</sup> while the amount declines to slightly under 21 percent by 2000.<sup>16</sup> What is important to highlight in this shift is that at the end of this ninety-year period there is not a 32 percent unemployment rate comprising individuals languishing in rural communities. Rather, many people moved to cities and suburbs to find work in the industrial and service sectors. The principal difference today is the global scale and rapid pace of these shifts. Consequently, perpetual anxiety over potential unemployment may be an ongoing concern for the foreseeable future. The challenge is to determine what responsibilities the public and private sectors should have in assisting affected people to overcome these displacements, particularly in respect

13. Roger Scruton, *How to Think Seriously about the Planet: The Case for an Environmental Conservatism* (Oxford and New York: Oxford University Press, 2012), 21.

14. “TED: The Economics Daily,” United States Department of Labor, Bureau of Labor Statistics, April 6, 2006, <http://www.bls.gov/opub/ted/2006/apr/wk1/art04.htm>.

15. See <http://www2.census.gov/prod2/statcomp/documents/CT1970p1-11.pdf>.

16. See [http://www.fhwa.dot.gov/planning/census\\_issues/archives/metropolitan\\_planning/cps2k.cfm](http://www.fhwa.dot.gov/planning/census_issues/archives/metropolitan_planning/cps2k.cfm).

to learning new and marketable job skills in which they are competing not only with neighbors down the road or citizens in an adjacent state but also with individuals throughout the world.

Another challenge is that the benefits of globalization are not evenly distributed. Although a great amount of wealth has been created over the last few decades, the gap between rich and poor has grown and is continuing to grow. This wealth, however, has not been gained at the expense of the poor, because the top and bottom lines on the graph have both been rising, but the gap separating them is expanding. What the social and political ramifications of this gap might mean over an extended period of time is unknown. Whether or not it is morally significant how high the ceiling climbs so long as the floor is also rising is an open question. But to use a more familiar analogy, a rising tide does indeed lift all boats, but a growing number of modest dinghies and sloops, as well as some lifeboats and swimmers in lifejackets, alongside a few large yachts, crowd the harbor. As the recent financial crisis and recession demonstrated, the fleet remained intact, but some boats weathered the storm better than others.

Global markets require financial integration that is simultaneously efficient and vulnerable. Frequent booms and busts are therefore endemic. Free-flowing capital has facilitated investments that over the past two decades created unprecedented wealth as well as unprecedented debt. The effects in each instance are systemic. Investments in China and the tiger economies of Asia returned handsome profits to investors and pension funds, while toxic mortgages in the United States poisoned banks and investors in Europe and Japan. Easy credit fueled a rapid rise in housing prices throughout the world that in turn was highly leveraged, and when the “housing bubble” burst the incurred debt could no longer be carried. Hence, the resulting defaulted loans, underwater mortgages, tight credit, bankruptcies, and soaring unemployment.

Consequently, there is a need for greater investment transparency and financial regulation, but the unwieldy transition to a market-state makes this a daunting task, one that nation-states may be ill-equipped to address. Establishing workable agreements among nation-states, given their often conflicting interests, is no easy task as the failed meeting on climate change in Copenhagen, December 7–18, 2009, and the continual failures of the World Bank and International Monetary Fund (IMF) to adequately address the financial needs of developing nations attest. How do nation-states come to terms with free-flowing capital, labor, production, and consumers whose interests are not national or even transnational, but global? Even if agreeable international regulatory

schemes could be cobbled together, they would not provide long-term stability for all sectors, given the dynamic nature of global markets. The success of globalization is predicated on the ability to rapidly shift capital, labor, and production, which in turn result in periodic dislocations at various locales around the world. When the globalized economy is efficiently generating capital, creating jobs, and producing goods and services at affordable prices, the resulting systemic stability depends on an underlying and chaotic process of frequent change and disruption.<sup>17</sup> Perpetual employment worries, income inequality, fluctuating housing prices, failed business ventures, and community dislocations are part of the price that must be paid to participate in the global economy.<sup>18</sup>

Given these anxieties, it is not surprising that nation-states try to protect their citizens. This attempt is exemplified by policies restricting trade and immigration, or bailing out failing industries. Protectionism, however, harms the citizens it purportedly tries to defend: Restricting trade results in consumers paying higher prices for inferior goods and services. Propping up failing industries often delays their eventual collapse resulting in future unemployment and the unproductive use of capital. And constraining immigration cuts off a vital source of entrepreneurs and subsequent creation of new jobs. Imagine what the price and quality of TVs would be like if Samsung and Sony were restricted from the US market; imagine if the federal government had subsidized the typewriter industry when the personal computer was introduced; and would anyone be better off without Intel, Yahoo, and Google, all cofounded by immigrants.

Protectionism is a dangerous strategy because it also promotes international tension and at times hostility. No late modern nation-state can produce all the goods and services it might need or want. Saudi Arabia, for example, can be energy independent but cannot meet its needs for agricultural and manufactured products. Moreover, as Adam Smith and David Ricardo recognized, trade always benefits both parties because of their respective comparative advantages.<sup>19</sup> The English trade their wool to obtain Portuguese wine because England does not have

17. See Paul Seabright, *The Company of Strangers: A Natural History of Economic Life* (Princeton, NJ, and Oxford: Princeton University Press, 2004), esp. ch. 1.

18. See Gregg Easterbrook, *Sonic Boom: Globalization at Mach Speed* (New York: Random House, 2009).

19. See Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Indianapolis, IN: Liberty Fund, 1981), bk. 4, and Pierro Sraffa, ed., *The Works and Correspondence of David Ricardo*, vol. 1, *On the Principles of Political Economy and Taxation* (Indianapolis, IN: Liberty Fund, 2004), ch. 7.

a suitable climate for vineyards, and Portugal is not a good place to raise sheep. In this scheme it does not make sense to wage war against a trading partner, whereas when trade becomes greatly restricted, conquest may appear to be a rational strategy. Cordell Hull, Franklin Roosevelt's secretary of state, argued that high tariffs and restrictive trade policies were among the chief causes of both the world wars.<sup>20</sup> This is not to suggest that unfettered trade would result inevitably in world peace, but extensive trade does help to alleviate both the underlying causes and scope of international conflicts.<sup>21</sup>

The challenges noted above are merely a few among many accompanying the emergence of Globalization 3.0 and the transition from nation-state to market-state. Does Christian moral theology have anything to offer that might inform ethical and ecclesial leadership in this transition? Any answer to this question must first be prefaced by acknowledging that the role of the moral theologian is to neither commend nor condemn globalization in any wholesale manner. To offer a blanket endorsement or denunciation is tantamount to being for or against icebergs. The task at hand is to navigate perilous economic waters and deal with wreckage as it occurs. In what follows I sketch out four theological themes—loving global neighbors, stewardship, vocation, and renewal—that can inform how this navigation can be undertaken, and these themes are developed in more detail in subsequent chapters.

### *Loving Global Neighbors*

Christ commands his disciples to love their neighbors.<sup>22</sup> There are neighbors near and far; neighbors who are friends and those who are enemies; neighbors that are known and those unknown.<sup>23</sup> We encounter many neighbors in economic exchanges and financial transactions, and in global markets these encounters are often anonymous and distant. Imagine, for example, that I need a new computer so I can continue to write books and articles that are read by very few people. I order the computer online. In the few minutes that it takes to complete this task, I initiate a series of global transactions. Although the lead office of the company from which I purchased the computer is located in Dallas, the server

20. Easterbrook, *Sonic Boom*, 7–8.

21. See Michael Mandelbaum, *The Road to Global Prosperity* (New York and London: Simon and Schuster e-book, 2014), ch. 1.

22. Matt. 22:34–40.

23. See Karl Barth, *Church Dogmatics* (Edinburgh: T. & T. Clark, 1961), III/4: 285–323.

hosting the website is in Vancouver. An office worker in Dublin reviews and processes my order. The hardware and software are manufactured in such places as Bucharest, Seoul, and Taipei. My customized computer is assembled in Shanghai, air-freighted and delivered to my door by a corporation headquartered in Memphis. Unfortunately, I can't get the thing to work, so I ring the customer service hotline and speak to a representative in Bangalore who helps me correct the problem. Although I have had no face-to-face encounters, I have nonetheless participated in an exchange involving dozens or perhaps hundreds of people across the globe.

The reader might be thinking, to invoke Tina Turner, what's love got to do with it? These anonymous and distant interactions are expressions of love because they help each other acquire needed goods and services. The reader may retort that these exchanges are motivated by self-interest that is incompatible with neighbor love. Yet love of the other can never be separated from the interests of the self. This is precisely the insight of Adam Smith's much-maligned observation that it "is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest."<sup>24</sup> This precept must be understood in light of his previous book, *The Theory of the Moral Sentiments*, in which he argues that there are universal needs shared by all people.<sup>25</sup> The baker knows that people must eat, and she satisfies her need for money by selling bread to those who are hungry. Self-interest is inescapably grounded in the necessity of cooperation. There can be no bakers without hungry customers, and no customers in the absence of bread. When Christian theology speaks of love, it does not have sentimentality in mind, for neighbor love often requires making difficult decisions entailing costly moral, social, and political consequences. It is in the interest of poor farmers in developing countries, for example, as well as consumers worldwide, to compete freely and fairly in global markets. If such free competition is taken seriously, would not a corresponding act of love, then, require governments in the United States, the European Union, and Japan to discontinue subsidizing and protecting their own farmers in order to permit fair competition? Otherwise, love is effectively voided of concrete political content.

24. Smith, *Wealth of Nations*, 26–27.

25. Adam Smith, *The Theory of Moral Sentiments* (Indianapolis, IN: Liberty Fund, 1982).

*Stewardship*

Stewardship is often associated with voluntary donations such as tithing and charitable contributions. This limited connotation is unfortunate, for in Christian theology stewardship embraces a much larger range of activities involving the allocation, use, and purposes of one's time, work, and financial resources. Consequently, investing within a global economy is one dimension of stewardship. As the parable of the Talents illustrates, it is the servants who double the value of the property entrusted to their care who are deemed to be good and faithful stewards.<sup>26</sup> There is a need, of course, to govern investing in line with the principles of honesty, justice, and other pertinent moral considerations, particularly in respect to churches and their related institutions and organizations. The issue at stake, however, is not confined to ethical principles governing denominational pension funds and institutional endowments, but also how individual Christians invest their money and how they might influence the strategies and objectives of corporations, venture capitalists, and hedge funds. If, as Martin Wolf insists, more rather than less globalization is needed to alleviate dire poverty, then investing in the most impoverished regions is a crucial moral issue. This does not denigrate the work of relief agencies, charities, and nongovernmental organizations. When people are hungry, sick, or homeless they should be fed, cared for, and provided shelter.

Yet these are emergency responses and not long-term solutions. Capital is required to develop infrastructures enabling the production of goods and services that can be purchased in global markets, which in turn creates employment. A simple example illustrates this need for capital investment. Malaria is a debilitating disease afflicting much of sub-Saharan Africa. One simple, albeit partial, remedy is providing nets under which people sleep. A charitable organization distributes thousands of free nets. Unfortunately this admittedly humane act drives several small, local companies that were struggling to produce affordable nets out of business resulting in both greater unemployment and dependency on aid. Investing in these struggling firms would have been a more productive and effective response to preventing malaria. Good stewardship of investing in a global economy ranges from simple micro lending to more ambitious ventures. This is why a growing number of neighbors in the most impoverished regions of the world are saying something to the

26. Matt. 25:14–30.

effect of send us less aid and more investment so we may join you as both competitors and partners in the global marketplace.<sup>27</sup>

### *Vocation*

Stewardship leads to the third theme: vocation. It is unfortunate that many churches regard themselves to be, in effect, voluntary organizations. This implies that for the vast majority of Christians their faith and practice is something they pursue in their spare time. The work of the church is reduced to a small domain of ordained professionals who coordinate cadres of part-time volunteers. This is a highly impoverished understanding of the church, because it diminishes ministry to little more than ecclesiastically sponsored programs. Rather, in virtue of their baptism all Christians are ministers of Jesus Christ, and since there is no such thing as a part-time Christian there is also no such thing as a part-time minister. What Christians do in the workplace and marketplace, on Wall Street and Main Street, expresses and bears witness to their faith, and the ramifications of that witness are not confined to a local congregation or national denominational agency: the ramifications of Christian witness are global.

This is not to denigrate the laypersons serving as ushers and members of boards and committees. Rather, it is the acknowledgment that the church's ministry in the world is most immediately present through its people who are already there, exhibiting a love of neighbor. It is in and through the mundane activities of work and economic exchange that people are enabled to put roofs over their heads and food on their tables, and in extending these opportunities to those excluded that the church's ministry in and to the world is best performed. Consequently, the church should not be embarrassed by, much less hostile to, the requisite means of achieving these good ends: namely, the creation of capital derived through investment, exchange, and profits. If the church is to renew its *global* mission and ministry in the contemporary world, then it is incumbent to recover a vital sense of secular callings and vocations: of recovering the ministry of the baptized.

27. See, e.g., Dambisa Moyo, *Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa* (New York: Farrar, Straus and Giroux, 2009).

### *Renewal*

This recovery leads to the fourth and final theme: the renewal of the church's mission and ministry. Jesus Christ commands his disciples to go into the world and make disciples of all nations.<sup>28</sup> In every generation Christians have fulfilled this commission in a world undergoing social, political, and economic change. It is no different today. Change, and its accompanying dislocations and anxieties, is the only reliable feature of the late modern world with its globalized markets, and its inhabitants are increasingly nomadic instead of settled. Yet many churches are stuck imaginatively in a bygone era, fixated on institutional maintenance and survival. Too much time, attention, and money are spent on trying to keep the doors of failing local churches open, and propping up large and cumbersome denominational and ecumenical bureaucracies. The church continues to think in local, national, and international terms in a world that has become global, and its ministry, particularly in terms of evangelizing the world, is suffering as a result. In fixating on institutional survival, churches forsake the possibility of thriving.

Perhaps the time is ripe for some creative destruction. This is not a radical suggestion, for is this not how the Holy Spirit has always done her work? Renewal can only occur by allowing the old to pass away so the new can come into being. This means that Christians should stop thinking about the church primarily in institutional terms and more in terms of ministry within dynamic global networks. Such ministry entails a variety of forms and approaches that are able to adapt to changing circumstances, requiring in turn that they be agile, lean, experimental, impermanent, and focused on enabling the ministry of the baptized. Within such a scheme centralized institutions, structures, and bureaucracies are often a liability instead of a benefit.

### **Why Not Three Cheers?**

To confirm the reader's suspicion, I am a proponent of economic globalization based on free trade stemming from free-flowing capital, finance, and labor. I believe it is the only practical way to alleviate poverty and promote prosperity. I am aware of the endemic problems, dislocations, and anxieties accompanying this transition from nation-state to market-state. I also acknowledge that even if globalization should fulfill its promise and resolve all its problems in a just manner, that as

28. Matt. 28:16–20.

a Christian I can only give it two-and-a-half cheers. Why? To answer this question, I turn briefly to F. D. Maurice. Late in his career Maurice delivered a series of lectures at Cambridge University that were later published under the title of *Social Morality*.<sup>29</sup> He argues that a longing for universal fellowship is a healthy desire. Human beings are social creatures that seek the company of others. This is exemplified on a small scale in such associations as families, and in nations on a larger scale. Together, these private associations and civil communities constitute what Maurice calls a “universal society.” What is important to stress in this scheme is that a universal society is constituted by a rich variety of how private associations and civil communities are organized. True universality does not destroy particularity.

Maurice is aware that the longing for universal fellowship can be easily corrupted, the most obvious example being a quest for universal empire. Empire is based on the assertion of dominion as embodied in the pretensions of the imperial leader, resulting in tyranny and subsequent loss of freedom. Through its conquests, empire destroys the particularity of private associations and civil communities; the many become one by negating their respective identities, customs, and traditions, because empires require autonomous individuals who in their isolation can be easily dominated. In contrast, Maurice lifts up the kingdom of God as the ideal expression of the universal society, because the kingdom binds together without negating the particularity of its members; the many compose the one. The church embodies, albeit imperfectly, this kingdom, for at Pentecost the church becomes a universal society; the many voices bear witness to a common Lord.

Although Maurice’s historical analysis is often inaccurate, and his arguments at times eccentric, he nonetheless offers some helpful imagery for understanding our present circumstances. His critique of universal empire is applicable to the more egregious encroachments of the universal and homogenous state which globalization tempers. State-controlled economies do not empower the livelihood of citizens or protect their freedom. Maurice, however, would be quick to remind that a universal and homogenous market is no panacea. The voracious consumption of goods and services can also create estranged and isolated individuals who are every bit as susceptible to domination and manipulation. Consumerism alone cannot provide an adequate moral foundation for private associations and civil communities as bastions of freedom.

29. F. D. Maurice, *Social Morality* (London: Macmillan and Co., 1869).

Taking Maurice's lead, Christians should lift up the ideal of the universal and pluriform church as an alternative model. Drawing on Paul, the church is composed of a variety of gifts: a body consisting of parts drawn from every race and nation. The church is a universal fellowship embracing the particularity of its members. Such a model helps resist the homogenizing impulse of the state that is predicated on coercion and the homogenizing tendencies of the market based on consumption. In contrast, the form of church's social life is *koinōnia*, which can be variously translated as "community," "communion," or "communicate." In the words of Oliver O'Donovan: "To 'communicate' is to hold some thing as common, to make it a common possession, to treat it as 'ours,' rather than 'yours' or 'mine.' The partners to a communication form a community, a 'we' in relation to the object in which they participate."<sup>30</sup> Equality and freedom are established and preserved by communicating the goods of creation with one another. Communication is therefore not synonymous with either conferral or exchange but orders a pluriform pursuit of shared goods.

Communication not only enables Christians to resist the universality and homogeneity of either the state or the market but also informs how the church, as a universal society, pursues its ministry in and to the world. The church may serve as a reminder that the bonds of fellowship cannot be reduced to those that are solely political or economic; that not all human associations are merely relationships of power or exchange; that people do not live entirely in and for the state or the market.

In the remainder of this book I explain in greater detail why Christians can give economic globalization two-and-a-half cheers but not three. My thesis is simple: if humans are to flourish, then economic exchange is a necessary but not sufficient condition. Part I focuses on the question of necessity. Late moderns often fail to recognize the extent to which they are sustained by the countless, daily, mundane exchanges that are transacted in the marketplace. If it were not for the efforts of Adam Smith's prosaic butcher, brewer, baker, and their customers, daily life would consist of little more than the dreary and arduous search for food and shelter in order to survive. Markets are efficient tools for both sustaining and improving the quality of human life, and globalization has greatly expanded the number of people enjoying its benefits. Globalization is

30. Oliver O'Donovan, *The Ways of Judgment: The Bampton Lectures, 2003* (Grand Rapids, MI, and Cambridge, UK: Eerdmans, 2005), 242.

admittedly not without its problems as exemplified by the anxieties and issues noted above. These problems should not be ignored or glossed over as some champions of globalization tend to do but neither are they fatal as some critics presume. In short, global markets are good mechanisms for assisting the necessity of economic exchange for the greatest number of people.

In part 2 I argue that although economic exchange is necessary, it is not a sufficient condition for human flourishing. Exchange is a means of obtaining a greater good and not an end in its own right. If exchange serves as an ill-fitted end, the result is an endless and meaningless cycle of production and consumption. If humans are to flourish, they must aspire to be something more than being producers and consumers. What purpose should economic exchange serve? The short answer is communicating the goods of creation. The concept of communication, or *koinonia*, sketched out above, is developed in greater detail and then applied to the issues of political ordering, stewardship, freedom, and justice.

As a Christian, I feel no great compulsion to be either an ardent defender or critic of globalization. All our efforts of political, social, and moral ordering are plagued by disordered desires; yet these tasks must nonetheless be undertaken in obedience to Jesus Christ, resulting in acts that are cautious and subject to amendment as needed over time in response to changing circumstances. Hence my two-and-a-half cheers for globalization represents my theological convictions that it is, at present, the best possible option in an imperfect world.

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