I. Transforming Economic Globalization

The powers of economic globalization reign over our world today as a theological challenge. Although some results are positive, injustices also increase, communities are fragmented and the earth is further exploited. How can we as a Lutheran communion of churches hold these powers more accountable to the vulnerable, especially through decisions and actions that can be taken? What diverse strategies are needed? Through the LWF study process, what commitments and steps will we take together, with other ecumenical and civil society partners? How are individual members, congregations and member churches involved?
The biblical call to transform what harms the neighbor

“You shall love the Lord your God with all your heart, and with all your soul, and with all your mind.” This is the greatest and first commandment. And a second is like it: “You shall love your neighbor as yourself” (Mt 22: 37–40).

According to Luther, there are two principles of Christian faith. The first is that Christ has given himself “that we may be saved.” The second is to “love ... as he gives himself for us ... so we too are to give ourselves with might and main for our neighbor.” Luther insists on the inseparability of the two: they are “inscribed together as on a tablet which is always before our eyes and which we use daily.” As beloved creatures of God, and as Christ’s body, we are to embody Christ’s love by loving God, self and neighbor far and near. Lutherans have often referred to this as faith active in love. This love is lived out in the world by seeking justice through social structures, policies and practices. Faith motivates us to seek change in what harms the neighbor. However, it is difficult to discern how to live out this “faith active in love” in the morally convoluted realities of economic life, which today are pervasively shaped by complex and powerful globalizing forces.

Who suffers from the decision to privatize water? What influenced this decision? Who is responsible for protecting the basic good for all? How should we as a communion of churches be responding? Are there parallel experiences of “privatization” where you live?

Stories of life in the globalizing economy

In many parts of the world, the availability of clean water is a matter of life and death. Infants and young children are especially vulnerable when clean water supplies are priced out of reach. In 1999, in the wake of pressure from the World Bank and International Monetary Fund, Bolivia passed a law privatizing all water supplies in the city of Cochabamba. A subsidiary of a US-based company bought the water supply, seeking 16 percent annual return on investments. Shortly thereafter the price of water increased, by as much as 300 percent for some of the poorest people. For many, clean water, a necessity for life, was no longer possible.

A woman in the US has been employed for years in the manufacturing plant of a corporation operating globally. Her income has enabled her to support her family. Inexpensive goods produced in many less affluent parts of the world have benefited her family’s budget. Suddenly the plant closes in order to relocate on the northern Mexican border where labor costs are much cheaper and environmental regulations more lax. The woman and her family are devastated when she loses her job. A child falls ill and requires expensive treatment that they cannot afford because they no longer have health insurance. In addition, they will soon lose their home.

In this case, what does economic globalization mean for the workers now employed in Mexico? What might they say to the woman in the US? What are the different working conditions in these two countries? Who is responsible? What is the role of international standards in protecting workers? How should we as churches be responding to situations like this?
Gender is an important lens for seeing the effects of economic globalization. In globalized production processes, unskilled jobs in mass production parts typically go to women and children, who work for long hours in “sweatshop” conditions with few labor standards or regulations. Although their pay might seem exploitative according to global corporate standards, it at least provides support for families in communities where income-generating activity is otherwise scarce. Men, unable to find jobs in their local communities, often migrate to urban areas to seek employment, leaving behind women who end up having to hold together entire households on their own. When international financial institutions require countries to cut expenditures for health care, education and food programs, this places further burdens on care providers who usually are women. In some situations, young women migrate to other countries with promises of employment, but are deceived and either are forced to, or in desperation, become prostitutes. Globalizing forces thus contribute significantly to an increase in gender tensions and inequities.

What agricultural and biotechnology issues are raised by this example? How could a global communion of churches address them? How do you experience the effects of economic globalization on agriculture in your context?

Patenting of indigenous knowledge of plant varieties, together with “cheap food” policies in countries such as the US, encourage large-scale agricultural production. The surplus then floods markets in poor countries, undermining local farmers and their ability to cover production costs. Local producers are then encouraged to grow products for exports. This, in turn, exacerbates food insecurity in countries where hunger is already rampant.

What is economic globalization?

In a positive sense, globalization refers to the increasing interdependence of people and organizations around the world. Such interdependence is something the church has long affirmed and encouraged. In contrast, economic globalization is a form of economic activity that places priority on the free movement of investment capital, profit maximization and growth, thus abdicating all decisions to market forces. This tends to undermine investment in education and health, to increase inequality and to reduce labor’s share in income.

This form of economic globalization has become a burning moral issue for...
many—for ecumenical and humanitarian organizations, for groups in civil society and for many within the Lutheran communion. Since economic globalization is assumed to be “inevitable,” it becomes a deeply theological issue: dictates of economic globalization are promulgated as if they were the “gospel truth,” universally applicable to all people throughout the world. Structural adjustment plans (now “poverty reduction programs”) are imposed on developing countries to manage their debt, but often at severe social costs. The rules that are included in trade agreements do not consider the social consequences on people, communities and the environment.

Prominent features of economic globalization today include:

- **Mobility across borders:** There has been an escalating movement of goods, services and capital (trade and investment) across international borders.

- **Deregulation:** Regulations are dropped or lessened in order to enable this movement to occur more freely. Multilateral trade and investment agreements and agencies limit governments’ legal powers to regulate the operations of global corporations and finance institutions that affect their land, resources and people.

- **Corporate power:** A growing portion of the world’s large economies are unaccountable to the public as a whole: 51 of the world’s 100 largest economies are corporations (based on gross sales compared to the GDP of a country).

- **Privatization:** Many public goods and services are being privatized, such as water, electricity, health care and education.
• **Commodification of life:** A monetary value is being placed on more and more areas of life, including life forms (i.e., human genetic material or traditional seed strains) and life experiences (i.e., spiritual growth, happiness, cultural practices), which then can be marketed worldwide.5

• **Homogenization:** Western consumer-oriented ways of life are marketed around the world to such an extent that local products and cultural practices eventually disappear.

• **Speculative investment:** Buying and selling money instruments for the purpose of high, short-term gain outpace trade in actual goods and services, and long-term investment in production-oriented economic activity. Thus, the finance and corporate sectors seek to “free” investment from regulations and other political constraints which might diminish profit. Similarly, as noted above, trade is being “freed” by deregulation. Those moves, together with the revolution in communications and information technology, enable huge amounts of money instantly to be bought and sold across national borders by investors without regard to the social and environmental impact of these investments.

Economic globalization is experienced as a paradoxical reality. Its multiple dynamics have quite diverse consequences for different people and lands. For some in our world, economic globalization brings economic growth and, with it, enormous economic benefits. Economic growth has lifted many out of poverty and has created an abundance of goods and services and, for some, even soaring standards of living. On the other hand, a large chorus of voices points to the threats that globalization poses to the web of life on earth. That chorus includes prominent scientists, economists, theologians, ecumenical organizations and hundreds of other labor, environmental, women’s and human rights’ groups throughout the world. The overall message of these voices is that, as a whole, the prevailing model of economic globalization widens the gap between the wealthy and the rest of humanity, and assaults the earth’s life-support systems. Democracy, human rights, cultural integrity and diversity and the very lives of especially those who are poor or otherwise disadvantaged tend to be sacrificed. Economic globalization that is shaped by TNCs and financial institutions so as to maximize profit or gain, has adverse consequences for the earth and the majority of its inhabitants.

Economic globalization is undergirded by the following theory:

Deregulation of foreign trade and investment contributes to growth which, in the long run, benefits everyone. Regulations on trade and investment detract from growth, and hence from economic well-being. More specifically, deregulation increases foreign trade and investment. Increased foreign trade and investment generate economic growth directly, and as well as indirectly by increasing competition, which increases efficiency. Increased efficiency lowers consumer prices and generates growth. Economic growth increases prosperity, employment and living standards for most people. The economic problems of “developing nations” are due to restrictions of market forces. Economic and other social problems (except for natural disasters and war) are best solved by means of the market, rather than by political processes.6

What have been some of the symptoms or expressions of economic globalization in your community or country?
This theory assumes the equality of all participants, with balanced power and opportunities, but this is far from the reality in most situations.

**From a Christian faith perspective**

By our silence or reluctance to challenge these assumptions and engage these realities of economic globalization, we risk compromising the very faith we confess. This form of globalization tends to weaken those very bonds that theologically are constitutive of who we are in relation to others. Our faith reminds us that:

- Created in God’s image (Gen 1:27), we exist in relation to others. The dignity and value of each person emerge in community. People are in relationship with one another, not primarily to compete for economic gain, but for the sake of loving, sharing and enjoying what each contributes to the whole community. Private interests and public interests are deeply interconnected.

- The God-given purpose of the economy (oikonomia) is that it should serve the well-being of the whole household of God (oikos). This must not be sacrificed for the sake of economic profit and growth.

- Rather than human needs and desires being reduced to wants, which consumerism feeds, priority should be given to what is good for the whole global community, especially those who are the poorest.

- Rather than controlled by random movements of faceless economic transactions, through our baptismal vocation we are empowered to act in relation to what matters in our lives and world and in light of a vision of God’s inclusive justice for all.

**Martin Luther on economic life**

While Luther’s sixteenth-century views do not translate directly into our current context, his central concern for how economic practices impact communities continues to be key today. For him, economic practices that undermine the well-being of the neighbor (especially those most vulnerable) were to be rejected and replaced with alternatives. On these grounds, Luther vehemently denounced aspects of the emerging sixteenth-century capitalist economy that he considered harmful to people who were economically vulnerable. For example, in his treatise, “On Trade and Usury,” he sets forth norms for economic life, such as:

- Because selling is an act toward neighbor, its goal should not be profit but, rather, “an adequate living,” in order to serve the needs of others.

- Economic activity should be restrained politically. Selling ought not be an act that is entirely within your own power and discretion, without law or limit. Civil authorities ought to establish rules and regulations, including ceilings on prices. In buying and selling, adhere to firm rules, one of which is: no selling at a price as high as the market will bear.

In addition, Luther reminds pastors that they are obligated to unmask hidden injustices from the Christian faith should shape how we respond to economic realities today?
tices of economic practices that exploit the vulnerable. He goes as far as to admonish clergy to preach against economic practices that are unjust toward the poor, and to withhold the sacrament from a usurer unless he repents, for he is “damned like a thief, robber and murderer.”9

On this basis, Luther condemned practices such as charging a higher price for goods sold on credit, raising prices when the supply is low, buying out the entire supply of a commodity and then raising the price, and buying at a low price from those who need money so badly that they sell low. He denounced the trading companies’ monopolistic practices. He declared them to be a bottomless pit of avarice and wrong-doing .... They control all commodities ... raise or lower prices at their pleasure. They oppress and ruin all the small businessmen.... Through their practices all the world must be sucked dry and all the money sink and swim in their gullets.10

The point here is not to advocate a direct and uncritical application of Luther’s economic analysis or norms to the contemporary situation. Given Luther’s inflammatory denunciations of Jews, peasants and Anabaptists, his social analyses or ethical guidance should not be uncritically adopted as normative for today. Nor is the point to imply that Luther was an early anti-capitalist. His condemnation of emerging capitalism and his alternative economic norms and practices were not based on a modern notion of social change, but on a conservative defense of feudal social arrangements and prohibitions on charging interest. What does have enduring value was his theological conviction that economic life—in fact, all of life—must be consistent with the proclamation and hearing of the gospel and with neighborly love.

Furthermore, in his context, Luther’s economic norms had “subversive” implications. They gave priority to the well-being of all, in contrast to economic practices that resulted in gains for only a few. These norms were based on and drew their spiritual and moral power from the theological foundation of sacramental communion:

The sacrament has no blessing and significance unless love grows daily and so changes a person that [s]he is made one with all others. For just as the bread is made out of many grains ground and mixed together, and out of the bodies of many grains there comes the body of the bread....and through the interchange of his blessings and our misfortunes, we become one loaf, one bread, one body, one drink, and have all things in common.... In this way we are changed into one another and are made into a community by love.11

By its very nature, economic activity is to be carried out in relationship to the neighbor, and thus guided by the following principle: Christians, having received God’s love through grace alone, respond by embodying God’s love for others, thus seeking the justice or well-being of the whole community, with priority given to those most in need. We are called to challenge and transform widely accepted economic practices that undermine this well-being or common good.

In 2001 an LWF working paper, “Engaging Economic Globalization as a Communion,” was widely distributed among member churches, as a first stage toward LWF work on this topic, in collaboration with other ecumenical and civil society partners. Much of what is set forth there is reflected in the following, which is intended to focus discussion and strengthen commitments to the next stages of this work.
Relationships of the communion as a basis for transforming economic globalization

Economic globalization develops its own momentum in ways that obscure the human decisions and actions that have constituted it, and through which unjust patterns and policies can be changed. How can this sense of moral agency be recovered?

One crucial way this begins to occur is by what we receive through the communion: we become organically interconnected with one another. What holds us together—despite what may be our significant economic differences—is the transforming, relational power of God’s Spirit, who forms us into a communion. The life and power of God are focused in the benefits we receive sacramentally which in turn are to serve or benefit others.

Therefore, those of us who are relatively well-off cannot ignore but must address economic (and other) practices which adversely affect those with whom we are deeply connected through this communion, and through them, the rest of the world. We cannot ignore the cries. Those of us who are adversely affected by policies and practices of economic globalization must speak out and expect others in the communion to act in solidarity with us. Joined together in Christ, we are moved to act together in ways consistent with who we are:

- God communicates to creation a power constituted in the Word of creation, giving it a goal much different from the human-centered question to accumulate money or power as an end it itself.
- Self-sufficiency (viewing ourselves apart from others) is transformed into community with others.
- Ruthless competition is transformed into cooperation with others.
- Production that uses others is transformed into participation in the life of others.

A different kind of moral agency begins to emerge. Rather than an unquestioned reigning power—an “it”—economic globalization begins to have faces and voices with whom we are related, who call us to act responsibly, and who hold us accountable for the decisions we make and the actions we are able to take in our everyday economic lives. Thus, we are moved to act out of a sense of relatedness (or solidarity), responsibility and accountability to others. Our economic decisions and actions can no longer be considered as private or “my own business.”

This “globalization of solidarity” is a crucial antidote to a globalization imposed by impersonal market forces that set us against others. It is one that the church as a global communion, with its many interrelationships around the globe, is distinctively called and empowered to live out.

Negotiating our differences

Through the cross we begin to hear the cries and see the suffering inflicted by forces of economic globalization. We discern how people, communities and the rest of creation are affected. Through the communion, the relationships between ourselves and others begin to be changed. However, we still continue to embody real differences. Our differing economic self-interests and access to economic power do not simply disappear.

Thus, as a communion we are challenged to find ways of talking about the different ways in which we are affected.
by policies and practices of economic globalization, and work together for the global common good. This can be quite difficult because of our significant differences in access to economic power, in our ability to articulate what we are experiencing, in our ideological perspectives and in what we perceive to be in our self-interest.

- Policies seen as supportive of one community (e.g., providing jobs) often are at the expense of jobs in another community, such as when a business relocates.

- Agricultural subsidies in northern Europe may be seen as necessary for the sake of preserving rural communities, but from an African perspective, such subsidies are often viewed as obstacles to their food products being fairly traded on the global market.

- Farmers on one side of the US-Canadian border often see themselves as set against those on the other side, due to significantly different agricultural policies of these two governments.

- Investing in “emerging” markets may appear to be a way of improving a country’s economic situation, but how can such investments truly benefit those most in need? What should be the relationship between investment and aid?

- Canceling, or significantly reducing, a country’s external debt may be crucial if it is to recover economically, but who will pay and how will the government be held accountable for how the unleashed funds are used? How can cycles of indebtedness be transformed?

In considering such examples, we move into the difficult terrain of practical policy and decision making where interests often must be balanced and where there are no easy or “pure” solutions. As Lutherans, we realize that what is good or sinful, constructive or destructive in human history is intertwined in complicated ways. Amid these ambiguities, we must implement proximate policies that, insofar as possible, will further the well-being of the neighbor, especially of those who are the most vulnerable. For this negotiating to occur, there must be truth-telling and honest assessment that is not captive to ideologies that keep us from seeing, speaking about and redressing what is likely to occur.

Here, being a communion may not provide the solution, but it does set us in relationship with one another, based not on the convergence of our economic self-interests, but on the powerful bonding of God’s Spirit that can withstand honest discussion of our differences and probing for common ground. Rather than workers in other countries being seen as threats to “my job,” their lives are connected with mine through a communio reality that is more compelling than those forces that would set us against each other. The focus shifts to how together we can find and work for policies and practices that will serve our common rather than separate interests. There are other arenas besides the church in which this can also take place, but given who and whose we

Discuss an important, possibly contentious economic policy issue that is especially relevant for members of your group. Do so in light of what it means to be a communion. What policy recommendations emerge from your discussion?
Globalization limits the ability of people, governments and nations to insist on respect and negotiation of conditions when an outside company comes onto their land to use their natural resources, infrastructure and their workforce.

A response to the LWF working paper on globalization

The role of governments

God is active in creation and history, including through economic and political institutions. Too often, however, these fall far short of the intention that human needs be met through them. This is why it is important that, wherever possible, Christians critique and hold such institutions more accountable. The government should guard against exclusions, injustice and exploitation of people and of the earth. As Luther also declared in his explanation of the Commandment, ”Do not steal:"

> It is the responsibility of the princes and magistrates to restrain open wantonness. They should be alert and courageous enough to establish and maintain order in all areas of trade and commerce in order that the poor may not be burdened and oppressed and in order that they themselves may not be responsible for other people’s sins.13

On the basis of this and related theological understandings of governmental responsibility, strong traditions have been established especially in Europe regarding the responsibility of government to uphold and further the common good. Social market economies and strong regulatory policies are important examples of how this theological tradition has been influential. This is in stark contrast to many other areas of the world, where government is viewed as the enemy of the people and their interests, due largely to what they have experienced through repressive or negligent government policies and practices. Furthermore, under economic globalization, governments around the world are increasingly dominated by economic powers.

The challenge to a global Lutheran communion is to revisit these understandings in light of these very different perspectives and realities prevailing in the world, and especially in the face of the pervasive neo-liberal trends that are encouraged if not mandated under economic globalization. Increasingly, government regulations and responsibilities are being reduced in efforts to “get government out of the way” for the sake of the free reign of policies of economic globalization.

On Lutheran theological grounds, such developments can and should be viewed critically. The challenge is how to counter this, given the weak and often corrupt governments in many parts of the world, and the cynicism toward government and lack of democratic accountability in many countries. Yet, if economic globalization is to be transformed in ways that will more genuinely enhance and sustain the life of communities and of the earth, effective and accountable
governmental and intergovernmental policies are a crucial means through which this needs to occur.

Christians are called to engage in public policy advocacy efforts that seek to influence and change government policies, individually, through organized efforts of churches, or through international efforts. For example, the LWF has been:

- Participating in campaigns to cancel the external debts of severely indebted countries.
- Encouraging greater transparency and democratic participation in international financial institutions.
- Supporting the use of human rights instruments or treaties to counter the negative effects of economic globalization, and monitoring governments to fulfill their responsibilities.
- Advocating for fair, more just trade policies and practices within and among countries.
- Participating in the Ecumenical Advocacy Alliance, and its strategy focused on global trade policies.

Living out our baptismal vocation through economic life

As Christians, we are called to live out our baptismal vocation through arenas of responsibility in daily life. This might be as family members, workers, farmers, consumers, managers, investors, or other roles through which we participate in economic life. Such a Lutheran doctrine of vocation, when linked with what it means to be part of the communion, has important implications for the transformation of economic globalization. Just think of the multitude of ways in which sixty million members of the Lutheran communion, for example, are involved in economic life and, under economic globalization, have access to decisions that affect people in much different parts of the world! How can we responsibly live out the implications of these relationships?

As members of this communion, through which we are “changed into one another,” we are implicated in a calling or task: to make economic decisions and take actions mindful of their effect on “the neighbors” with whom we are interconnected.

- How can these linkages be made through the multitude of relationships that churches already have with one another around the world? Through these relationships how can we work for changes that will bring positive economic changes in the lives of others?
- How could awareness of this become more a part of the church’s ongoing Christian education? How is your church preparing people to make responsible economic decisions for the sake of others?
- What has your church said or done about economic globalization? Have you been involved in addressing problems of debt, unfair trade rules and practices, or policies of financial institutions?
- How can members be more strongly encouraged and better
equipped to impact policies and practices of economic globalization, especially in relation to those who are adversely affected?

- How can this inform the investment practices of individuals, churches and related organizations? What corporate, socially responsible or ethical investment practices are you involved in? What should the LWF be doing in this area?

- How can those who suffer from practices of large companies, for example, call upon and expect members with direct access to those companies to call attention to how their policies and practices affect those in other lands? What would you do if a church in another part of the world called on you to act on its behalf?

In other words, what are some of the countless ways through which members of the Lutheran communion, through their daily life callings, can participate in the transformation of economic globalization, so that it might become:

- More just?
- More accountable to human beings, their communities and the rest of creation?
- More life-giving for the sake of the well-being of all?

What would be the impact on our everyday consumption patterns and on our local, national and international economic policies if we were to insist that the primary purposes of economic life is for the well-being of just and sustainable communities the world over, rather than to maximize wealth or increase the consumption of those who already have more than they need? How would our lives be different if economic life were to be transformed to serve the well-being of human beings and the rest of creation, rather than human beings and the rest of creation being sacrificed for economic ends? How might this transformation be “for the healing of the world”? What will we as a Lutheran communion and member churches commit ourselves to?
Notes


2 Ibid.

3 These are defining trends as summarized in Cynthia Moe-Lobeda, Healing A Broken World: God and Globalization (Minneapolis: Fortress Press, 2002), chapter 1.


5 “When something has a price and is bought and sold, it becomes a commodity. One tendency in a capitalist society is for more aspects of life to be reduced to commodities over time.” Pamela Sparr, United Methodist Study Guide on Global Economics: Seeking a Christian Ethics (New York: General Board of Global Ministries, United Methodist Church, 1993), p. 15.

6 Moe-Lobeda, op. cit. (note 3), chapter 1.


8 Ibid., pp. 249-250; p. 261. See also pp. 247-251 in which Luther argues that the “common rule” and merchants’ “chief maxim” [“I may sell my goods as dear as I can”] is wrong and against God’s commandment. This rule “opens every window and door to hell,” for it defies both the law of Christian love and natural law; it places my own profit over my neighbor’s need and well-being.

9 Luther, “Admonition to the Clergy that They Preach against Usury,” WA 51, p. 367.


