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The "Ecclesial" Critique of Globalization: Rethinking the Questions

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I have never been a fan of dramatic irony—that cheap trick of stage and sitcom which generates laughs simply because we, the audience, have knowledge that the characters do not. As fly-on-the-wall observers, we cringe with mirth as we see the characters talking past one another, usually in awkward scenarios of double entendre wherein a phrase is *meant* one way but *received* very differently, precisely because the characters effectively inhabit different worlds, with different presuppositions and background conditions. In such a scenario, all the fun vanishes once the characters are on the same page.

Anyone who has followed the sporadic conversation between economics and Christian theology might cringe in a similar way, though without the comedy. If the dialogue between economics and theology sometimes devolves beyond irony to farce, this is largely because of a similar situation: the interlocutors might be on the same stage, but they are not on the same page. They think they are talking about the same thing, and they might even be using the same language, but even charitable observers can see that they are talking past one another. So we get all the dynamics of dramatic irony, but without the humor or the later resolution.

Our task here, I take it, is to ruin the so-called fun. But given that the failures in the economics/theology dialogue have never generated any uproarious sitcom spinoffs, but instead only deep frustration and even flared tempers, ruining the "fun" is hopefully a step in the right direction, helping us move beyond polemics.[1] The parameters of the conversation have been set for us: with the goal of trying to come to some agreement and consensus, we have been asked to lay out desiderata from our disciplinary backgrounds. That is, as a means of rapprochement, what do I, as a philosophical theologian, wish economists understood about theological critiques of globalization? More specifically, if I were to commend three or four works for consideration by interested economists, what would they be? And why?

I am grateful for this assignment and opportunity and here want to commend several works that hang together as representing a fairly unified school of thought.[2] In particular, I will highlight D. Stephen Long, *Calculated Futures: Theology, Ethics, and Economics* (with contributions from Nancy Ruth Fox and Tripp York), William Cavanaugh's *Theopolitical*

Imagination, and most recently, Graham Ward's *Political Discipleship* as a constellation of works that represents a robust theological critique of globalization.[3] And while they are trenchantly critical of globalization, I hope that economists will recognize that these are *not* tired old debates between socialists and capitalists (or *about* socialism vs. capitalism); nor are these merely reactionary leftish proposals targeting the status quo on the right; nor does this reduce to questions of wealth and poverty. So it is imperative that the critique of globalized consumerism articulated by D. Stephen Long, William Cavanaugh, and Graham Ward not be confused with the "liberationist" critique of capitalism from a past generation.[4] Indeed, what is most significant about these authors is that they refuse to play by outdated rules, refuse to let unhelpful paradigms establish the parameters of the debate.

1 Different Questions, Different Conversation: On the Paradigm Effect

The questions we ask inevitably shape the debate we will have. Bad questions generate unhelpful responses, even if they might generate "accurate data." For example, responding to a theological critique of globalization with quantified data showing that globalization has "helped the poor" (e.g., by increasing GDP across the board, or providing more access to consumer goods people do not need) does *not* constitute a response to the critique. It is an answer to a question that the theologian is not asking—a response that misses the point. No doubt the economist can sometimes level a similar charge: the theological critique of globalization ignores the data that are relevant. While theologians are trafficking in ideal scenarios, the economist is paying attention to on-the-ground realities. In both cases, our interlocutor is answering questions we never asked.

Recognizing this situation is crucial for any advance in the economics/theology dialogue. What we are facing here is what, following Thomas Kuhn, we might describe as a "paradigm effect" (Kuhn, 1970). This refers to the persistence of blind spots for interlocutors in a conversation due to the fact that they are working with different "paradigms"—different constellations of beliefs and commitments, often due to disciplinary formation, which shape how we see the world, and thus determine and condition the questions we ask of it. Recall Kuhn's analysis in *The Structure of Scientific Revolutions*: something like the Ptolemaic view of the universe persisted for so long precisely because a commitment to that worldview conditioned perception of the data.[5] But someone with a different paradigm—say a Copernican understanding of the universe—

will encounter the same "data" and see a very different world.

I think the dialogue between Christian economists and theologians is an analogous situation: committed to different paradigms, we "see" a different world and thus ask different questions of it. Even if our lexicons might be similar, they also seem to mean something different in the context of our different paradigms. Dialogue could only really be constructive within a shared paradigm. However, I do not mean to suggest that we can reach consensus just yet. It is not as easy as simply asking, "Can't we all get along?," singing a couple stanzas of "The Church's One Foundation," and then proceeding to ascribe to the same paradigm. Not even the charitable intention of *wanting* to have a genuine dialogue is sufficient.

I am not out to prescribe *the* paradigm to which we should all subscribe. My goal is more modest than that: I think the conversation will move forward if we first simply recognize that we are working within the constraints of a paradigm. Further, my hope is that this article will help articulate elements of the paradigm that informs the theological critique of globalization. If we can make those commitments explicit and put them on the table, perhaps economists will better appreciate what is behind the theological critique of globalization, rather than just treating the critique as economically naïve.

The difficulties of this can be seen in *Calculated Futures*, the first two chapters of which are a running dialogue between economist Nancy Ruth Fox and theologian D. Stephen Long.[6] From the beginning, one can see Fox trying to discern and diagnose the disciplinary chasm between economics and theology in a way that begins to be attentive to the paradigm effect. Thus she notes the limited perspectives of each discipline: "Just as neoclassical economists often fail to see the whole person, theologians fail to see the effect of economic change on the whole system" (Long, 2007, p. 32). But on this account, the theologian's blind spots are chalked up to a limited purview, not a different paradigm. There are just "facts" that the theologian is not paying attention to. For example, "general equilibrium results are not taken into account;"[7] or, "while others (including theologians) focus solely on the benefits of a particular policy, neoclassical economists see both the benefits *and the costs*" (p. 32); or whereas theologians are concerned about the fairness of outcomes, "the neoclassical economist will ask if the *process* was fair" (p. 34). So according to Fox, the theologian just is not seeing the whole picture; and she concedes the same for economists. If all of us put together the "facts" we see from our different angles, we will come close to being able to construct the puzzle of the whole picture.

But my claim regarding the "paradigm effect" is more radical than that:

the economist and the theologian are looking at *different* pictures. Long pushes Fox on just this point. It is not just a matter of what we see (or do not see); it is a matter of *how* we see—or, as philosopher Martin Heidegger would put it, it is a matter of how we see *as*. For example, Long presses Fox's claims regarding the "facts" of efficiency (e.g., that the automobile industry is more efficient than horses and buggies). Long suggests that economists see differently because they do not recognize that they are seeing *as*—that their observation "makes" the world of facts:

> Precisely because we have a social and historical order that is geared toward the efficiency of the automobile, that industry will indeed appear most efficient. Thus economists constantly mistake what is made at a particular social and historical moment for a natural fact. Insofar as neoclassical economists can recognize the contingent character of all their proposals, their analysis could be helpful. When they deny this, they inevitably become spokespersons for the present distribution of social and political power—whatever it might be—under the illusion that it is natural (Long, 2007, p. 38).[8]

One of the reasons the economics/theology dialogue often founders is because the citation of "facts" by economists are taken to be self-evidently given, and thus if the theologians demurs, the "realist" economist attributes to the theologian an "idealist," pie-in-the-sky avoidance of so-called "reality"—whereas, in fact, the theologian is not willfully ignoring the empirical but rather, *pace* Kuhn, emphasizing the contestability of the empirical. Furthermore, the theologian is suggesting that what the economists takes as a given, even as "natural," is in fact deeply contingent, could be otherwise, and perhaps *should* be otherwise. For example, too often economists treat the current configuration of commerce and exchange as if it were natural, a veritable "given." If the theologian then criticizes the capitalist order of commerce, then it would seem that the theologian is rejecting economic life *per se*. But this confirms Long's point.

Indeed Long points out that economists too often treat even their own discipline as if it was a natural kind. "As a discipline," he concludes, "economics has seldom come to terms with its inextricable connectedness to a particular moral and theological tradition—utilitarianism" (p. 39). Therefore it also fails to discern the extent to which it sifts "facts" on the basis of utilitarian criteria. So when Fox the economist points out the theologian's ignorance about general equilibrium and thus his or her ignorance of the consequences of an economic decision or policy, Long the theologian concedes her analysis: "Her characterization of the difference here between theologians and neoclassical economists could very well be correct" (p. 39). However, he goes on to point out that "correctness" here is not sufficient to persuade the theologian or address the theologian's concerns:

> To live by a just wage, or to seek to ground economic exchanges in charity and friendship rather than in the negative freedom of modern rights, may very well increase the suffering in the world. The question is so what?—so does living by the principle of not to kill innocent noncombatants or not to commit adultery. Can we not all easily imagine situations where, according to the ethical criteria of the useful, a little direct killing of the innocent, a little discrete adultery might very well increase the pleasure and diminish the pain of moral existence? But useful for what purpose? The neoclassical economist's analysis can only respond, "for the purpose of increasing pleasure or decreasing pain." And this response demonstrates that economists repeat nineteenth-century moralists who thought that the increase of pleasure and the diminishment of pain could adjudicate moral differences in human action (p. 39).

So appealing to the so-called economics "facts" of a situation to discipline the supposedly "ideal" claims of theology will be an adventure in missing the point, because what count as "facts" are so significantly shaped by the paradigms informing our observation.

I can see the eyes of social scientists beginning to roll. All these claims about facts being "made" and observation being "conditioned" will have visions of postmodernism dancing in our heads. And this may seem like a long opening detour. But I would argue that this is a crucial starting point for the economics/theology dialogue, and it is probably what most distinguishes the paradigms of the two disciplines.

At issue here are fundamental assumptions in the philosophy of social science, or what we might call the *hermeneutics* of the social sciences. Most economists—and perhaps especially most Christian economists—still tend to subscribe to what we might call an "objectivist" or "foundationalist" understanding of the social sciences. On this account, the social scientist is an impartial, attentive observer of situations and systems, recording the "facts" of the matter in a way that is neutral and "scientific." Most theologians would vigorously reject such a model as problematic at best, and downright naïve at worst. Instead, theologians—

along with many philosophers, including Kuhn—would ascribe to a "hermeneutic" account of the social sciences.[9] Recognizing the role of what Kuhn called "paradigms," such an account of the social sciences emphasizes that observation is selective and conditioned, and that the "facts" and data issuing from such research, while not merely invented chimera, are nonetheless "made" in a significant sense. In short, what counts as a fact is contested.

This might be a hard pill for economists to swallow. But I do not see any way for the economics/theology conversation to advance if we do not recognize this significant methodological and philosophical hurdle right from the start. Long tries to get at this in a later chapter, "A Catholic Church and Global Market: A Tale of Two Corporations." In this chapter he analyzes two different corporations: a lobster and shrimp operation in Honduras, and a family-owned water meter factory in the Midwest. "Reading" them theologically, Long comes to clear and pointed evaluations. Economists might be encouraged by his affirmative analysis of the latter; they will not be surprised as his blunt appraisal of the fishing operation as exploitive and corrupt. But Long emphasizes that his evaluation of the operation as corrupt "is not based on the secure deliverances of some 'abstract' universal reason, be it a 'natural' law or an objective analysis of 'social' reality qua 'social'" (p. 165). That is, his evaluation is not "disembodied from a particular tradition. It is grounded in a confessional claim about who God is." Thus Long emphasizes that his approach is specifically and unapologetically *dogmatic*: the analysis is rooted in confessional claims.[10] But Long would also emphasize that *every* analysis is rooted in *some* "confessional" starting point. So any Christian evaluation or description must be rooted in the thickness of Christian confession as its starting. There are no "facts" that are not always already selected and filtered by a pretheoretical starting point, even if the observers pretend to be neutral and unbiased. So Long is emphasizing that any Christian account of economic realities has to start from specifically *Christian* pretheoretical assumptions (paradigms).

Does this mean giving up on truth? Hardly. As Long puts it, "the true social descriptions I have given depend upon Christology, ecclesiology, and the doctrine of the Trinity" (p. 165). Given that this is a world created and (being) redeemed by the Triune God, any account of any aspect of the world that does not recognize this could not ultimately be "true." As he concludes, "we understand creation, incarnation, and the 'natural' only by examining Christ's life" (p. 182). There are not brute economic "facts" which then have to be correlated with Christian concerns; rather, there are social and economic phenomena that need to be construed and discerned, and such discernment will always be informed by *some* pretheoretical paradigm. Theologians will contest the economists' habit of appealing to "reality" as if it were a neutral given.[11]

So it may be the case that the theologian is not ignoring facts that the economist sees; they might just disagree on what counts as a "fact."

2 From "Christianity" to "the Church"

So far I have been arguing that the theological critique of globalization is rooted in a deeper critique of "foundationalist" paradigms in the social sciences. I do not pretend to have sufficiently summarized this critique to treat the issue as settled. As indicated above, my goal is to try to make explicit those aspects of the theologians' paradigm with the hopes of overcoming the "paradigm effect" which has hitherto had us talking past one another. And hopefully by doing so the dialogue can move to a new level.

This critique of foundationalism is not unrelated to a second feature of the "ecclesial" critique of globalization, *viz*., the centrality of the church in its analysis and evaluation of globalization. This is a second aspect of the "paradigm shift" represented by Long, Cavanaugh, and Ward's critique of globalization. And I find this emphasis is particularly hard for evangelicals to appreciate. So what is the connection?

As Long pointed out, a theological engagement with economics should be unapologetically "dogmatic," informed by the specificities of Christian confession and revelation, rather than the minimalist approaches of mere theism or natural law. Long's sensibility is a "catholic" one which emphasizes that the specificities of Christian faith are tied to the specifics of Christian *practice* as the body of Christ. Thus he claims that "Christians can find a different kind of argument about theological economics by beginning with the orthodox confession that the church is one, holy, catholic, and apostolic" (Long, 2007, p. 3). So rather than simply talking about a "Christian perspective on" economics, or simply offering a "Christian position on" capitalism vs. socialism, the ecclesial critique of globalization sees the church as a community of practice called to enact culture as it ought to be, and hence called to be a community of economic practice that grows out of its worship. This is why, Long argues, the Nicene confession of "one, holy, catholic and apostolic church"

> contains in seed an intriguing and inescapable vision of a theological economics. Central to Jesus' mission is the gathering of the twelve

> and establishing them, through the Holy Spirit at Pentecost, as a new global political reality, which we know as the church. This community is constituted through Christ's body, which is raised and now mediated to the church through Word and sacrament. It participates in his glorious reign through his Ascension. As the body of Christ in the world, the church is a transnational, global community whose allegiance takes priority over all other allegiances—especially those of the nation-state and the corporation. This allegiance requires a faithful, disciplined life in both our politics and economics (p. 3).

Because evangelicals tend to think of the Gospel as a "message" and Christianity as a set of beliefs, it can be difficult to appreciate the force of this paradigm shift to consider Christianity as first and foremost a way of life instantiated in the body of Christ as a community of practice.

But for Long and others, it is this focus on ecclesial life that is the real paradigm shift in the economics/theology encounter because it is this focus that really shifts the terms of debate and generates a different set of questions. "Rather than engaging in debates over whether Christianity should be in service to capitalism or socialism, theological economics would benefit by remembering that most of the church's economic analysis took place within the context of the call to holiness" (p. 12).[12] The result, he hopes, is that we might "move the conversation about theology and economics beyond the tired shibboleths of the Christian 'left' and 'right'" (p. 16). So instead of asking "tired" questions about whether a "Christian perspective" supports capitalism or socialism, or whether a "biblical perspective" permits Christians to be wealthy, Long pursues different sorts of questions "to develop a *Christian* vision of a common economic life. (1) How can we best embody the Christian virtues and avoid deadly vices given the economy within which we live? (2) What difference do our Christian doctrines make for how we should think about economic exchanges" (pp. 16-17)?

What such a paradigm shift requires, William Cavanaugh argues, is a new "imagination"—a completely new way of seeing the world, and hence a very different understanding of the state, the market, and the church. All of these institutions, he emphasizes, are imagined communities: "three disciplined and interrelated ways of imagining space and time" (2002, pp. 1-2).[13] So when we consider the state and the market, far from being "merely 'secular' institutions and processes, these ways of imagining organize bodies around stories of human nature and human destiny which have deep theological analogues" (p. 2). Cavanaugh wants to emphasize the history and contingency of these social imaginaries: modern politics and "political economy" are not natural kinds; they were "not discovered but imagined, invented" (p. 2). They are particular ways of imagining the world and human social life which emerged in modernity; they are "takes" on the world that have suffused our imaginations such that we now simply call these imaginaries "the way things are."[14] But Cavanaugh's project is to show these *as* imaginaries, and then to lay out how the church's worship constitutes a very different imaginary. The failure of so much Christian reflection on economics (as well as so many versions of "public theology"), he would argue, is that "none of these models has fundamentally called into question the theological legitimacy of the imagination of modern politics" (p. 3).

The ecclesial critique of globalization argues that too much of what traffics under the banner of "Christian economics" has been merely a concession of economic life to a so-called "natural" or "secular" sphere which is then taken to be ordered and arranged by "natural" principles but which are, in fact, very contingent arrangements that run counter to the *way of life* envisioned by the practices of Christian worship and discipleship. "The church," then, is not just that institution which pertains to some "spiritual" aspect of our lives while other compartments and sectors are governed by "secular" or "natural" principles; rather, "the church" names and embodies an institution and way of life that contains within it, so to speak, an alternative economics and politics. So "the economic" is not simply a *given*, common sphere of human life; it is a *contested* aspect of human social life that is and can be organized otherwise.[15]

This is why ecclesial critics of globalization are particularly frustrated with theologians like Michael Novak (1982) and Max Stackhouse (2009) who broker an easy peace between the church and the market (and the nation-state). For critics like Cavanaugh and Long, people like Stackhouse have failed to appreciate the antithesis between church and "the market" because they have treated the market as if it were a natural kind, a given reality, just "the way things are." So when Stackhouse speaks of the corporation as a "worldly ecclesia," or when Novak speaks of the modern business corporation as "fourth form of the body of Christ," Long is puzzled: "in presenting a fourth form of the body of Christ, and without explaining how it is related to the other three forms, [their] work loses the capacity to speak well about God and thus, cannot speak well about the corporation either" (Long, 2007, p. 177). This results from two errors: (1) "their desire to avoid confessional particularity in theology"; and (2) their failure to appreciate the comprehensiveness of the church as a community of practice. By ceding and conceding commerce and economics to a so-called "secular" or "natural" plane, these Christian apologists for globalization have failed to see that the church embodies a comprehensive way of life with its own vision of human flourishing, including economic flourishing.

Thus, for Cavanaugh the global market and multinational corporations are a concern precisely because of their "catholicity" and universality—they represent a rival *Catholica* which implicitly narrates a different story about the nature of human social relations, commerce, and exchange (Cavanaugh, 2008, pp. 112-113). They spread a gospel of competition and accumulation in contrast to the church's economies of both gift and sacrifice. Thus Cavanaugh "reads" the elements of a Christian economics in the church's practice of Eucharist or communion. Like the multinational corporation, the Eucharist gathers the church as a universal, transnational body, but one also located in a place (embodied in the parish). So rather than homogenizing, the universal space of the church is complex (pp. 116-117). It is marked by an economy where those are who are thirst may come; all who are hungry may eat (cp. Isa. 55:1-2).

Again, I do not pretend to have sufficiently explicated this such that it would persuade anyone at this point. More modestly, I am trying to articulate why the church is central to the ecclesial critique of globalization. In this model, the church is understood not just as a "salvation station" for souls, but rather that covenantal people of God that is called to embody the culture-making for which humanity was commissioned at creation. And that work of rightly-ordered culture-making includes creating institutions and practices of economic life that run with "the grain of the universe" and are conducive to human flourishing. The church is the community of practice which, *in nuce*, embodies the seeds for reimagining such ways of life. And because the crystallized vision of economic life embodied in the church's practice looks so different from that economic ordering we see in the global market, this ecclesial model generates a trenchant critique of globalization as a *rival* catholicity, a *rival* way of life.

3 Globalization as Liturgical Formation

This brings us to a third aspect of the ecclesial critique of globalization. Refusing to get mired in questions of capitalism vs. socialism which are generated by a mistaken paradigm, the ecclesial critique is critical of globalized capitalism, *not* because it is out to defend socialism as a "better" way to organize the supposedly "natural" sphere of economic life;[16] instead, ecclesial theologians are critical of globalization because it is a rival *liturgy*.

The rhythms and routines of the market are not just something that we do; they do something to us. Thus the concern with global consumerism is its formative, liturgical power; as such, it constitutes a rival discipleship. It is in this sense that Long says "the market has become a counter-church in modern and post-modern society. It has become the one institution people look to for salvation" (Long, 2007, p. 42).

This is the central argument of Cavanaugh's *Being Consumed*, an extension of his earlier work (Cavanaugh, 2008): the economic practices of consumer capitalism function as pedagogies of desire that train or aim our love.[17] Rather than being merely neutral, pragmatic instruments for the distribution of goods and services, the rituals of the global market constitute a sort of liturgical formation of our identities precisely because they form our love.

A similar analysis, attuned to globalization, is offered by Graham Ward in *The Politics of Discipleship*, where he notes the limits and challenges for those who might desire a "postmaterialist" way of life:

> Capitalism in its expanded global form is a participatory system. I may choose a postmaterialist option and not buy sportswear from Nike because of the charges of sweatshop exploitation, but my index-linked pension, the investments made by my mortgage company and my bank, my credit and debit cards, and online shopping all situate me firmly in the global economy. Globalization is not simply the effects of free-market economic policy adopted by this country or that, or even the ideology of international operatives driven by multinational corporations, the International Monetary Fund, and the World Bank; it is an environment, an atmosphere. It implicitly possesses and promotes a cosmology. Like a religion, it generates its own mythology, and however much it deals with empirical goods, metrics, positivist facts, and processes that are entirely focused on the concrete, immanent logics of this world, its ethos and ethics are utopian and transcendental (Ward, 2009, p. 97).

The reason that such critiques are "ecclesial" is because they see the liturgical formation of the church's worship and discipleship as a *counter*-formation of our social imaginaries, contesting the formative stories and practices of globalized capitalism.[18]

If in response to this sort of analysis, the economist asserts that, in fact, the globalization of capitalism has actually improved the material situation of the poor (and let us grant that for the sake of argument), the ecclesial critic will see such a response as a red herring, an answer to a question that was not asked. For what is at issue here is not how to make the greatest number of people as wealthy as possible, but how to order our social, political, and economic lives in such a way that we are a people who bear witness to the cruciform way of life that characterizes those who have pledged allegiance to the coming King. It is not that such an ecclesial critique gnostically discounts concern with material conditions, but rather that it understands and interprets those conditions in light of the way of life we are called to embody in the "not yet" of our now. Whether that makes a dialogue with economists impossible remains to be seen in what follows.

Endnotes

1. I should say that I became more sanguine about the possibility of constructive dialogue between economists and theologians when Dave Richardson and several other economists (particularly John Lunn) participated in a conference I hosted in 2005 on "Secularity, Globalization, and the Re-enchantment of the World" (proceedings subsequently published as Smith, 2008). There were clearly deep disagreements that tended to track along disciplinary lines, but I was impressed by the patience and charity modeled by these economists. So the present essay is something of an attempt to follow their lead.
2. For reasons that might become clear below, we might describe this as an "ecclesial" or "ecclesiological" critique of globalization.
3. For the purposes of this first essay, I will generate treat "globalization" as a predominantly economic phenomenon whereby the flows of capital transcended national borders and hence national governance, engendering both the global market and the so-called multi-national corporation. In what follows, I also take globalization to be the global expansion of consumerism. Hence I treat "globalization" and "global consumerism" as basically synonymous. This will no doubt be a topic of conversation in the next round.
4. In fact, all of these theologians, as well as related voices such as John Milbank (1990) and Daniel Bell (2001), are radical critiques of liberation theology.
5. And Kuhn specifically describes such paradigms as constellations of "beliefs" and matters of "commitment" (Kuhn, 1970,

pp. 40-43, 113). So paradigms are "faith-based," in a sense.

6. I have chosen to focus on this work because it brings Long specifically into dialogue with an economist. For his more systemic critique of capitalism, see Long (2000).
7. This can no doubt be true. For example, I was once speaking at a large conference for Christian graduate students where the plenary speaker, speaking on Sabbath and justice, encouraged all of the attendees to give their hotel housekeepers a day of rest by leaving their "do not disturb" sign up for the day and thus releasing them from having to make up the room on a Sunday. The next day we learned the fallout: in fact, the housekeepers were paid for "piecework," so a recommendation given in a spirit of justice and solidarity with "the poor" was actually taking money out of their paychecks.
8. I would add that seeing the global dominance of capitalist economies as the victorious outcome of the march of History (per Francis Fukuyama or Michael Novak) is *not* recognizing the contingency of capitalist ordering.
9. There are social scientists who also criticize foundationalist accounts of social science and assume something like a post-foundationalist or "hermeneutic" account. See Christian Smith (2003; 2010).
10. Long criticizes those theologians and ethicists (such as Max Stackhouse) who buy into "foundationalist" or "objectivist" understanding of the social sciences and thus reject Long's approach as "too dogmatic," preferring instead to appeal to the supposedly neutral categories of "creation" and "natural law." But Long muses: "Why Christology and ecclesiology are too confessionally oriented—but something like creation is not—mystifies me. For to speak of 'creation' is already to make a confession standing within a particular tradition, and if that tradition is Christian then one cannot speak of creation without its Christological and Trinitarian resonances. Creation is not a more universal category than Christology or Trinity. They render it intelligible" (p. 165). For a related critique of "non-confessional" appeals to natural law, see Long (2006).
11. This is also why the theologians I am discussing here are also critical of liberation theology. On their account, liberation theology buys into the same "objectivist" notion of economics, but ascribes objective truth to Marxism rather than capitalism. See

especially Milbank (1990, pp. 206-255), and Bell (2001).

12. "Holiness" here should not be confused with, or reduced to, private piety. See Long's discussion of usury (2007, pp. 139-164).
13. Cavanaugh emphasizes that institutions like the state and the market have a strange ontological status: "the state [and *mutatis mutandis*, the market] as such does not exist. What exists are buildings and aeroplanes and tax forms and border patrols. What mobilizes these into a project called 'nation-state' is a disciplined imagination of a community occupying a particular space with a common conception of time, a common history and a common destiny of salvation from peril" (p. 2). It is this strange reality which generates Cavanaugh's opening question: "How does a provincial farm boy become persuaded that he must travel as a soldier to another part of the world and kill people he knows nothing about" (p. 1)? The intertwinement of state and market can be seen if we tweak the question just a bit: "How does a provincial farm boy become persuaded that he must travel as a soldier to another part of the world and, in order to defend liberty and free markets, kill people he knows nothing about?"
14. Showing up the contingency of modern social imaginaries such as the nation-state and the market is at the heart of Charles Taylor's project in *A Secular Age* (Taylor, 2008).
15. Long, Fox, and York (2007, p. 136), discusses Islamic banking systems, which reject usury and interest.
16. This would be the strategy of liberation theology's economics, which is roundly criticized by "ecclesial" theologians.
17. I make a similar argument in J. Smith (2009).
18. See Waalkes account of how the Christian liturgical calendar counters construals of time in our "flat" world (Waalkes, 2010).

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Globalization and the Common Good: An Economist's Account for Skeptical Scholars

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I aim in this essay to give an observant Christian economist's account of globalization's common—but not uniform, nor universal—good fruit. I aim especially at an audience of scholarly skeptics, especially those from other disciplines, and importantly ethicists, philosophers, and theologians. I hope and trust that they will consider, critique, complement, and complete my reasoning on the important nexus of globalization and "good."

Most varieties of economic globalization serve the common good, when this ethical notion is understood in its most natural conception. A few do not, however. And all varieties are subject to perversions and concerns, the most striking of which is the way economic globalization abets widely understood "bads," such as crime. Yet the identities of the particular communities whose "goods" globalization serves well have changed sharply over the last few generations. I shall argue that this, too, is not necessarily a good thing. So the enthusiasm with which we believe that economic globalization serves the common good should vary greatly with who we are, and with what specific global markets we are evaluating.

To be concrete, the good that economic globalization encourages

- is best assured in open global markets for inputs that firms buy and sell from each other, then assemble into outputs, including the input called

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Author's Note: *Professor of Economics and International Relations, Maxwell School of Citizenship and Public Affairs, Syracuse University, Syracuse, NY 13244. Senior Fellow Emeritus, Peterson Institute for International Economics, Washington, DC 20036.* *These reflections come from the privilege of a frontline perspective that for several decades has placed me by grace in the heart of the Washington policy community—no common consensus there about the goodness of globalization!—and at the interface of mainline economics, development studies, politics, and international relations. In reflecting over the years, I have gained greatly from colloquy and co-authorship with C. Fred Bergsten, I. M. (Mac) Destler, Kimberly Ann Elliott, Howard Lewis III, and Howard F. Rosen, especially, as well as from graduate students in three offerings of a course titled "Globalization and Development." I have also been aided by comments on an incomplete earlier draft by P. J. Hill, Andrew Yuengert, and especially Christopher B. Barrett, John Mason, and Paul Oslington.*

innovation;
- requires market-supportive institutions and regulatory oversight to be predictably good, especially in ethics-bounded activities and limited-information markets, such as human trafficking and finance; and
- accrues all-too-naturally to the more capable in our many communities, and may therefore require insurance and other redistributive institutions in democratic societies to be predictably good.

1 Preliminaries

In my essay, I will emphasize

- a clear conception of *economic* globalization, the cross-border integration of markets, including the markets supplied by not-for-profit (NFP) firms, with integral attention to political, institutional, and ideological support for what I will call the *"open market system,"* and
- the multiplicity of conceptions of, and horizons for, the *common* good—because doing so highlights the inevitable tradeoff between *openness* and *family preference* (for "our" family), which are *both* good things.

I will be taking the market system, characterized below, as a given, and arguing that it works better ("good"-er) when it works across borders. I will devote considerable space to the obvious question being begged, "better for whom?"—for which communities? I will work with a primitive, economistic notion of the "good," and will use asides to propose that refinement of this is the principal way that ethicists, theologians, and other scholars can fruitfully labor together with (even against) economists.

Economic Globalization as an Open Market System

The market system, as I conceive it descriptively, is *not* free-of-government, nor is the openness I endorse free-of-international-discrimination. Free-marketeers and free-traders may be dismayed. The "market system" is a distinctive mix of competition and cooperation, a complex, vertical, and social network of purchases and sales, contracts and conventions among firms—firms that are themselves social units, and that include some motivated by service, not profit, such as schools, hospitals, mutual insurance companies, credit unions, labor unions, and agricultural and other cooperatives.[1] This past year's Nobel Prizes in economics went to two scholars (one a political scientist) who pioneered exactly this social conception of firms.

The quality of the social network's competition and cooperation determines how effectively and efficiently it combines fundamental inputs such as worker services to produce intermediate and then final goods for those very workers. In other words, the quality of this social market system determines the material standard of living of its workers (and its growth rate also, once innovation is recognized as an input).

A government's economic regulations can contribute (or not) to the quality of this competitive-cooperative market system—internally within a firm and externally across them. Internal regulation ideally establishes and maintains clear property rights and the rule of law, including rights and laws concerning shareholders and labor relations. External regulation ideally maintains the sanctity of contracts (every contract is a voluntary agreement to be assured by judicially enforceable provisions), and conditions for relatively free entry of new firms, new products, and new ideas (e.g., antitrust/competition policies). External regulation also defines and ideally bans coercion, corruption, and fraud, all "bads" for effective market systems. Naturally, when government regulation fails or is corrupted, the quality of the market system suffers, too.

The preceding paragraph contains the reasons why the market system *must* ideally rest on and feature a fundamental role for government and its institutions. The market system is made up of commercial societies interacting with and within political societies, and is embedded in social customs and institutions.

I mean this and almost everything above descriptively, not prescriptively. This is the way the world truly *is*. But because I care as a Christian about its integrity and justice as well as its "quality," I wish I could cite detailed, applied, relevant, and modern-yet-historically-rooted critical scholarship along these lines by those who are gifted and specialized in social ethics. Frankly, I do not see enough.[2]

In this conception of the market system, pure "globalization" is even-handed *openness* at sovereign-government boundaries, free entry at the border and equal treatment within it. Free trade has thus always been carefully defined as non-discrimination between "our" commercial society and "theirs." Free investment, including mergers and acquisitions, has always been carefully defined as "national treatment" for foreign firms.

There is widespread ignorance that *neither* free trade nor free investment require, or necessarily even promote, so-called "free markets," markets with minimal government intrusion. Free trade and free investment *do* require that exactly the same government regulations apply in our geographical space to our goods and theirs, to our firms and theirs.

In brief, economic globalization is about markets being open to foreigners, "contestable" in the technical language used by economists. Globalization is *not* about markets being closed to government meddling.

It should then be obvious why indiscriminate openness is *not* necessarily beneficial. For example, among "goods" traded across borders are commercial "bads," such as human trafficking and other criminal activities mediated by "bad firms." In regretful parallel with goods crossing borders are globalized addictions, weapons that facilitate violence, and financial instability. Openness to these and other "bads" is one of the major concerns at the end of this essay.

Our Many Conceptions of Common Good

There is less consensus on a suitable conception of "common good" than there is for markets and globalization.[3] There are obviously different normative conceptions of fundamental "good." My paper will rest on a fairly straightforward, commonly-held conception. Enhancements to human capability and creativity are my primitive *"good,"* as I will describe below. Ethicists, theologians, and other scholars have obviously developed more precise and deeper conceptions of the "good."[4]

Different conceptions of "common" good need more discussion. The conception of "common" that is most useful for this essay is based on social groupings, because globalization is properly conceived as "our" non-discriminatory openness to "them," and theirs to us. The communal pronoun "we" could then signify one's blood family, extended family, blended family, locality, denomination, religion, affinity group, race, class, gender, city, province, nation-state, region (global "North, South") and even broader conceptions (humankind, "planet earth"). The corresponding common good would, of course, be captured by everything from "good for our marriage" right down (up?) to "good for the animate earth's ecological harmony."

I find it unhelpful to narrow communal pronouns like "we" and "us" to mere nation-states, the conventional social unit involved in globalization debates. Some of the most contentious openness issues are and have been about "us's" smaller than national citizenry. For example, the United States has contended within itself for centuries over the meaning and scope of the Constitution's inter-state commerce clause, dictating openness among states for America's "common good." Similar contentions exist across every federal union and within the European Union. Or, for example, North-South contentions over globalization's rules and representation in international institutions concern what is good for an "us" much larger than nation-states.

All this notwithstanding, to conceive "us" as a nation-state is familiar and natural for economic globalization. It is also very revealing. In this conception, fellow citizens are a type of family, and border discrimination constitutes mere family preference. Indeed, maximum even-handed openness to *all* foreigners would seem to be at best a profoundly mixed blessing! Family ties, community ties, patriotism, and distinctive citizen rights and obligations remind us that there are often communal benefits from *not* being completely and indiscriminately "open." Few of us seriously endorse a "market" in which we could sell off our difficult children and buy more promising substitutes! No serious commentator endorses openness toward mortal enemies. And "doing good to all people" is modulated in Galatians 6:10 by "especially to those who belong to the family of believers."

2 The Nexus of Economic Globalization and "the" Global Common Good

With these preliminaries in mind, answers to the "globalization-good?" question will certainly differ among groups. Globalization is good for cosmopolitans, but may be bad for those who prize tribal culture, self-sufficiency, Gandhi's *swaraj*, and the "small-as-beautiful." It is perhaps good for the world's highly educated, but bad for its illiterates. It is good for men, perhaps, but especially good for women. It is good for every nation-state but especially good for middle-income nation-states with strong (though not necessarily democratic) socio-political institutions, as we will argue below.

Second—and less obvious (and distinctly less neutral)—recent research shows that economic globalization has profoundly different effects even *within* groups, as well as among them. Globalization shakes and sifts! Globalization almost always enlarges the opportunities of the most capable in a group and contracts the opportunities of those who seem comparable, but are less capable. For example, among "twin" firms of similar size, age, activity, and national origin, economic globalization raises the market shares of those that are most productive by luck or management wisdom, and shrinks or kills off those that are not. Economic globalization is, frankly, Darwinian. Its "blessing" to the favored twin at the expense of the less-favored twin is redolent with Scripture and is the main reason for globalization's acknowledged effect on volatility and anxiety, as discussed below.

The dark implication of this second point is that no matter how precisely and homogeneously we define the group called "we," globalization seems to propel some of us up and some down within the same "we"! How then, can it possibly be serving "our" *common* good?

The answer to that question lies in a third conclusion from recent research. If the Darwinian process just described leads, on *average*, to growing human capability and creativity and to institutional "best practice" around the globalizing world, then it might be serving the various "common goods" anyway despite distributional dispersion,[5] division, and extinction.

The most important real-life example is the growing global standard of living, discussed in the next section. That is in turn driven largely by openness to producer best-practice anywhere in the world, allowing firms freely to trade inputs, personnel, innovations, and superior management practices with each other, thereby boosting their productivity—both its level and its growth.

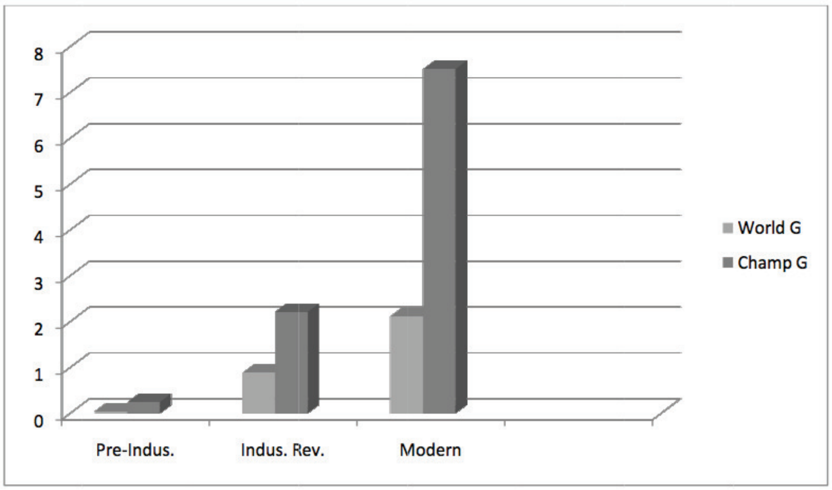
Almost as important are the opportunities that global openness gives for productivity from institutional refinement[6]—globally better ("good"-er) government bureaucracies, quasi-commercial institutions, and purpose-driven not-for-profit firms (NFPs), such as cooperatives, labor unions, educational and health-related institutions,[7] charities and philanthropies. Human standards of living track average productivity tightly. Average productivity tracks globalization tightly.

The Correlation Between Globalization, Human Capability, and Institutional Improvement

The evidence that globalization has facilitated a growing global average standard of living is condensed—hyper-capsulized!—in the following chart. The chart, like all correlations, proves nothing by itself. It requires an account, an interpretation, ideally plausible and powerful-against-alternatives. I have tried below to provide such an account, synthetically distilling the essence of an ongoing deliberation among students of globalization and development.

The chart depicts annual growth in the average person's command over goods and services during three eras, a near-millennial length pre-industrial era, a century-plus of European and colonial industrialization, and an ongoing two thirds of a century of modern diffusion of that industrialization.

"Industrialization" is the misleading term that is most often used to distinguish these three eras. Far better is to think of this flow of economic history as tracing the advent and diffusion of the "market system," as I have described it above. The so-called "industrial revolution" of the 1800s pioneered and refined the institutions of the market system "in parallel" among Western-sphere countries representing slightly more than twenty percent of the world's population. Japan began imitating the system in the late 1860s. But the modern era truly globalized the system, spreading it to an additional sixty percent or so of the world's population, expanding its market and institutional boundaries well beyond national borders, and shedding the coercive imperial/colonial institutions that encouraged trade in the 1800s and early 1900s, but hardly the market system.[8]



Notes to Chart

Horizontal Legend: **Pre-Indus.** = 1000-1820, **820** years; **Indus. Rev.** = 1820-1950, **130** years; **Modern** = 1950-2006, **66** years.

Vertical Legend: annual average compound growth rates (**G**) in Gross Domestic Product per person for the **World** as a whole, and for the **"Champion" growth regions** of the eras, respectively, Western Europe and the United States (Pre.-Indus.), Australia, Canada, Mexico, New Zealand, Scandinavia (Indus. Rev.), China, Japan, South Korea (Modern).

Sources: Maddison (2001), Appendix B, Table B-22, as updated by Rodrik (2009), Figure 1. Several of Maddison's and Rodrik's sub-eras were re-aggregated over time using years-of-sub-era duration as weights for the sub-era growth rates.

This condensed profile reveals three striking facts, all widely accepted, though controversy swirls over their interpretation. I will claim that the three capture the essence of the way that modern economic and institutional globalization has provided the foundation for growing global living standards.

1. The world's living standards were stagnant for most of the second millennium of the Common Era. But generational progress at one percent per year per person began in the early 1800s, and accelerated in

the modern era to two percent per year. Globalization reflected in cross-border trade (exports) rose from less than one percent of world GDP before 1820, to volatile single-digit percentages that fell back to five percent in 1950, and then exploded to roughly eighteen percent over the past decade that begins the third millennium.[9]

2. The countries whose prosperity grew fastest (each era's "growth champions" in the charts) uniformly started below the world's standard-of-living leaders. They then grew at *increasing* extraordinary super-rates, and thereby converged more-and-more-quickly toward the leaders as the modern era arrived. These growth champions also became more populous, representing well over half (sixty percent) of the modern world's population, and became generally more dependent across borders for imports of inputs and foreign investment and for exports of more-finished inputs, outputs, and their own corporate competence.
3. Largely because of faster modern-era convergence (measured by the surging *difference* in the heights of adjacent pillars) between standard-of-living leaders and those populous champions who rely on them for ideas, innovation, inputs, institutions, and markets, the *duration* of each of these eras shrinks. To put the point in more colorful, metaphoric terms, modern globalization is like a time warp. It is what allows modern growth champions to converge in a temporal blink-of-the-eye toward the already-prosperous.

An Interpretation

But my account is controversial. First, it rests on correlation. Does globalization really *cause* any of these remarkable trends? Researchers are still arguing its weight and "place," compared to the influence of technological progress and institutional refinement.[10] Yet almost no researcher denies globalization any contribution at all, especially when openness is broadly conceived as an underlying (necessary) condition for innovations and organizational/institutional design to be diffused quickly across borders

Moreover, as I have argued above, markets are best conceived as government-regulated social networks among purpose-and-profit-driven firms, covering rights to "own" innovations (temporarily) and business methods ("trade secrets"), and enshrining exclusive rights to represent stakeholders, e.g., shareholders or unionized workers. In this broad conception, openness at borders is a pre-condition for *any* technological and institutional progress to blossom beyond its insular birthplace.

A second controversy stems from my account being global, but hardly universal. Many are left out, roughly twenty percent of the world's people. Granted that, on average, over the past two generations, countries that have consciously deepened their globalization have seen poverty rates fall and middle classes grow. Granted, common people in this common experience have usually gained. But not always (e.g., Haiti), nor in every person's case (e.g., distributional measures within globalizing countries often decline, such as the income ratio of the poorest to the richest ten percent). Moreover, the standard-of-living gap between the modern era's "emerging" (globalizing) economies and others with very low development has continued to widen (by a depressing two to five percent per year),[11] leading naturally to the question, "how common is this alleged common good?[12]

Third, my account emphasizes catch-up by emerging-economy champions to the world's standard-of-living leaders. That raises another controversial question—what about those leaders? If/when catch-up convergence is complete, what *then* is the case for globalization serving the common good? To be more pointed, how in this account does globalization serve the common good of citizens in already rich countries? These questions are addressed below.

A Deeper Account

What are the deeper arguments that support my account? A deeper defense of economic globalization springs from my conception of the market system, and rests on three foundations, summarized by the words entry, diffusion, and scale. Economic globalization maximizes—subject to regulatory mediation—free entry, information diffusion, and scale economies, all desirable features of the market system and all catalysts for productivity and prosperity.

Entry. Globalization as I conceive it is almost identical to the economist's idea of free entry for aspiring producers (always subject to a country's rule of law and regulations). Free entry means something more precisely rendered as "no unnatural barriers" to entry, recognizing that most goods and services have natural barriers: up-front costs like licensing, credentialing, experience, and fund-raising; ongoing (fixed) costs like research, representation, rent, quality assurance, and debt service. "No unnatural barriers" means no incumbent-favoring regulation, no incumbent predation on newcomers,[13] and no unjustifiable border barriers.[14]

Globalization is then the cultivation of open-to-all rivalry among firms and institutions with the most attractive or innovative final goods and services, generated by productive producers with strong inside management practices and outside reputations. These firms and institutions are often themselves globalized in their supply chains and distribution systems so that they can truly be both cost-effective and respected by loyal buyers. That open-to-all rivalry applies to NFP suppliers of service—it has nothing to do with profits—and it applies to government services, too, especially postal and communications services, public-health, pension, and insurance services. Markets open to all sorts of entrepreneurial enterprise, including so-called social entrepreneurship, is the most predictable way to discipline and refine the market system.

Diffusion. Global diffusion expands the refinement of the market system. That refinement is continuous. But it began several centuries ago in the "West" and its satellite colonies; it subsequently united the American colonies and the European Union into "single" markets; and it created best-practice information bases about how to organize a firm, a charity, a government agency, including its innovation, its labor relations, and its customer (client, voter) relations.

There are, however, two defensible arguments against diffusion—and in favor of keeping technologies bottled up within a sub-global unit. One is national security.[15] The second is to maintain incentives that reward innovators, producers who pour resources into refining and supplying research and development, best-practice management and institutional practice, and new products and processes. This second is the case for maintaining territorial "intellectual property rights." These do indeed involve granting time-limited barriers both to diffusion (they nevertheless legally allow varieties of "fair use," and even reverse engineering of close substitutes) and to free entry (unless entry to the product market or to the process is authorized by a license and paid for).

Both arguments against diffusion are controversial in practice, because they involve subjective judgments in uncertain environments. Both invite excessive claims by firms providing alleged security and owning intellectual property, claims that are of course met with heated disagreement from rival firms that are closed out of markets. Though research reaches no clear conclusion yet, my judgment is that the contentions have been resolved in real life by institutions that place too little weight, ethically and economically, on the benefits of diffusion through openness (e.g., the Trade-Related Intellectual Property arrangements in many cross-border trade agreements).

Except for these two reservations, diffusion of best-practice is precisely what free entry facilitates.

Scale. Globalization creates markets and institutions of a large size that is often *necessary* for goods and services to charge buyers prices that are adequate to cover the resource costs of their production. Markets that do not cover costs have an equilibrium volume of zero—that is, they are missing markets; they are phantoms; they are never seen in reality; they do not naturally "work" to supply the product.

Merely national markets are often inadequately large to cover costs, e.g., for munitions and weaponry, communications satellites, and internet commerce and "e-government." Small nations are closed out of such markets without globalization,[16] and large nations only gain more when globalization allows the lump of start-up and fixed costs to be shared (divided, attenuated) among the customers of open-border nations. Cell-phone services spanning much of the African continent illustrate this. Productive experience ("savvy") itself usually gains from scale, experience of how to produce a better mousetrap or better disability insurance or .... Large scale allows for more experimentation, more continuous refinement, more good innovation. Open borders help diffuse those good practices.

Nowhere are the benefits of global scale more obvious than in customized input markets, including research and development, and in what is called business services. Firms and institutions all gain as they convert inputs into outputs using workers, machines, components, and marketing. They can purchase these in global markets—services of expert workers, of machines that are calibrated and customized to run on unpredictable energy systems, of components that survive storage in hyper-hot locations and near-twin components for hyper-cold locations. Globalized scale economies avoid what Adam Smith referred to at the very advent of the Industrial Revolution as the regretful way that labor's specialized productivity could be limited by the "extent of the market."

But Adam Smith never foresaw the scope of his scale: the way scale economies would revolutionize business and institutional practice world-wide, allowing business-to-business input markets to burgeon, inviting firms to slim down and specialize on just a few "core competencies,"[17] then rely on globally common information about global suppliers of infinite shades of suitability in global supply and distribution chains, all kept sharp by free global entry.

The global common good itself grows when entry, diffusion, and scale are cultivated globally. Their opposites—encircled incumbency, insular insiderism, cronyist provincialism—rarely serve any broad common good.

I want to draw my readers' attention also to what is *not* here. *Not* part of this account are arguments that I find diversionary, unpersuasive, and usually useless. There is no defense in my interpretation of how globalization expands markets at the expense of government activity, or private initiative at the expense of public. There is no defense of "business" per se, and certainly not of "business as usual." In fact the "usual" incumbent producers, aging and encrusted, are almost always the rabid institutional enemies of entry and diffusion, which inevitably cause their corporate scale to shrink. Terms like capitalism, neo-liberalism, liberty, and free enterprise never appear in this essay; words like profits, commerce, efficiency, and competition only rarely appear. These omissions are substantive, not just rhetorical.

I despair when critics of globalization—who could be constructively complementing or critiquing economics by devising market-consistent ethical criteria, or experimentation in institutional frameworks for ownership, re-contracting (e.g., bankruptcy), and targeted diffusion of intellectual property (e.g., frontier pharmaceuticals for the poor)—*instead* chase will-o-the-wisp red herrings and scowl at Cheshire cats that have little to do with the *real* issues and institutions of *real* economic globalization!

Real-Life Complexities and Concerns

So where are the flaws in this seemingly overwhelming apologia? My answer is "nowhere." Flaws are the wrong focus. But complexities and concerns abound, especially when we probe in more detail below the sweeping correlations across averages, when we probe specific communities, specific types of globalization, and measures of dispersion around averages. Each of the following complexities nests a concern. Each concern strikes me as fertile ground for collaboration between economists, ethicists, and other disciplines.

Complexity/Concern #1: Offshore Outsourcing and the "Global Business Model." Roughly two thirds of the modern era's global transactions involve firm-to-firm trade in *inputs*. That is why what is called *offshore outsourcing* is not a distinctively American issue. It is the norm in the modern era. Around the world, for-profit and NFP firms have discovered that they can improve the quality and lower the cost of their supplier-distributor relationships by engaging foreign partners. Technological change has already fragmented the integrated firm (and its conglomerate family) through outsourcing; globalization allows the outsourcing to include foreigners (offshoring) on a non-discriminatory basis. Offshoring obviously improves productivity and the welfare of the firm's owners and trustee-visionaries (in the case of NFPs). Workers could as easily gain as lose, likewise host communities, as when, for example, hospitals abroad buy American medical equipment and professional services from American specialists. Offshoring is ubiquitous; there is no obvious imbalance in its use among countries.

Yet the one clear conclusion is that globally-networked offshoring firms lose their national origins. They are increasingly *not* American or French or any other national "us" anywhere in the world.[18] Or, in a more sinister rendering, they are everywhere an "us-unto-themselves," an affinity group called global business, with a corporate flag but no national flag. It is *not* at all obvious how that cohesive corporate cosmopolitanism advances the common good of other social groups. A narrow-but-important way to express the corresponding concern is that corporate insiders, including workers, gain more than (even at the expense of) outsider communities.

Complexity/Concern #2: Worker Migration and Global Services Trade. Open migration is a type of globalization "bigger" than economics. It involves cultural and societal identity and political rights and obligations. The part of it that is more narrowly economic, however, is temporary worker migration. It introduces a distinctive complexity and concern.

Most commentators believe that the next frontier of modern economic globalization is services. Merchandise trade, including agriculture, was yesterday's globalization. And services trade includes trade in corporate control (cross-border mergers and acquisition) and in so-called "public" utilities that are vaguely thought to serve the common good. Services trade also, for the past decade, has involved an explicit bargain between rich, emerging, and poor members of the World Trade Organization to include time-limited cross-border movements of authorized mid-skill workers as the fourth "mode" of trading services[19] (e.g., poor-country nurses filling guest-worker jobs in rich-country medical facilities). "Mode 4" worker-services trade currently accounts for less than two percent of overall world services trade. To promote the good of the poorest twenty percent of the world's population, those left out of the modern wave of globalization, it is necessary for rich and emerging countries to make concessions that allow mid-skill poor workers market access. That will be the quid-pro-quo for their own higher-skill retailers, bankers, insurers, and consultants to increase their access to poor-country service markets. If no such concessions materialize, globalization of services will stagnate indefinitely at its present miniscule intensity.

The corresponding concern is that visceral resistance to so-called "guest workers," however defensible using vague norms that we citizens owe each other jobs "first-most," may undermine further and deeper globalization. This would not only attenuate the global gains, but would condemn the world's poorest twenty percent (Collier, 2007 calls them the "bottom billion") to stagnation.

Complexity/Concern #3: Volatility and Insurance. For the reasons discussed above, volatility of many kinds goes hand-in-hand with economic globalization. But insurance and reinsurance markets that normally deal with volatility (by pooling people into mutual societies, i.e., common-good risk groups!) have many familiar shortcomings (e.g., adverse selection and moral hazard[20]). These shortcomings are due to unavoidably asymmetric information between the would-be insured and the insurer. Governments, NFP mutual associations, and charities are absolutely necessary for coping with some of these shortcomings, such as "insuring the un-insurable" and reinsuring the insurers—but governments and NFPs are also some of the most notoriously wasteful, ineffective, and corrupt providers of insurance themselves (think of American disability and Medicaid fraud, or flood insurance, even deposit insurance).

Moreover, insurance markets that matter to people, as opposed to firms, such as health, pension, and life insurance, are hardly globalized at all (they are part of the services frontier described above). Deeper globalization will remain elusive without progress at the frontiers of insurance-market innovation, and without progress in spreading insurance services among classes and countries where they are rare and exotic and expensive. Only innovative, widely available, and wisely regulated types of insurance can cope with globalization's endemic volatility. The corresponding concern is that absent such globalized personal insurance, the good that globalization stimulates for human and institutional capability will be outweighed by the unwelcome unpredictability of that same good.

Complexity/Concern #4: Democratic Legitimization of Economic Globalization, and the Death of Political Support when the Median is the Margin. Whatever its average benefits, globalization rewards twins who have-what-it-takes at the expense of twins who "have not," as discussed above. When we focus only on that, and then place the twins in a typical, democratic population with only modest overall economic growth, the result is almost certainly nearly as many "losers" as gainers. The typical citizen (median voter) in this typical democracy is as likely to lose as to win. Why then will its voters continue to support a process that is perceived as beneficial to "people *like* me"—only if they are lucky or hyper-successful—*at the expense of me*! Indeed why *should* its voters warm to such coin-toss outcomes? Typical voters-in-the-middle of the typical country, for good democratic reasons, may not continue to endorse deeper economic globalization. It is democratically *ill*egitimate!

Except in our chart's growth champions, this legitimization concern is ubiquitous. It confronts democracies everywhere; it is not merely a concern for rich-country voters. It lays a pragmatic ethical foundation for a principled re-distribution policy that aims to make the typical (median) citizen better off from economic globalization. It is pragmatic because it rests on material persuasion of one's fellow voters; it does not rest on national solidarity, safety nets, or charitable motives. It is ethical because it refuses to let globalization proceed unless democratic voters "in the middle" support it. Political philosophers could help economists tremendously by deepening this kind of reasoning.

And there is a darker implicit concern. These same traits make it easier for elitist, autocratic states to embrace globalization, and its economic good, than democracies can. They need not be concerned with the "masses," the large middle class and the "unwashed" below them. That is serious. Globalization opportunities and their corresponding prosperity could in principle encourage a world where democracy was unsupported in geo-political natural selection. Global economic good that impedes global democracy in that way may not be nearly as attractive in terms of wider (wider than material) human values. These concerns seem ripe for scholarly reasoning that goes well beyond conventional economics.

Complexity/Concern #5: Global Institutional Reform. National and sub-national governments of all types have gained institutionally from globalization; even politics has. Yet inter-governmental institutions, both global and regional, are at present sorry mediators of common goods, and sorry monitors of global "bads," discussed below. The most familiar inter-governmental institutions are anachronistic dinosaurs from a war-racked, ideology-warped, secularized early twentieth-century. They were a humanly hopeful architecture to banish carnage and depression. Admittedly, for three generations they have "worked" remarkably well, certainly "well enough." But today they are all-but-moribund.

If they cannot mediate among the economic common-goods of the nations, then a key concern is that the market *system*, so important in my account, does not exist across borders, because the undergirding inter-governmental oversight and regulation does not exist at that level. Moreover, if there are few if any successful cross-border mediator institutions for other conceptions of the common good (The UN for security against aggression? Interpol for crime? The International Labor Organization for human rights in the workplace?), then one can only use the word "anarchy" to describe the nexus among the various common goods. That is the same concern writ large.

Surely the design of organizations that enfold smaller common-good groups into a larger conception of the good that they hold in common is a pragmatically noble enterprise. How could it develop? Does the European Union provide models, institutions to embrace and to avoid? Does Judaism, Roman Catholicism, Orthodox Christianity, or any branch of Islam? Do multi-divisional, multi-national corporations? These are rich institutional questions, better answered by students of history, law, politics, and religion than by economists.

3 Has Its Goodness Changed? For Whom? And What About Those "Bads?"

Even patient sympathizers with my sweeping apologia (however conditioned) may be asking more pressing, more immediate questions at this point. Has not the argument changed in the past few years? Has not the mix of goods and "bads" changed? Has not there been change in the identity of those blessed and burdened? Here are my answers.

Change. Change has happened, indeed, for better and worse. For example, I will argue below that the past generation has experienced truly astounding growth in financial globalization, much faster than any other type, but that its endemic volatility and market shortcomings (even in the presence of wise prudential regulation) make its beneficence dubious.

Some "good" change has failed to happen. I argue above that global integration of services markets, including middle-skill guest-worker services, would have been a way to expand globalization's common good to be maximally—globally—inclusive. But this has gone nowhere in the past generation.

Incidence. [21] My interpretation and account have a hidden message. The identity of those gaining most from globalization evolves predictably. The greatest good is delivered to countries that initially trail the world's standard-of-living leaders and that progressively deepen their global integration, both in intensity and type (trade and productive investment especially). Less good is delivered to countries which are already among the leaders, or to countries that have already reached openness plateaus of various types.

In brief, it is the *momentum* of globalization that matters for growth, and those that have already grown into leaders gain only the incremental ideas, innovations, and institutional reforms that the world generates every year. That is by no means nothing. It is no reason to discount the value of globalization for the already rich. But globalization delivers far more good to countries catching up, able to import an accumulated *stock* of ideas, innovations, and institutions, and not just the incremental flow.

So the economist's gains are by no means equi-proportionally divided among globalizing countries, much less within them. These generalizations mean concretely that "emerging economies" today are getting more (good) out of globalization than "the West." The global gains across countries are unevenly distributed. But it is wrong to say "inequitably" instead of merely unevenly. Today's rich countries enjoyed their own historical era of global-market-driven emergence and convergence. They are not generally made poorer by today's growing prosperity of others.[22] They should not be envious that poorer emerging countries are becoming more prosperous. But of course they (we) are! And perceptions of *relative* prosperity affect human satisfaction (shalom) more than we want to admit.

Furthermore, a significant group of countries, representing roughly twenty percent of the world's population (see above, and Collier, 2007), are hardly growing at all, and falling further behind both the rich and the emerging globalizers in average standard of living. The usual broad indicators of their globalization are, curiously, *not* demonstrably smaller than those of emerging economies. For specific countries, like the Philippines or South Africa, the type of globalization most promising to their prosperity has been stifled, trade in time-limited guest-worker services. In other cases, such as "dualistic" economies, often resource-oriented, corruption and failures in internal governance and institutional development has left most of the population insulated from globalization's good.

"Bads." It is surprising how few commentators give weight to the ways that globalized markets and institutions serve the "bad," too. Widely-held global norms identify certain goods as "bads," most persuasively illustrated by human trafficking, theft, and humanly debilitating substances, especially "illicit" drugs.[23] Human trafficking includes cross-border prostitution and indentured slavery, usually victimizing the young and the desperately poor. Theft includes growing global piracy (and theft for ransom), and globalized trade in stolen motor vehicles, art, personal identities, and intellectual property.

The same natural and policy trends that have globalized goods markets have facilitated global "bad markets." Bads are of course traded by "bad institutions," the global gangs and criminal syndicates that mediate them through "bad" global supply chains and distribution networks. Globalized corruption[24] among government officials allows the bad firms to remain in their bad business.

Yet careful research on the globalization of such bads comes so far to a surprising conclusion. Far from "Highjacking the Global Economy," the title of one of the best and broadest studies, global trade in bads seems to have grown more-or-less apace with trade in goods: pirated goods trade is estimated to be roughly five percent of total "legitimate" trade, and the sum of illicit trade in art, arms, and coerced human services is twenty times smaller.[25] Far from "a few bad apples spoiling the bunch," the mix between global good and global bads in global trade is not that different from its average, internal, national mix. Some of this is arguably a credit to the growth of globalized government institutions that discipline the trade in these bads: Interpol, money-laundering and tax-evasion conventions, and international cooperation protocols on intelligence-sharing and cyber-crime. And much of it is a credit to the growth of enterprising, globalized non-governmental organizations such as Transparency International and the International Justice Mission.

But it is not clear we should be so sanguine about *other* bads. One of history's saddest and most-studied bads is the recurrent volatility and crisis that has spilled over from financial markets for centuries. Modern global financial markets dubiously globalize financial volatility and crisis. Volatility and crisis are facilitated by global communications that spread rumor and mis- and dis-information to all corners of the earth. Small-scale financial crises in the past generation have metastasized through cross-border "contagion" to a quasi-global scale that victimizes innocent institutions and countries, all abetted by globalized financial instruments that enable lucrative bets to be placed on failure, whatever their insurance value may be in avoiding risk ("hedging").

Unlike other bads, it is not at all clear that global financial volatility is merely a proportional up-scaling of national volatility. It may be a multiple. It may be "going bad." It may be *very* bad. If so, then there is no better example of the need for governments to agree across borders on global regulatory forums to police and undergird this important part of the market system, all aimed at minimizing volatility and the frequency, intensity, and duration of crisis. Primitive (and controversial) real-life examples exist in the Basel Committee process, now in the third phase of a long quest to globalize best-practice standards for commercial-bank capital, and in the inter-governmental Group of Twenty's deputization of the Financial Standards Board to be a nascent provider of global prudential regulation for financial transactions of all types. But no one is betting that institutions for adequate global prudential regulation will be in place soon.[26]

Finally, non-discriminatory openness at the border can have bad consequences beyond the bad volatility, the bad goods that flow more freely, and the bad firms that prosper from facilitating their trade. Global market openness, especially financial openness, also spreads bad *practices* globally, especially fraud, predation, and insidious forms of discrimination— e.g., the excessively long-lived stigmatization of sovereign borrowers and their resident firms in the absence of a global "work-out" institution. All three of these bad practices are familiar shortcomings of markets with asymmetric information (familiar from the pioneering work of several recent Nobel laureates in economics). The sharpest way to articulate the problem is to ask, rhetorically, why anyone with good sense should welcome fraud, predation, and discrimination on a global scale!

4 Summing Up

So, has globalization really served the common good historically? And even if the answer is yes for many countries and social groups, has its good diminished or become adulterated? Worse, has it begun to go bad? All bad? My answers tend toward yes, then no.

I argue above that economic globalization—*widespread, non-discriminatory, systemic market openness at national borders*

- does indeed raise the average prosperity of people, societies, and their institutions, including commercial and purpose-driven firms both, whose average institutional productivity is greatly enhanced by global innovation and input markets, and even including purpose-driven national political institutions and government bureaucracies.
- Yet globalization has done this good more predictably in the "emerging" world over the past several generations than among the twentieth century's rich countries, and it remains incomplete—benefitting only 80 percent of the world's population—until negotiated openness to trade in temporary worker services allow services markets more generally to integrate across borders.

- Furthermore, globalization's tendency to diffuse its gains unequally and sometimes unpredictably *within* any sub-society in the broader society has yet to be adequately recognized, and yet to be met with adequate mutual-aid institutions and policy remediation.
- Finally, economic globalization's unfortunate facilitation of global communal "bads," especially financial volatility and crisis, fraud, predation, and discrimination, needs always to be held as a counterweight in evaluating any conception of the common good it serves.

But I remind readers that at various places in this essay I have invited them to constructively supplement this economist's primitives and partialities.

Endnotes

1. In my term "service" I am including services to members of credit unions, labor unions, and cooperatives. Transactions among broadly defined "firms" (social groups), each of which is purpose-driven, each of which chooses sensibly, subject to constraints, is the *core* concern of economics—even households are a sort of firm. The core concern is *not* ego-centric, materialistic individuals pursuing consumerist maximization, however much that caricature appears in textbook introductions to "homo economicus." Critics who attack homo economicus for the straw man he truly is contribute little to fundamental economic discourse.
2. Among the most thoughtful and constructive treatments, in my opinion, are Stackhouse (2007) and Dunning (2003), especially the chapter contributions by Deepak Lal, by Hans Küng, and by four authors reflecting the ethics of monotheistic faiths and "eastern religions."
3. Paul Oslington made me aware of the rich elaboration of the term "common good" in Roman Catholic social teaching, seen especially in the century-plus of papal economic encyclicals. I am not using the term in that way, and am consciously avoiding any precise conception of the "good," in order to focus on the many competing conceptions of commonality. Economists, ethicists, and theologians *together* need to work more carefully on modern, commercially-relevant conceptions of "good."
4. I will be more precise below about whether I am thinking about average human capability and creativity or its distribution, and whether I am thinking about humans as individuals or in groups,

and about whether there might be "bad" capability and creativity. These issues are one of the most important illustrations, in my opinion, of where theologians and other broad scholars could help economists deepen their discourse.

5. The ethics of distribution and government-sanctioned re-distribution will be considered briefly below under the complexity/concern that I label democratic legitimization. Suffice it to say here that I find entirely-too-demanding ethical principles such as Pareto optimality ("it is good only if no one is made worse off") or Rawls-rooted criteria ("it is good only if the worst-off can be made better off"). Social ethicists could help economists enormously by developing less primitive and less abstract re-distributional principles than these.
6. I believe that this is the dominating effect of globalization on institutions, with the important exception, discussed at the end of the essay, of "bad" institutions mediating global trade in "bads." Thus in the specific case of government market regulation, my judgment is that "races to the bottom"—firms seeking out the least restrictive regulations across countries—are dominated by "races to the top"—firms seeking out countries with predictable, effective, market-supportive regulation that undergirds the market system described at the beginning of the essay.
7. I believe that my account could be expanded for education and health to show similar gains from economic globalization. That would allow me to define human capability and the standard of living more broadly in the way that the twenty-year-old Human Development Index defines them, an average (index) of GDP per capita, educational, and health indicators. See UNDP (2009). The France-funded Commission on the Measurement of Economic Performance and Social Progress (2009), chaired/advised by Nobel prize-winners Joseph E. Stiglitz and Amartya Sen, has recently recommended an even broader measure of human capability and the standard of living. It has yet to be implemented, and it is less clear that economic globalization would advance each and every sub-component.
8. Population shares are rough era averages from Maddison (2001, appendix table B-10, p. 241). I am unaware of any widely respected research that ascribes the modern era's gains of emerging globalizing countries to exploitation, unlike the rich-if-somewhat-polemic literature on the role of nineteenth and twentieth-century

colonial imperialism in generating gains from globalization for imperial colonizers.

9. Maddison (2001, appendix table F-5, p. 363) and associated text for the early period.
10. The debate is bracketed and well summarized in the combination of Rodrik (2007) and Commission on Growth and Development (2008). "Cultural" influences, as embedded in values and institutions, play an important role in McCloskey's distinctive multi-volume treatment, of which McCloskey (2006) is the first volume.
11. UNDP (2009, p. 198).
12. One informed commentator (Pritchett, 1997) has characterized that as "divergence, big time!" On the unique problems of the "bottom billion," see Collier (2007).
13. My point here is similar to one made eloquently and extendedly in Rajan and Zingales (2004). See also Stangler and Litan (2009) and Baumol, Litan, and Schram (2007), who in essence link new entry to diffusion in a "blend" of what they call entrepreneurial capitalism and big-firm capitalism. Upstarts "enter" with innovations and big firms sift, refine, and diffuse them.
14. Everyone accepts border barriers to maintain national security; some extend such arguments to include food security, vaccine security, cultural security, and the security of government revenues (border taxes in some countries are the most efficient way of raising government revenue and are not easily evaded).
15. See previous note.
16. In fact, the result can be a so-called poverty trap, in which a small country remains "stuck" without globalization in an "inferior equilibrium" among the multiple equilibria that are possible. In such cases, opening to global trade may "rescue" a country from its trap. I am indebted to Christopher B. Barrett for reminding me of this. Carter and Barrett (2006, pp. 186-87) nest a brief summary of macroeconomic traps in a much longer empirical, microeconomic treatment of poverty traps.
17. With due allowance for the extra volatility risks that specialization invites, to be offset by suitable diversification across core competencies.
18. IBM's current Chairman and Chief Executive Officer, for example, is quite explicit that he wants his employees' citizenship and culture to be first-and-foremost *corporate*, not national, not ethnic. See "Globalization's offspring" (2007), and "Hungry tiger, danc-

ing elephant" (2007).

19. The first three "modes" involve travel across borders by service suppliers (e.g., corporate establishment abroad), by service demanders (e.g., tourism), and services provided (e.g., electronically) without physical travel.
20. Adverse selection and moral hazard are unavoidable consequences of markets with asymmetric, unverifiable information, and are sometimes fatal to those markets (i.e., withering them away). The first is the incentive for those with secrets to hide, e.g., "this car is bad" or "I have a genetic pre-disposition to illness," to elect (select) to participate in (used-car, health-insurance) markets while others stay away because of the resulting high cost and low quality of available insurance. The second is the incentive for those who have paid to avoid risk in a market—i.e., paid for insurance, or paid for hedging—to relax their natural tendency (moral responsibility) to avoid risk ("I am already covered"), thereby making risky decisions more likely and risk avoidance more costly for all.
21. Economists use the word *incidence* to describe the exercise of identifying "winners and losers" from any change.
22. There are at least two prominent exceptions. One was popularized recently by the late Paul Samuelson (2004), a Nobel laureate in Economics. When emerging economies grow especially fast in producing the goods and services that rich countries have traditionally exported, the downward pressure on their global prices shrinks the size of rich-country gains from globalization. But not to zero (hurtful globalization). And there is surprisingly little empirical evidence that this has happened in the past two (or more) decades (Edwards & Lawrence, 2010). The second is the possibility of negative global spillovers (externalities) from growth in today's emerging economies that might undermine prosperity in rich countries, most likely in the accentuation of global warming through greenhouse gas emissions and in the exhaustion of nonrenewable resources.
23. More controversial "bads" include addictive, but not-necessarily debilitating, goods and services, e.g., gambling, pornography, and weapons.
24. Corruption, theft, and debilitating drugs all sap institutional and human productivity, the prime channel through which globalization raises global living standards. Workers involved in such predatory transfers generate no output (their true productivity is zero),

and can sap the growth as well as the level of productivity, when their activities bleed away the rewards to producers and owners of innovation and intellectual property.

25. Naim (2005b), summarizing Naim (2005a).
26. It is not well understood that international prudential regulation of finance was *never* among the mandated constitutional functions of the International Fund or the World Bank. Almost no one at their founding foresaw the explosion of financial globalization beginning in the 1980s, and those who watched it explode, like Alan Greenspan and the early Basel Committee participants, were shocked (shocked!) that it was not self policing!

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Evaluating the Good: A Reply to Richardson

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I worry that my initial contribution, when compared to David Richardson's analysis, will confirm a lot of stereotypical assumptions about philosophers and theologians—that we are abstract gurus accustomed to the rarefied air of mountain hermitages, well removed from the nitty-gritty messiness of the proverbial "real world." While Richardson documents the effects of policies on GDP and other measurable factors, my article offers nary a graph or pie chart and instead remains at 10,000 feet, musing about "big questions." So it might seem that my opening worry has come to fruition: once again, the economist and theologian are talking past one another.

However, it strikes me that we should perhaps distinguish between productive and non-productive versions of "talking past one another." In non-productive versions of the phenomenon, the interlocutors are simply shouting their self-assured pronouncements in what turns out to be an echo chamber, with neither the ability nor the interest to hear the other. But that does not seem to be the case here, which makes me wonder whether there might not be something like a *productive* instance of talking past one another, where interlocutors have come to the table with the goal of listening and understanding one another, only to find that they are answering different questions—which then becomes incredibly illuminating precisely because it highlights the deep differences between their starting assumptions. So the interlocutors still talk past one another somewhat, but *how* they talk past one another turns out to be very instructive: where they *miss* one another can now become points of focus.

I think this is the case in our exchange so far: because we each came to this conversation convinced that we had something to learn from the other, and from the other's discipline, our stance was receptive. But one might suggest that Richardson and I have answered two different questions: Richardson seems to have asked, "How should we evaluate economic globalization?" and his answer is offered as a kind of empirical corrective to theological rants about the same. In contrast, my essay asked the question, "What do theologians wish economists understood about the theological critique of globalization?" with the hopes of helping economists appreciate how *deep* theologians' reservations are with respect to economic globalization. While it might look like we have talked past each other, I have found the exchange illuminating precisely because it has helped me to see *where* we missed each other, in a sense. We have not quite got to the point of disagreement yet because we have not quite got to the same question. So in this response, I would like to look back on our first round of the exchange in order to home in on two themes highlighted in our "talking past one another."

1. Richardson's essay illustrates and confirms one of the worries I expressed in my initial essay: the tendency to take what is contingent as if it were natural. Thus Richardson's evaluation takes economic globalization as a given and then debates the particulars, whereas theologians will tend—perhaps too quickly—to call into question the very configuration of such systems and structures. This difference also becomes loaded, however, when economists overlay their analysis of these contingent structures with the label "real life"—as if economists are the "realists" in the conversation, having the courage, honesty, and fortitude to face up to the purported economic "realities" whereas theologians seem to be concerned with something other than "real life" (ideal life? artificial life? extraterrestrial life?).[1] But of course the theologian is going to protest that this is loading the dice: while our "real life" might be currently configured by these systems and structures (e.g., globalization), the theologian is both aware that "real life" used to be otherwise, and could be otherwise in the future. So it will be precisely the theologian's interest in "real life" *otherwise* that motivates her critique of the current system.

Having said that, theologians probably still underappreciate the weight that such contingent configurations have accrued. In other words, though theologians and philosophers refuse to just take current economic orderings as natural "givens," we might need to take more seriously how ingrained and solidified such systems and configurations have become. While we might point out that this concrete building in front of us is contingent and emerged from human construction, that does not mean we can now walk through its solid walls. Theology needs economics precisely to train our attention on empirical realities—to push us to attend to the "book of nature," as it were—which in this case is the book of human culture which is intertwined with resources of creation. Any "reading" of natural and social realities is going to be informed by presuppositions and biases, but they still must be confronted by the given realities which push back on our claims about the world. Insofar as theologians make claims that bear on the empirical shape of lived communities, we need to be accountable to empirical realities. This is precisely why theologians cannot neglect engaging economists, even if our engagement might be difficult and frustrating. In some ways, what is at stake here is a matter of *imagination*: I think the theologian tends to have a more supple, elastic imagination about how things *could* be. But the economist reminds us that our sometimes unfettered imaginings need to be disciplined by social scientific attention to empirical realities. Such attention and accountability, however, cannot simply look like conceding "the real world" to the world *as made* by globalization.

2. In reading Richardson's essay, I am reminded that our analysis and evaluation of economic globalization does not have to be all or nothing. In other words, a Christian approach to globalization does not have to be either a scorched earth campaign or a simplistic baptism of the status quo;[2] our evaluation of economic globalization does not have to be an up or down vote on "the package," as it were. In order to evaluate social and economic configurations we need to measure them against a criterion of flourishing (an "ideal"), but then evaluate the *degrees* to which such configurations track with, or depart from, the ideal. This is often conceived teleologically—that is, with the ideal or standard of measurement understood as a *telos* or goal for which we are aiming. Such teleological frames of evaluation are natural for Christian evaluation precisely because of Christian eschatology: our ideal or standard is the shape of the coming kingdom, the *shalom* sketched in scripture which outlines the shape of social and environmental flourishing for creation.[3]

Such a model of cultural analysis and critique is as old as Augustine's *City of God* (Augustine, 1984). In considering the social arrangements of the Roman empire, Augustine works with a stringent criterion: the very shape of the heavenly city, the coming new Jerusalem, which is taken as a template for just social arrangements. So, on the one hand, against that standard, almost any social arrangement is just bound to fall short—drastically short. So in evaluating the "peace of Rome" (the *pax Romana*), Augustine will suggest that it does not even really deserve the label "peace" for the peace of Rome is really just a repression of conflict purchased with overwhelming violence and military power—a far cry from the wolf lying down with the lamb. However, on the other hand, Augustine's more nuanced analysis can recognized that even this *faux* peace of Rome is certainly preferable to the unmitigated chaos of the barbarian horde. So while the peace of Rome falls short of the eschatological ideal, there are other configurations of social life which depart even further from this ideal. Augustine's measuring instrument, here, is not so much a yard stick as a protractor: it is a matter of discerning which social (and economic) arrangements are less misdirected from the *telos* of *shalom*.

I see Richardson's attention to "the data" as an invitation for theologians to engage in a more nuanced, Augustinian evaluation of the effects of economic globalization. Thus what he persistently points to are instances of what he sees as economic outcomes of globalization that have contributed to "the common good." Economic globalization is judged to be beneficial on a number of counts because it yields the "goods" of increased standards of living, reduction of poverty, etc.[4] Can we not recognize some "goods" that result from this global configuration of commerce?

Well, answering that question brings us to my final concern and probably the point of deepest continued disagreement—or at least the most serious aspect of our "talking past one another." We can only consider the "good" effects of economic globalization if we also come to consensus on the relevant criteria; that is, we can only answer this question about whether economic globalization is "good" if we can articulate a shared sense of what constitutes "the good" or "the common good." This is just another way of saying that we can only engage in a nuanced, Augustinian evaluation of economic globalization if we agree on the criteria for flourishing, for *shalom*. But Richardson seems to accept standards of what is "good" that have already assumed that "the good" should be measured according to standards that the theologian might question. At the very least, the theologian would press Richardson to articulate just what criteria inform his evaluation of what is "good"—for "the good" is relative to some narration about human flourishing and some contextual account of what we are made for.

But I suspect it is precisely on this point that we disagree, so that what is really at issue in the differences between Richardson and me—and perhaps common in disagreements between economists and theologians more generally—is that we have very different understandings of just what constitutes the "ideal" of human flourishing. Or, if we might agree on *ultimate* goals for human flourishing, our eschatologies might differ such that we have very different expectations about what is possible or expected in our "current" social order. For example, it might be the case that many Christian economists (I have no inkling about this, just floating a hypothesis) implicitly posit a radical *dis*-continuity between the current social order ("this world") and "kingdom come." So they might posit a similar *ultimate* ideal for economic flourishing but have no hope or expectation that even glimmers of that order could be or should be instantiated in the present order because of a dispensational eschatology which posits that the current order will "burn up," issuing in a radically discontinuous new heavens and earth.[5] In contrast, many theologians will be working with a strong sense of possible continuities between even "this (disordered) world" and the coming kingdom.[6] Indeed, on this alternative eschatology, part of the church's mission is to be engaged in redemptive culture-making that transforms cultural systems to more and more reflect the kingdom ideal of *shalom*. So "good" economic ordering, on this account, is not just about systems of charity or a kind of ministry of mercy that alleviates poverty; it will constructively be imagined as the task of ordering economic systems to reflect the ideals of biblical *shalom*.

In addition, the theologian—or at least the theologians I surveyed in my first article—will also be attentive to *other* goods that may come into tension with the material goods of quality of life. In other words, material flourishing is not an unquestioned good: it, too, is a relative good. So systems of economic exchange which also yield prosperity at the price of idolatry might not constitute "goods." Or configurations of economic life that contribute to the flourishing of some at the expense of others will be rejected as a failure to love our neighbor, even our enemies. Or still further, if economic systems purchase human prosperity at the expense of natural, creational flourishing, our obligations of stewardship will evaluate such an economic system as not "good," all things considered.[7] In short, what counts as "good" is not simply self-evident. This means that Christian evaluations of economic globalization need to clearly articulate a Christian understanding of that ideal of social and economic flourishing as rooted in the vision of *shalom* in the scriptures, and then need to be attentive to the multiple, competing sorts of good to which that calls us. "Thy kingdom come" should be the prayer of all who would be equipped to evaluate these matters.

Endnotes

1. This is why I do not find much help in the work of figures such as Novak and Stackhouse. Their model of a dialogue between theology and economics is too deferent to the supposedly neutral, "realistic," scientific disclosures of economics. In other words, they buy into the myth of scientific neutrality and objectivity and thus take economics to be disclosing "the way things are." The theology/economics dialogue then becomes very asymmetrical: the "science" of economics discloses "the way things are" and theology then looks for gaps and spaces that leave room for making chastened theological claims. I am trying to level the playing field by pointing out the myth of such scientific neutrality. That is *not* the same as discouraging attention to empirical realities.
2. If some more left-leaning theological critics tend to the former, more sympathetic theologians like Max Stackhouse tend to the latter.
3. For a classic statement of this model, whereby eschatological *shalom*

is the criterion by which we evaluate and consider the relative justice or injustice of current systems, see Wolterstorff (1983). It might be the case that Richardson and I diverge in our evaluation precisely because of *eschatological* differences.

4. Richardson also recognizes that such goods are also attended by "bads."
5. Such eschatologies are based, in part, on a faulty translation and understanding of 2 Pet. 3:6-7: "By these waters also the world of that time was deluged and destroyed. By the same word the present heavens and earth are reserved for fire, being kept for the day of judgment and destruction of the ungodly." For a critique of such a reading, see Wolters (1987).
6. For a helpful elucidation, see Mouw (2002).
7. See, for example, the geographical and theological concerns about sustainability articulated in Wallace (2008).

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Globalization and the Common Good: An Initial Response to James K. A. Smith

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In my opening essay, I tried to make a cogent, economist's case that economic globalization serves a sensible conception of the common good. More importantly, I tried to make that case in a way that would constructively engage ethicists, theologians, and skeptics from across the humanities and social sciences. I had hoped to find in Jamie Smith's essay a complementary construction. I had hoped to find there some endorsement, even beginning, of a deeper, yet still commercially-relevant and historically-rooted, conception of the "good" that economic society serves, and of the variety of institutional forms (beyond conventional firms, unions, laws) that might serve that good better; a less skeletal, less abstract distributional ethics than what we see in Pareto, Rawls, and Marxian discourse, and an appreciation of the different distributional ethics necessary for reasoning about sustainability and justice across generations, where markets cannot possibly work well; a hard-headed treatment of the trade-off between the property rights to good ideas (that are necessarily attached to ideas for incentives' sake) and the obvious good that good ideas do widely when they are globally diffused; a tentative consideration of my concern that democracy is among the possible victims of the race-to-the-bottom that economic globalization sometimes foments.

Jamie Smith's opening essay fulfilled few of my hopes. Taken on its own terms, I found Smith's essay provocative in parts, but in general both too broad and too narrow for the original purpose of this symposium. Having worked fruitfully with him on related material,[1] I was baffled.

Smith's treatment was too broad in its sweeping treatment of globalization writ large, not just economic globalization, and of economic structures and institutions writ large, whether global or not. I understood our symposium to be far more finely focused. Granted that the market system is constructed, even "imagined," a "contingent" system in Smith's (and D. Stephen Long's) terms; I understood our symposium to be about the following question: "Is that given system somehow (ethically? Christianly?) more attractive at local scale, national scale, or global scale, and why?" On what conditions (contingencies) might the answer depend (e.g., does it depend on the presence of democracy, or on some conception of power and who has it)?

Smith's essay summarizes reflections by theologians who intend, apparently, to be prophetic (ecclesial) on broader questions. But his/their treatment was regrettably insubstantial in its refusal to envision, much less detail, alternative economic-globalization architectures for those that it so glibly and censoriously rejects. Like literary criticism by those who have never published literature, it struck me as largely complaint without construction, rant without repair. In my essay, I took the market system and other institutions (e.g., the nation-state, charitable NGOs) as given, and asked the narrow question with which I thought we were charged—what happens when you "globalize" them? Is it "good" or "bad"? Smith, however, expanded on theological scholarship that questions the very existence of these institutions, their social construction. Smith and I are not just on different pages, or different stages (his elegant beginning); we are not just different ships passing. We are in different galaxies (or maybe "spaces," and "hyper-spaces!").

Economists are incrementalists by tradition—that is different from being utilitarians, but it is related. The theologians whom Smith surveys are eager to imagine alternative systems, alternative institutions, and alternative paradigms, all inherently non-incremental. Economists can indeed do that with training (the economic historians and the institutionalists do it best[2]) and with partnership. But we are also pragmatists by tradition. If theologians and others are going to train us to think "bigger" (non-incrementally), it would clarify the goal of the training to have a set of specific alternative (contingent) systems in mind. Parts of Smith's treatment (of William Cavanaugh) made the alternative seem like theocracy; I am sure that was inadvertent. My plea is for theologians to get down and dirty—specific, if they want to help us pragmatic incrementalists.

Ironically, I found Smith's treatment also too narrow—in its cavalier disregard, even disdain, for huge swaths of contemporary and historical theological reflections on globalization, both Catholic and Protestant.[3] Missing or dismissed is more than a century of papal encyclicals concerned with economic globalization, along with the millennia of Catholic social thought that undergirded them. Missing or dismissed (most dismissively, Max L. Stackhouse) is the work of Protestant theologian-philosophers over the same era, to say nothing of ample Jewish and Islamic theological reflection and construction. Nor is there any mention of relevant contributions to the ethics of economic globalization by contemporary secular scholars such as Amartya Sen or Peter Singer.

I found the most provocative material in the second and third sections of Smith's essay, summarizing theological reflections by Cavanaugh and Graham Ward. I take Smith's discussion of "liturgy" there to be also a discussion of idolatry, the idolatry of economic globalization. I think we economists pay inadequate attention to the subtle seduction of the materialism on which we specialize today—globalized materialism. Materialism—so sensory, so measurable, so immediate—can all-too-easily strangle the transcendent.[4] Materialistic excess (what Ephesians in English calls "greed") is all-too-close to economists' maximization reflex. Only a few of us think about the interface between non-material and material values.[5] Consumerism (Smith's and Cavanaugh's term) is much too restricted a label; the idol is materialism.

Two other reactions and concerns are smaller in scope, and relate largely to the theologians' apparent distrust of organized thinking and observing. They indict it as objectivist, foundationalist, and uncritically neutral, all words with a demonizing flavor and opaque meaning.

1. I would have gained if Smith had added just a little on how theologians see history as a discipline. Is history an account of alternative "contingencies" or "social constructions"? We economists—I am guilty for sure in my essay—use it as a field for narrow disciplinary reasoning, e.g., from 1000-1820 market transactions were not very globalized; recently they are; therefore we can "learn" from history ("wonder" may be a better word, or "propose"—"infer" is too strong).

2. I wondered if theologians have the same trouble and as much trouble with, say, anthropologists doing ethnography, as they seem to have with economists doing measurement? If so, then what scholarly disciplines do theologians respect? If so, then what do theologians substitute for reasoning and observation? If not, then why not?

Theologians will perhaps accuse *me* of demonizing them in these two concerns! But if they have other ways of organizing their thinking and observing than these traditional scholarly disciplines, then I would love to have Smith make them clearer than he does. And if they cannot be made clear and acceptable to non-theologians, then how in the world will theologians ever communicate with others, much less convince *us* to embrace their ideals-and-vision beyond what we see and interpret *now*?

Endnotes

1 See Smith (2008).
2 For example, Fogel (2000), or Deirdre McCloskey's multi-volume work in process on the themes of our essays (McCloskey, 2006), though neither focuses on economic globalization per se.
3 Perhaps Orthodox reflection as well; I am not enough of a scholar to know.
4 Mk. 4:19.
5 For example, Frank (2003).

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Missing an Opportunity that Never Was? A Final Response to Richardson

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If the goal of our dialogue was to build agreement or consensus, then I suppose we have failed miserably. However, I am not sure that was either our assignment or our goal. So perhaps the success or failure of this engagement between economics and theology might judged by other criteria. For example, if we have crystallized the depth of difference between the two fields, clarified the points of deep disagreement, and perhaps even demonstrated *in actu* the utter difficulty of even staging such a conversation, then even our continued disagreements will represent a certain accomplishment.

But before moving on to a couple of more substantive points, let me address one persistent criticism from Richardson. He seems to regularly suggest that I somehow failed to keep up my end of the bargain—that I basically refused to comply with the assignment. On his account, our charge was to answer the question: "Is economic globalization good or bad?" This explains the tack he has taken in this dialogue. And clearly that is not the question I was answering. But did I misunderstand or otherwise ignore the assignment? I do not think so. (Andrew Yuengert, our editor and hospitable referee, can make that call.) While Richardson seems to have come to the dialogue with this narrow assignment in mind, my notes indicate a different, broader version of our assignment. In particular, we had agreed that I should write an essay that would summarize "what every theologian wishes economists understood about the theological critique of globalization;" Richardson, in turn, was charged with writing a converse essay: "what every Christian economist wishes theologians understood about economic globalization."[1] Somehow in the process Richardson came to the conclusion that we had quite a different task. This in itself confirms some of the worries and suspicions I have articulated in my previous essays.

This sets the context for Richardson's disappointment. In particular, he notes that my essays "fulfilled few of [his] hopes." This does not surprise me. Indeed, what would it have looked like for me to fulfill his hopes? Well, it would have required that I take as "given" *precisely* what is at issue in the debate between theologians and economists on these matters. In short, Richardson's hopes could have been fulfilled only if I already conceded most of the ground to his discipline and its assumptions. In other words, the only way this encounter could have satisfied his hopes is if we played the game on a field decidedly slanted in his favor—so he could play downhill, as it were. Richardson wanted the debate to be conducted according to the "house rules" of economics—and as we all know, the house always wins.

Let me address just a couple of further points from his response. First, I find his closing questions—about how theologians think about the disciplines and disciplinary standards—to be puzzling, frustrating, a tad haughty and condescending. He frames these questions by appealing to "theologians' apparent distrust of organized thinking and observing." This is simply a huge adventure in missing the point, now turned into some smarmy rebuke. It shows a remarkable lack of imagination since Richardson seems to assume that any critique of "foundationalism" is equivalent to a rejection of "organized thinking." I suspect readers will be able to readily see the *non sequitur* here and can thus discern that Richardson's questions are really non-questions. The issue is not whether there can be observation; the issue is the conditions under which such observation takes place. If Richardson thinks these criticisms of foundationalism are just the irresponsible musings of mushy theologians, I would encourage him to carefully consider the same arguments offered by social scientist Christian Smith (2003; 2010).

Second, Richardson was hoping for more constructive, concrete proposals about an alternative. Again, I do not think this was part of my assignment, particularly in the limited space provided. But I can make a couple of gestures in that direction, though I recognize that I am not an economist, so here range beyond my expertise. For instance, I do not think the theological criticisms I articulated entail an "inherently non-incremental" approach to these issues. It is not as if the theological concerns I sketched require some utopian, revolutionary instantiation of an ideal *ex nihilo*. However, what they do perhaps require is the ability to imagine a plurality of overlapping economies and orders of commerce and exchange. The alternatives that might be proposed, then, would not be proposed as national policies but rather as *alternative* economies that could be pursued by sub-communities who share a common sense of "the good" (and more importantly, share a narrative and practices that inform such a conception of the good). This, however, does not mean they have to be hopelessly localized. As Cavanaugh emphasized, the church catholic was globalized long before the market, so the church could be a transnational network of alternative economic orderings. But, following Augustine's lead (as I mentioned last time), even such an alternative economics would have to recognize that perhaps other economic orderings are dominant in the shared spaces in which we find ourselves. So the Christian community could encourage economic practices that embody an alternative to the dominant economy while also looking for strategic ways to collaborate with—and contribute to—the dominant economy, even if their ultimate goal might be to reform and reorder that economy.[2] In short, I think there is room in this theological vision for an intentional incrementalism. What might that look like? Again, I do not think I am in a place to say. Perhaps it would be along the lines of a distributism as sketched by Belloc and Chesterton. But I am sure such a suggestion is not going to win me any new friends among Richardson's economists.

I remain grateful for this exchange and only hope, even in its zigs and zags, that the encounter will prove helpful in advancing a much needed conversation between Christian theologians and economists.

Endnotes

1. I have the email correspondence to confirm this. So I strongly resist Richardson's charge that I have not undertaken the assignment, or have somehow written in bad faith.
2. Sociologist James Davison Hunter's conception of "faithful presence" might be a relevant way to describe the sort of alternative economy I am sketching (Hunter, 2010). Interestingly, Hunter observes that "there are ways in which one can rightly say that globalization was and remains in many respects Americanization writ large" (p. 197).

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A Closing Response to James K. A. Smith

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I found in Jamie Smith's follow-up essay a great deal of constructive insight and differentiation. This is a good beginning on what I had hoped this symposium would itself begin, substantial scholarly work together on "better globalization," building on the strengths of both economists and theologians.[1] In Smith's apt summary, our symposium was "productive talking past each other."

A small start at talking *with* each other in inter-disciplinary communication is always agreeing on terms. For example, I fundamentally accept Smith's first observation ("theme") in his second-round essay. He says that I and other economists "take what is contingent as if it were natural." But our term for "natural" would more typically be "a reference point." We take what we see in "economic nature" around us and ask how it differs across culture and time, and how it might be evaluated (ethically or economically) or re-structured.[2] We make no apology for taking "what is contingent" as a reference point. We worry that as theologians try to respect the "contingent," their reference points in scholarly discourse are unclear or shifting or imprecise.

Smith himself seems sensitive to our "worry" about them. He says,

> In some ways, what is at stake here is a matter of *imagination*: I think the theologian tends to have a more supple, elastic imagination about how things *could* be. But the economists remind us that our sometimes unfettered imaginings need to be disciplined by social scientific attention to empirical realities.

That is a helpful way of imagining how economists and theologians might dialog to establish a common reference point.

Smith's discussion of "optimal end points," to use economists' jargon, is also helpful. This is his second "theme." Economists often do assessments of how close existing (contingent) economic systems come to some ideal system, almost always defined by measurable material criteria (e.g., ideal systems that are efficient, or sustainable, or efficient/equitable across generations). Smith reminds us that we Christians have a far higher, far richer set of ideals against which to measure our systems, ideals that are sometimes immaterial and unmeasurable, ideals captured in Biblical descriptions of *shalom*, ideals associated with eschatology, ideals associated with the coming city in the coming kingdom of God. The theologians he cites in his second-round response are, in my opinion, far more promising for fertile joint striving toward his own stated aspiration than those he cites in his first-round essay. He prescribes that "in order to evaluate social and economic configurations we need to measure them against a criterion of flourishing (an 'ideal'), but then evaluate the *degrees* to which such configurations track with, or depart from, the ideal." Amen to that, and to his forthright dismissal of intellectual extremes that are hell-bent on defending or destroying the status quo.

Finally, I think that Jamie and I *are* reading from the same script—we are *not* in "[deep] continued disagreement"—when he observes that economists and theologians can constructively dialog only once they share a *common* sense of what constitutes the "common good" in regard to economic globalization. I thought I was suitably humble in my opening essay about how primitive my conception of "good" was. I in no way "accepted" that conception as adequate, and I explicitly appealed to ethicists and theologians to help us economists conceive it better in economic matters. I used language that echoed the phrase "human flourishing" because whatever *else* human flourishing involves, it certainly involves material prosperity, too.[3] It is substantial as well as spiritual, material as well as immaterial. It is not mere wispy sentiment.

Defining the good for the world of global economics is good ground on which to labor together with theologians. Unlike Smith, I do not think eschatology matters for the prospects of fruitful joint labor. Laboring together to define the good *relevantly* is vital whether the current world and the world to come have continuity or are radically discontinuous.

At the end of our exchange, I note how preliminary it has been. I also note how little related to globalization it has been, and how much more on broader questions of economic structures and disciplinary methods.

So I say a good start on a more substantial and constructive dialog. But I had hoped for more than a good start.

Endnotes

1. Paul Oslington, an Australian economist *and* theologian, has spent several years actively exploring a more expansive project involving economists and theologians. His hope is to establish, if possible, a

respected disciplinary intersection, a new and mediating scholarly discipline.

2. The economist Robert Frank, in his intermediate microeconomics textbook, famously describes us as "economic naturalists," using the word in the same way as people describe naturalists in parks and nature preserves. See also Frank (2007).
3. That statement in no way endorses the so-called health-and-wealth "gospel."

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