

Globalization & Its Discontents

Michael Sean Winters | Jun. 19, 2012 Distinctly Catholic

The elections in Greece on Sunday brought a sense of relief to the world's financial markets. The New Democracy Party, which is pledged to supporting the already negotiated bailouts and attendant austerity measures, won a plurality of the votes cast, although the painful process of forming a coalition government is still in progress. Nonetheless, the prospect of a new Greek government intent on spurning the agreements and possibly withdrawing from, or being forced out of, the Eurozone, was avoided. World markets breathed a sigh of relief. For about three hours. By noon, fears about the Spanish economy overwhelmed the morning's gains.

Bad news always travels faster than good, and fear tends to exercise more effective control over human emotions than hope. But, I thought the market's "invisible hand" was supposed to be rational and not prey to emotions? Globalization has now shown its uglier side.

In the 1990s, globalization was seen as a boon, a phenomenon that would increase interdependence and, just so, solidarity, bringing people together. A rising economic tide would lift all boats. Globalization lacked, or was believed to lack, the imperialistic chauvinism of colonialism, although today, neo-colonialism is practiced by corporations rather than governments, and I doubt the victims of colonialism care whether their homelands are despoiled by European monarchs or by European companies.

There was, of course, a case, a moral case, to be made for globalization and nowhere more so than in Europe. There the imperative need to transcend national boundaries was rooted in the historical experience of Europe in the 20th century, a century drenched in blood. Twin horrific experiences demonstrated the need to create a unified Europe. First, Europeans had experienced, in a way we Americans did not, the terrible consequences of nationalism run amok when the German Volk followed their Fuehrer. Almost the entire continent had lived for some years under the boot of the Nazi regime or its Quislings. After World War II, Europeans experienced the artificial division of their continent into armed and hostile camps drawn along ideological lines during the Cold War.

Pope John Paul II not only understood the pernicious consequences of World War II and the Cold War, he had lived them. His hometown was not far from Auschwitz. He lived under the occupation of his country in the beautiful city of Krakow which, after the war, found itself behind the Iron Curtain. Krakow was always closer to Rome and Paris and Bologna than it was to Moscow, but the postwar years kept the beautiful and ancient city away from these kindred cities and from their universities and cultural monuments. Pope Benedict XVI also experienced the twin horrors of World War II and the Cold War. His native Bavaria was home to a culture that had long valued religion more than politics, until the 20th century made such a valuation almost impossible.

The European Union was, in part, a response to those evils, but it has resembled more of a pendulum response than a comprehensive answer. (Note to self and to all: In political arrangements, there are no comprehensive answers this side of the Eschaton. Cf. Jean Bethke Elshtain's "Augustine and the Limits of Politics.") Having encountered the excesses of nationalism, the EU tended to ignore the significance of nations. Having experienced the excesses of ideology, the EU tended to over-value detached, bureaucratic expertise. Having witnessed the horrors unleashed by those who suppressed the rights and dignity of the individual, who had

trampled on the churches and unions and other social groups, and reduced culture to propaganda, all in the name of the state or the party, Europe was content to overlook the naturalness of human affiliations, the historical value of nations, and the limits to which complex problems involving conflicting values can ever be adjudicated by 'experts' no matter how well informed. A symptom of this swinging pendulum effect can be seen in the prosaic fact that the word 'Brussels' has become a pejorative throughout much of Europe when, in actuality, it is a charming city with a rich history and very good beer.

It will not surprise regular readers of these pages that I believe the tonic for what ails Europe today can be found in Catholic social teaching, specifically the concept of subsidiarity. To be clear, in many ways, subsidiarity is doing far better in Europe than in the U.S. Unions, which are precisely the kind of intermediate social actors between the state and the individual that subsidiarity champions, are under less assault in Europe than in the U.S. The social welfare state in Europe, especially the pensions, must be adjusted just as we in the U.S. must look to reform our entitlement programs, but the social welfare state in Europe is far more robust than here, and Germany's strong economy is built upon the kind of mixed private and public economy that in the U.S. would be condemned 'socialist.' In the upcoming months, when Mr. Romney warns that if President Obama is re-elected, America could be the next Greece, I hope someone in the press will ask him why he thinks Greece's social welfare system is a mess but Germany's is not? Certainly, in Europe, the longer paid vacations for workers and higher wages place less pressure on family life than economic conditions in the U.S. But, I stray.

Subsidiarity points to many dynamics of political life, but in this context, it points to the need to keep political decision-making as close as possible to those who are affected by the decisions made. In Greece, the officials in Brussels are an easy target for ideologues of left or right but they got to vote Sunday for their members of parliament and can, and should, hold them accountable. As well, officials in Brussels must look to the proverbial big economic picture, a picture filled in with numbers not names, and cannot experience what a Greek politician can experience, the pain caused to an elderly neighbor when her pension is reduced by a third. Subsidiarity is, ultimately, a means for keeping political decision-making focused on people, instead of charts, the demos not the data. It is vital for the future of Europe that Catholic academics and politicians and labor leaders and others with access to the public square, give voice to the insights to be gained by a consideration of subsidiarity as Europe charts its way forward.

The most bizarre thing about the markets' performance to my untrained economic eyes is this. The Dow Jones Average and the other market indexes feature various companies who publicly trade their stock. Monday's fluctuations had nothing to do with the performance of those individual companies. No company hired many people in the morning and fired them at 1 p.m. No company announced a new product in the morning only to scuttle it at midday. The stock market now has little to do with the future health of any given company, and rises and falls almost entirely based on the ambient economic environment. This financialization of the economy, reducing estimations of a corporation exclusively to its ability to perform on world markets, is deeply troubling. In the corporate world, as in the Eurozone, there is room for some creative thinking about subsidiarity.

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