Is Economic Globalization
Good News?

We are living in a time of profound change as national economies become integrated into a global economic system. What is globalization’s impact in countries where many people live in absolute poverty? And why are these economic changes causing the greatest anxiety in richer countries?

Prayer

God keeps faith forever;
God executes justice for the oppressed.

We have been content as long as our own needs—and those of our families and friends—have been met.

God gives food to the hungry.

We have filled our shelves and pantries, not knowing who grows our food or what their lives are like.

The Lord sets the prisoners free;
the Lord opens the eyes of the blind.

We have bought products without thinking about the working conditions of the people who make them.

The Lord will reign forever,
your God, O Zion, for all generations. Praise the Lord!

Forgive us, Lord, when we fail to catch a vision of your reign;
may we work for your kingdom “on earth as it is in heaven,”
so that all generations will know your love, your justice, and your peace. Amen.

Scripture Reading: Isaiah 58:6-11

Reflection

“Economic globalization has been made possible by the extension of relatively unrestricted markets to more and more countries after the USSR disintegrated and China opened to the outside world and by outward-looking policy changes in many lesser developed countries, such as India and Vietnam, that have removed market restraints,” Joseph McKinney writes. Another cause is the semiconductor revolution that applies computer technologies to production and communications. “During the first years of the new millennium, the world economy has expanded more rapidly than ever before in history. Countries that have participated vigorously in this process, such as South Korea, Singapore, and Malaysia, and more recently China and India, have experienced the most rapid rates of growth.”

What have been the major implications of economic globalization for the poor and disadvantaged?

» In poorer nations (especially those integrated into the global economy) “growth rates have accelerated and are higher than rich country growth rates—for the first time in modern history,” McKinney notes. Absolute poverty has declined significantly since 1981. Wages, though still far less than in richer countries, are increasing and child labor is decreasing.

The poor benefit much more if they are protected from too rapid economic changes and provided “technical assistance and
availability of credit, improvements of transportation and marketing networks, and increased access to education.”

- In richer nations the poor benefit from lower-cost imports, but they have two major sources of concern. First, unskilled workers have lost jobs to cheaper labor markets (though, increasingly, skilled workers will be threatened too). Second, while incomes overall have grown rapidly, the wage gap between skilled and unskilled workers is widening.

McKinney says, “The insecurity caused by globalization is, of course, greater where there is a weak social safety net.” So, he suggests that unemployment compensation payments be increased and health insurance benefits be made more portable from job to job at a lower cost. A social safety net must be monitored to avoid higher unemployment. Yet most economists now fear “the degree of inequality in the United States economy in the past few years is more than is necessary for providing incentives, and because of it those at the bottom of the income scale lack the equality of opportunity to allow them to realize their full human potential.”

Study Questions

1. Why, according to McKinney, has “most of the opposition to globalization…originated in the richer countries”?

2. Discuss McKinney’s view: “While many people are fearful of the effects of globalization, perhaps the greater fear should be that the process might be disrupted.”

3. How can we help those who are being harmed by globalization in poorer nations? In richer nations?

4. What problems associated with economic globalization do you see in Roger Varland’s photographic essay, With Eyes of the Heart? What solutions do you glimpse?

Departing Hymn: “In Christ There Is No East or West”

In Christ there is no East or West,  
in him no South or North;  
but one great fellowship of love throughout the whole wide earth.

In him shall true hearts everywhere  
their high communion find;  
his service is the golden cord,  
close binding humankind.

Join hands, then, members of the faith,  
whatever your race may be!  
Who serves my Father as his child  
is surely kin to me.

In Christ now meet both East and West,  
in him meet North and South;  
all Christ-like souls are one in him throughout the whole wide earth.

William A. Dunkerley (1908), alt.  
Tune: ST. PETER (Reinagle)

† Based on Psalm 146:6-8a, 10.
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Lesson Plans

<table>
<thead>
<tr>
<th>Abridged Plan</th>
<th>Standard Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prayer</td>
<td>Prayer</td>
</tr>
<tr>
<td>Scripture Reading</td>
<td>Scripture Reading</td>
</tr>
<tr>
<td>Reflection (skim all)</td>
<td>Reflection (all sections)</td>
</tr>
<tr>
<td>Questions 1 and 3</td>
<td>Questions (selected)</td>
</tr>
<tr>
<td>Departing Hymn</td>
<td>Departing Hymn</td>
</tr>
</tbody>
</table>

Teaching Goals

1. To consider the nature and causes of economic globalization.
2. To understand the major impacts of economic globalization on the poor and disadvantaged in richer nations as well as in poorer ones.
3. To examine how we can help those who are being harmed by economic globalization.

Before the Group Meeting

Distribute copies of the study guide on pp. 8-9 and ask members to read the Bible passage in the guide. Distribute copies of Global Wealth (Christian Reflection) and ask members to read the focus article and suggested article before the group meeting. For the departing hymn “In Christ There Is No East or West” locate the familiar tune ST. PETER (Reinagle) in your church’s hymnal or on the web at www.cyberhymnal.org.

Begin with an Observation

“The truth is that contemporary economic globalization is a highly complex phenomenon, full of apparently contradictory trends,” observes Peter Heslam, who directs the Transforming Business research project at the University of Cambridge. “It can help raise living and environmental standards for significant numbers of people at the same time as it helps to widen the gap between rich and poor and increases the destruction and depletion of natural resources.

“The challenge, therefore, is to shun the media-fostered mindset that only understands polarities, to consider all sides of the issue, and to base judgments on as full an account of the available evidence as possible” (Peter Heslam, ed., Globalization and the Good, xv.)

In this study, economist Joseph McKinney will help us sift through the evidence to discern the major effects of economic globalization on the poor and disadvantaged.

Prayer

Invite members to share their personal celebrations and concerns with the group. Provide time for each person to pray silently. Conclude by reading the prayer printed in the study guide responsively. The leader begins and the group reads the lines in bold print.

Scripture Reading

Ask a group member to read Isaiah 58:6-11 from a modern translation.

Reflection

“Globalization can appear so full of paradox, so given to contrary perceptions and responses, that even organizing a meaningful discussion seems difficult,” Willis Jenkins points out. “And yet globalization names new shapes of economic power and deprivation so dramatic that to give up on interpreting it would amount to moral failure” (Global Wealth, 88).

In his brief review of the impacts of economic globalization on the poor and disadvantaged, Joseph McKinney reaches a positive assessment overall: absolute poverty is being reduced and economic prosperity is rising. He admits that there have been negative local economic effects, and of quite different kinds in the poorer and
richer nations respectively. Finally, he suggests specific ways that Christians can fulfill their responsibilities to help, through personal charity and calls for societal action, those who are being harmed by rapid shifts in the world economy.

McKinney qualifies his conclusions in two ways. First, he is evaluating only the economic and not the cultural, religious, or political aspects of globalization. Second, he recognizes that increased prosperity, though it is a moral good, cannot by itself guarantee a better world.

**Study Questions**

1. McKinney says the emerging economies of China, India, and poorer nations that have become more integrated into the world economy are benefiting most from globalization. Richer nations are becoming more prosperous too, but many workers in those countries fear job insecurity, especially when the social safety net is inadequate or fragile. As the technological revolution in richer countries increases demand for skilled workers and decreases demand for unskilled workers, there is growing inequality of income.

2. Discuss not only what McKinney claims, but also why he claims it. Members may disagree with one or both parts of what he says. McKinney means increased economic globalization has been good news for the poor overall, but opposition (especially in the richer nations) could bring globalization to an end as it did at the beginning of the twentieth century. Why does he think it is good news overall? Because it decreases absolute poverty and increases prosperity overall, especially in poorer countries that are most integrated into the world economy. Why does he think there will be opposition? In richer nations, many workers fear job insecurity (especially where the social safety net is inadequate or fragile) and are becoming disgusted with increasing inequalities of wealth. Another concern is degradation of the earth’s natural resources through uncontrolled growth. There have been negative local effects in shifting national economies—e.g., the disruption of Mexican farming from too rapidly eliminating restrictions on corn imports from the United States.

3. McKinney urges Christians to assist those in poorer nations by “joining advocacy groups on their behalf, supporting mission agencies, and assisting the churches in such countries that are often critical change agents. Also, Christians in business are increasingly viewing their business operations in poorer countries as opportunities for both Christian witness and the improvement of social conditions there.” We should advocate that countries provide “technical assistance and availability of credit, improvements of transportation and marketing networks, and increased access to education” to the poor and disadvantaged.

   We can help workers in richer nations who are harmed by globalization by advocating for more equality of income, affordable health insurance that is portable from job to job, and social assistance to cushion the blow of lost jobs. “New approaches are needed, such as wage subsidies to compensate those who have had to take lower-paying jobs and portability of health insurance and pensions for those who have permanently lost jobs. For those whose skills are being made obsolete by technological change or structural changes in the economy, a tax credit for education and training expenditures is recommended.”

4. Members may mention how *I Dream of Shoes* reminds us of economic inequality in two ways—the Kenyan girls’ disparate wealth, and our wealth in shoes (and other things) in relation to these girls. *Sinai Coke* suggests how economic globalization leads to cultural globalization, a relationship McKinney does not address. In *Burden Bearer* we notice, by contrast to the Kenyan woman, our increased disconnection from the manual labor necessary for life. Globalization is shifting the workload around the world. *Power is Wealth* suggests in a very basic way the technological revolution that, according to McKinney, is driving globalization and causing increased wage differences between skilled and unskilled workers.

   The image *Stonebreakers* suggests how personal exposure to poverty can stir our compassion. For Varland, *Keys* symbolizes the power that wealth gives us “to unlock the suffering of so many people.” As McKinney reminds us, we exercise our power of wealth not only through acts of personal charity, but also through calls for societal action.

**Departing Hymn**

If you choose not to sing the hymn, you may read the hymn text in unison or silently and meditatively as a prayer.