In his *Pensées*, mathematician Blaise Pascal makes the point that human knowledge is limited despite our desire to gain a rational understanding of everything. Chiding earlier writers who lacked this insight, he pokes fun at the proud titles of books that claim to explain everything. My favorite is Pico della Mirandola's *Of All That Can Be Known*.

I feel somewhat like one of the writers Pascal is ridiculing, for any attempt to provide an overview of the state of the global economy in the year 2000, if I am not careful, could be a deliciously humorous exercise. Without an appropriate recognition of the limits of our understanding, this could seem like a "short summary of everything."

To avoid having people like Pascal poke fun at what might seem like an attempt to explain everything, I will begin with a brief overview of the notion of globalization. Then, I will draw a distinction between three spheres of human life: the political, the economic, and the moral/cultural. In light of these three spheres, I will reflect on the meaning of globalization, looking back on where we have come from, and trying to make some sense of where we are now.

My main organizing principle will be to divide our discussion into political globalization, economic globalization, and cultural globalization. I will further subdivide my discussion of cultural globalization into two parts: the globalization of communication and the globalization of moral vision.

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Since each sphere—the political, the economic, and the moral/cultural—can have multiple impacts, I would like to suggest an ordered way to consider the possible impacts of globalization. It will be helpful to consider how globalization can impact society at four levels: individuals, social associations, businesses, and governments.

Putting this together, one can imagine my plan in terms of a grid. On the one axis, there are the three spheres of globalization: the political, the economic and the moral/cultural, keeping in mind that I will divide the moral/cultural into a discussion of communication and moral vision, treating the one at the beginning and the other at the end. On the other axis, I will distinguish four social levels that can be impacted by globalization in each sphere: individuals, social associations, businesses and governments.

My goal will be to fill in the following outline:

<table>
<thead>
<tr>
<th>Globalization of Communication</th>
<th>Social Associations</th>
<th>Businesses</th>
<th>Governments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Globalization</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Economic Globalization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Globalization of Moral Vision</td>
<td></td>
<td></td>
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</tbody>
</table>

Each empty box in the grid raises certain questions. For example, the first empty box in the upper left corner raises the question about how individuals are impacted by the globalization of communication. The box to the right of that raises the question of how social associations are impacted by the globalization of communication. Obviously, I will not be able to answer in detail all sixteen questions within the limits of this paper. That is not my goal. Rather, my aim is to offer a description of four aspects of globalization and a framework by which we can think about globalization in a more ordered way to gain a better understanding of the world in 2000.

Globalization has become the buzzword of the last five or ten years. We must be clear about what it means, because the issue has drawn both supporters and critics. For example, in Thomas Friedman’s popular book *The Lexus and the Olive Tree*, globalization is described in primarily benign terms. He praises the process of bringing the world together, relating anecdotes such as the following telephone conversation he had with his mother from Minnesota:

“What’s wrong, Mom?” I asked. “Well,” she said, “I’ve been playing bridge on the Internet with three Frenchmen and they keep speaking French to each other and I can’t understand them.” When I chuckled at the thought of my card shark mom playing bridge with three Frenchmen on the Net, she took a little umbrage. “Don’t laugh,” she said. “I was playing bridge with someone in Siberia the other day.”

As Friedman presents it, globalization is a new era in which we can interact with everyone peacefully across the globe. In contrast, consider Jerry Man-
Television, radio, movies, and recorded music all expand the circle of people who participate in global communication. These technologies do not rely on the user being literate.

These definitions provide an initial general sense of the concept of globalization, but they don't really explain why globalization has become a new buzzword, or why proponents and critics are lining up either to praise it as the mark of a new era or condemn it as destroying all that is good in life. Even if we can agree that globalization is the process whereby things become worldwide in scope, it will be helpful to clarify this process more fully.

THE POLITICAL, ECONOMIC, AND MORAL/CULTURAL SPHERES

To clarify the present state of globalization, it will help to divide the social world into three spheres: the political, the economic, and the moral/cultural. As opposed to my approach, there are two tendencies among those who study the social world: Some move back and forth between these three spheres without differentiating between them. Others favor one sphere or another—usually politics or economics—to the extent that the other two spheres are absorbed into the one. For example, among thinkers with a background in public policy, there is a tendency to give primacy to the political, so government policy becomes both the beginning point and the end point of the discussion. In contrast, for those in business, there is a tendency to see economics as paramount.

Aristotle teaches us that the wise person is able to distinguish between dif-
So how does the globalization of communication impact individuals? It can encourage them to take on a more worldwide perspective.

Different objects of study, using a method and approach appropriate to the subject. Since the social world consists of activities in a range of spheres—including the political, the economic, and the moral/cultural—it will be helpful to approach the topic from each of these three spheres, appreciating the differences and limits proper to each. My own tendency is to place a priority on the moral/cultural sphere. I see language, communication, and a whole range of moral, cultural, and religious variables as conditions for the possibility of politics and economics. Of course, I grant that politics and economics have their own autonomy, that each influences the moral/cultural sphere, and that there is a dynamic interplay between the spheres. However, it will be helpful to begin and end this overview with a consideration of the moral/cultural sphere.

THE GLOBALIZATION OF COMMUNICATION

We have all become familiar with developments in communication over the last century. These range from the wired electronics of the early telegraph and telephone to the wireless communication networks of today. Satellite communications allow people on one side of the globe to speak directly with those on the other side with little delay. In addition, computer technology and the development of the World Wide Web allow almost immediate communication between the peoples of the world who possess the necessary computer equipment.

Consider the development in human communication over the last several thousand years, described by Walter Ong in his important work *Orality and Literacy*. Following Ong, I find it helpful to divide the history of human communication into three broad periods. In the earliest period, oral communication dominated. In the period after 3,500 B.C., some parts of the world developed written communication. During the last hundred years, we have witnessed the development of electronic communication.

As outlined by Ong, linguists and anthropologists have identified certain patterns during the early period of oral communication. These were most common in hunter-gatherer people and then in early agricultural societies. The main social groups in these communities were the family and the clan. The ability to communicate developed in these face-to-face groups, that is, in the family and in the clan. The central form of communication was oral discourse, accompanied by singing, especially rhythmic chants, and ritual dances. In oral communities, wisdom was handed down from one generation to the next in proverbs, poems, songs, and the epic. The epic drama, which was recited orally, contained the collective wisdom of the social group about political governance, military strategy, economic exchange, and the moral life. The epic hero was held up as a model of the great man in a drama that included encounters with scoundrels and enemies, as well as great and beautiful women and their less noble counterparts. The narra-
tive helped bind the people to one another, to the generations that came before, and to a sense of the transcendent. With no means to record the story, the epic was told by memory, often using the stars as fixed patterns to remind the storyteller of the next movement in the drama.

Several points might be drawn out of this description. First, in oral culture, communication is primarily with and about the members of one’s own group. There is a strong emphasis on the bonds of connectedness, but this connection rarely extends beyond one’s clan. Communication occurs face-to-face.

With the development of writing, there is also a significant shift in the formation of human awareness. The ability to write things down frees up memory, so that wisdom does not have to be formulated in terms of chants, proverbs, or stories. With the ability to record a series of observations, human awareness shifts to higher-level abstractions, raising questions about the underlying structure of perceived phenomena. Instead of accounting for phenomena in terms of stories about the gods and heroes, new questions are raised that seek wisdom in terms of rational principles that can be written and analyzed. With literacy comes analytical thinking, the development of mathematics, and the pursuit of precision. The writer is now part of a conversation that transcends the family and the clan. This development is heightened with the invention of the printing press, so that the writer is able to communicate with thousands of people that he or she will never see.

Writing and literacy arose out of oral culture, and orality was the condition for the development of literacy. After learning to talk, through the use of speech, one learns to read. In many ways, oral culture remained dominant during most of the centuries where there was an ascendency of literacy. Most of those who were literate read and wrote in a language or dialect that was more formal and abstract than the language of speech, the mother tongue. To develop a sophisticated level of literacy takes years of education, usually outside the family and clan. At the very least, education in literacy puts one into contact with writers from social groups different from one’s own. Developing literacy involves moving beyond listening, speaking, and face-to-face contact to the more abstract skill of decoding meaning from script. With literacy, there is a heightened emphasis on the sense of vision and a corresponding deemphasis on hearing and spatial location. Becoming literate involves the ability to abstract from a text by learning to think in patterns that demand clarity and analytical detail. With literacy and its emphasis on precision and clarity comes a heightened emphasis on mathematics and the sciences. And out of those sciences comes the development of electronic technologies that form new possibilities for communication.

Electronic communication—first in the telegraph, then the telephone, radio, movies, television, E-mail, faxes, and the Internet—extends the ability to communicate, both through space and in time. When Marshall McLuhan published *The Global Village* in the 1960s, it was the culmination of years of study about developments in communication. McLuhan saw that the advent of electronic communication would bring about a change as great as that of the printing press. Many writers who discuss globalization point to technology as a key component, but this is only partially correct. It is not the computer or the Internet as a piece
Many movies and television programs are entertaining at a preliterate or semiliterate level. Likewise, popular electronic music often repeats a single line again and again like ancient chants.

of technology that made global communication possible. Rather, just as the advent of literacy changed the way humans communicate, we are in a period of new forms of communication. Electronic communication allows a new form of awareness about the world. This new awareness was captured on January 1, 2000, when twenty-four hours of New Year’s celebrations from across the globe were presented on television newscasts.

A number of things can be said about the impact of this new form of communication. First I would like to point out that there are differences between the several forms of electronic communication. Some of the recent developments in electronic communication are, in effect, merely fast methods of extending written materials from one place to another. This includes fax machines, E-mails, and to some extent, the Internet. These technologies speed up the communication of those who are literate, but they do not expand the circle of people who participate in global communication.

In contrast, television, radio, movies, and recorded music all expand the circle of people who participate in global communication. These technologies do not rely on the user being literate. We see in these forms of communication some elements of a return to oral communication. For example, Star Wars is a modern retelling of an ancient epic. Many movies and television programs are entertaining at a preliterate or semiliterate level. Likewise, popular electronic music often repeats a single line again and again like ancient chants. Commercial advertise-ments often make use of a preliterate sense of awareness. For example, most American children who watch television can recognize many popular brand names and their corresponding songs long before they can read. In the case of these forms of electronic communication, I think it is correct to describe our period as a kind of secondary orality. This secondary orality expands the circle of people who participate in global communication, since it doesn’t take years to learn how to watch television or a movie the way it does to read a book. On the other hand, as I would like to suggest later, there is sometimes a level of manipulation in the images that we are presented as a result of electronic communication.

So how does the globalization of communication impact individuals? It can encourage them to take on a more worldwide perspective. However, there are a number of possible detriments as well. Later I will consider some that are related to moral vision. For now, I raise two possibilities. First, many people are still left out of global communication. There are places where people do not have access to televisions, let alone the Internet. Second, there is a potential for heightened global communication to lead to reduced local communication. Concerning Friedman’s story of his mother playing bridge with someone in Siberia, we might ask whether this will reduce her interest in playing bridge with her neighbors. In the United States, we have seen this phenomenon with television. People who spend their evenings home watching television are less likely to walk
With the development of writing, there is also a significant shift in the formation of human awareness. The ability to write things down frees up memory, so that wisdom does not have to be formulated in terms of chants, proverbs, or stories.

down the street and talk with neighbors. One newspaper reported that 70 percent of Americans do not know the name of their neighbors. It is possible that heightened global communication could lead to a further breakdown of local communities.

What is the impact of globalizing communication on various social associations? A great deal could be said on this topic, but I want to point to the development of new forms of social associations that have come about with the rise of electronic communication. Most traditional social associations are face-to-face communities such as the family, the neighborhood, athletic or cultural groups, and so forth. In recent years, a new form of social association, where communication occurs primarily through E-mail, has developed. Now groups of people with similar political interests from many nations share their concerns over the Internet. In some cases, these groups have been able to impact political and economic issues. It is worth considering whether these “cyberspace groups” might reduce participation in traditional, face-to-face groups. My sense is that face-to-face associations are still the most prominent, but a number of social scientists have pointed to a weakening of those associations in civil society, in both Europe and the United States.

The globalization of communication has had a marked impact on businesses, especially larger businesses with enough capital to use expensive tools for communication. One of the most important developments in electronic communication—in addition to the widespread use of computers, faxes, and cell phones—is the electronic transfer of money. Now that we have direct deposit banking, ATMs, and bank cards, most monetary transactions are handled through electronic communication. In the United States, almost 90 percent of all monetary transactions are electronic. Electronic communication in the form of transferring money has been a major factor contributing toward economic globalization.

In a similar way, the instantaneous communication that has resulted from the globalization of communication has also had a tremendous impact on relations between governments. Let me turn now to a consideration of political globalization.

POLITICAL GLOBALIZATION

The origins of the modern nation-state can be traced to the Treaty of Westphalia in 1648. Political philosophers from Hobbes to Hegel conceived of the nation-state as the pinnacle of society. The modern understanding of the nation-state views it as a geographic territory with citizens who see themselves as bonded together in some kind of community governed by the state, which is accountable to the people and has authority in legal and political matters. During the nineteenth and early twentieth centuries, this understanding of the nation-state became the dominant
way of understanding political structures. At the same time, various countries in Europe and North America went through the phases of industrialization, and governments undertook certain steps to maintain, in each case, a sound national economy.

After World War II, the nations of the world were generally divided into three kinds of states. The First World countries included the democracies of Western Europe along with the United States. The Second World countries included those nations under communist rule, notably the countries of Eastern Europe, the Soviet Union, China, North Korea, and Cuba. The Third World countries included the developing countries, most of which had not made the transformation from agricultural societies to industrial societies.

During the 1970s and '80s, some of the developing countries began making significant strides toward industrial development. The nations of the Pacific Rim displayed an enormous level of economic development in a rather short period. Then, with the collapse of communism in Eastern Europe in 1989, the former communist countries began to participate on the world scene in a way that they had not since World War II. The old tripartite division of nations into First, Second, and Third Worlds no longer applied. The Second World countries opened their economies. China opened its markets to some degree after Tiananmen Square, though North Korea and Cuba remain committed to communism. Additionally, some of the former Third World countries, especially in East Asia, now had developing economies that could compete globally with other nations. After 1989, the postwar tripartite order was altered.

This changed international political climate was expressed in the war in Kuwait. The division of political forces had changed such that Russia became a minor ally of the United States and acted with other countries through the United Nations. After the fall of communism, the United States emerged as the sole superpower in the world, but it acted in consultation with other countries and the United Nations.

Some people conceive of political globalization as the development of a heightened role for the United Nations, so that it acts as a supreme, world government with international sovereignty. The philosopher Kant conceived of such a world government in his essay "Perpetual Peace," and there is some sentiment to move in this direction, but it strikes me as a view that is not widely held. First, many American citizens oppose the idea of the United Nations having greater political power, since they think it would mean reducing the sovereignty of the United States. Since the United States stands as the sole superpower in the world, political globalization would require the consent of a majority of U.S. citizens, but there is nothing close to that now.

There is a second reason why a world government of the sort envisioned by Kant seems unlikely. During the 1980s, there was a strong sentiment in the United States and Britain for the government to give wider latitude to the business sector and the market economy to make decisions without excessive government regulations. Even during the 1990s with Blair and Clinton, many of the concerns of Thatcher and Reagan to promote an economy free of government regulations have been extended. At the same time, we saw the failure of govern-
At least in the short run, political globalization—with the dissolution of the sovereign state being replaced by a globalized order of government—seems improbable.

...
Writing and literacy arose out of oral culture, and orality was the condition for the development of literacy. After learning to talk, through the use of speech, one learns to read. In many ways, oral culture remained dominant during most of the centuries where there was an ascendency of literacy.

various other issues. There are critics of some of these agreements, such as the 1994 Uruguay Round of GATT, which established the World Trade Organization—critics who claim that the effect of such agreements is the abolition of national sovereignty.

Nonetheless, such agreements are made in light of national sovereignty. Hence, the current state of political globalization includes the continuation of the sovereign nation-state with the recognition that the economy is increasingly integrated across national borders, so it is helpful for nations to form both international and regional alliances.

What is the impact of this new political order on individuals? Here the answer varies widely from nation to nation. For example, in nations like China, individual citizens have no say in shaping national political opinion about international relations. In contrast, in many democratic nations, individuals can participate in the electoral process and in influencing legislation pertaining to entering into multinational and international alliances. There are various possibilities pertaining to the impact of the new political alliances on social associations, but it is worth noting the recent rise of nongovernmental associations that span national borders; their goal is to influence transnational governmental agreements about labor conditions, the environment, and trade. In 1995, the Yearbook of International Associations identified 31,085 nongovernmental international associations, a twenty-five-fold increase since 1960. It is likely that some of these nongovernmental associations will actively voice concerns about international issues. For example, at the recent World Trade Organization meeting in Seattle, environmental activists joined in protest with the Teamsters Union and groups like United Students Against Sweatshops.

I will reserve most of my remarks about the impact of these developments in international politics on businesses and governments for the next section. For now, it suffices to point out that the international political situation is rather fluid, though I think that the predictions of the demise of the nation-state are still quite premature. Instead, I tend to agree with Daniel Yergin, author of The Commanding Heights: The Battle Between Governments and the Marketplace That Is Remaking the World. Yergin argues that governments will not surrender their sovereignty. Rather, with widespread recognition of the benefits of deregulation, the role of government is changing from that of primary economic actors to a more diminished role as economic referees.

ECONOMIC GLOBALIZATION

The proliferation of the word globalization stems primarily from changes in the world economic scene over the last ten years. For most people, when they speak of globalization they mean the globalization of the economy. Economic globalization refers
to the integration of economies across national borders.

It is helpful to distinguish between, on the one hand, the globalization of production and trade, and on the other hand, the globalization of investment markets. Concerning the globalization of production and trade, I relate the following story. Ten years ago, I bought my first new automobile. While a student and then a young professor, I had owned several used cars, but this was my first "new" car. My modest salary did not allow much, so after doing some research, I settled on a subcompact economy car made by Ford. I had assumed that since it was a Ford, it was an American car made in Detroit. The consumer guides that I consulted rated it as very reliable and economical. It wasn't until later that I found out that the car was actually produced in South Korea. Then I found out that many of the parts were actually made in North America and then shipped to Korea, where the car was assembled. Then it was shipped back to North America. But these "North American" parts were not all from the United States. Many were produced in Canada, and some were from Mexico. As I started to inquire, I was told that it would be rather difficult to determine just how many countries had a part in my car. Since Ford uses suppliers from all over the world, sometimes changing from one supplier to another, it is almost impossible to determine where all the parts in one car are made. (Just as an aside, I might mention that I still own that car, that it still runs well, and that it has indeed proved to be reliable and economical.) So one aspect of globalization refers to increased trade across national borders, including the production of finished products that are made from parts assembled in one country while produced and sold in other countries. During recent years, growth in international trade has outpaced overall economic growth.

Another aspect of globalization is the rise of multinational corporations. Many companies have found that it is more efficient and cost effective to have offices and production sites in more than one country. Multinational corporations have created transnational networks to coordinate product development, production, and marketing of goods and services. Developing countries have, in some instances, been integrated into these networks as suppliers or assemblers of components and products purchased in developed countries.

While the globalization of production and trade, along with the rise of multinational corporations, is part of the globalization of the economy, the more significant development is the globalization of investment markets. To understand this phenomenon, it is helpful to consider some historical background.

Some thinkers claim that the period from 1870 to 1913 was the first period of economic globalization. At that time, almost no restrictions on the movement of goods, capital, and labor across national borders existed. But there are several significant differences between our time and a hundred years ago. A century ago, global trade was dominated by colonialism. International trade was typically between developed countries that had finished products, especially Great Britain, and undeveloped countries that provided raw materials. In contrast, economic globalization in our time is not mediated through a colonial government, for governments have a reduced role. Further, the previous period included significant movements of labor with great migrations of workers, whereas immi-
It wasn’t until later that I found out that the car was actually produced in South Korea. Then I found out that many of the parts were actually made in North America and then shipped to Korea, where the car was assembled. Then it was shipped back to North America.

gration is highly regulated today and hence there is less of it.

To understand how we came to the current period of economic globalization as it relates to investment and markets, it helps to begin by remembering the global developments in both communication and politics mentioned above, along with reduced costs for international transportation. Additionally, a few other historical developments will aid in understanding. In 1944, the United Nations Monetary and Financial Conference held a meeting at Bretton Woods, New Hampshire. At this meeting, the basic ground rules for the postwar international economy were established. It was decided that the international currency system would be based on fixed exchange rates and the gold standard. The United Nations established an international bank for development—the World Bank—as well as the International Monetary Fund (IMF) to provide international financial stability and to respond to temporary financial difficulties that member states might have. In 1947, the General Agreement on Tariffs and Trade (GATT) was established to regulate trade between various national market economies. The majority of capital that developing countries received was from governments, especially the United States, which hoped this would help keep the developing countries from becoming communist. During this period, the international flow of capital was heavily controlled by governments. For example, it would have been rather difficult then for a European investor to purchase American stocks. During this period, while there was growing international trade, most economic systems could be understood as national systems that interacted with other national systems.

In 1971, U.S. President Richard Nixon removed the dollar from the gold standard and the fixed exchange rate system broke down. After the oil crisis of 1973, there was a significant shift of international capital to the oil-producing countries. Much of the surplus capital from the oil-producing countries was invested in Western banks. Seeking investment outlets, the banks turned to the developing countries. From 1973 to 1979, the developing countries had a sixfold increase in foreign debt. During the 1980s, the financial markets became rapidly deregulated. Hence, not only could a European investor now more easily invest in American stocks, but an American investor could invest in Mexico, Brazil, Japan, or Korea. Following the lead of Japan, some developing countries became more heavily industrialized. With markets open to investors from around the world, there was a rapid influx of capital investments in global markets. As these new global markets showed they could make good returns, they attracted more investors.

After the fall of communism in 1989, the world looked like a different place. With the threat of communism gone and the success of deregulated markets, there was a widespread feeling that the economy could run without excessive governmental constraints. At the same time, there were three other developments in the world of investment. First, the
The proliferation of the word globalization stems primarily from changes in the world economic scene over the last ten years. For most people, when they speak of globalization they mean the globalization of the economy.

Investor base had grown substantially. For example, in the United States, it became common for citizens to doubt whether Social Security would provide for one's retirement. Tax advantages were developed to encourage opening retirement accounts. So many more people were putting money in the market. Second, the interest rate on bank investments in the developed countries was very low. This encouraged investors to look elsewhere for returns. Third, there was an increase of institutional investors devoted to managing diversified portfolios of stocks. Institutional investors showed a willingness to invest in global markets. These global fund accounts provided high returns through risk diversification, which made for a growing attraction to investing in global accounts managed by institutional investors.

The result of these developments was a staggering increase in private investment to developing countries. Previously, most capital that entered these countries was exchanged between governments. After 1990, the great majority of capital entering many developing countries came from private investors and went into the market. Consider the following table:

Two things are worth noting in this table. First, the last decade has seen a rapid increase in private investments to developing countries. Worldwide, there has been almost a $50 billion increase every year during the 1990s. Second, this money moves from private investors, often through institutional investors, to stock firms trading on various world markets. The new situation is not a case of one national economy interacting with another national economy. Rather, with electronic transfers of funds and deregulated trading, investors and markets are more fully integrated into a single, global system. For this reason, it seems more accurate to speak about economic globalization than it does to speak about political globalization.

Of course, economic globalization is still at a fairly early stage of development. For example, the integration of investment markets has far outpaced the integration of production and trading. To demonstrate this, consider the following table, in which the line marked "Global Market Turnover" indicates private investment capital that crossed national borders.

| Net Private Capital Flows to Developing Countries (in $ billions) |
|----------------|----------------|----------------|----------------|
| All Developing Countries | 44.4 | 90.6 | 161.3 | 243.8 |
| Sub-Saharan Africa | 0.3 | 0.3 | 5.2 | 11.8 |
| East Asia | 19.3 | 36.9 | 71 | 108 |
| South Asia | 2.2 | 2.9 | 8.5 | 10.7 |
| Latin America | 12.5 | 28.7 | 63.6 | 74.3 |
| Middle East | 0.6 | 0.5 | 5.8 | 6.9 |

Source: Global Development Finance, World Bank, 1997
Global Market Turnover vs. World Exports of Goods and Services (in $ billions)

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<tr>
<td>Global Market</td>
<td>188</td>
<td>590</td>
<td>820</td>
<td>1,190</td>
</tr>
<tr>
<td>Turnover</td>
<td></td>
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<tr>
<td>World Exports of</td>
<td>7.4</td>
<td>15.8</td>
<td>17.4</td>
<td>19.1</td>
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<tr>
<td>Goods and Services</td>
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This table shows that while the trade of products and services across national borders is increasing, it is not growing at anywhere near the rate at which the trade of capital across national borders is expanding.

This table also shows that the globalization of the economy in terms of production and the trade of goods and services is still relatively superficial. Consider the issue of trade. In almost every single country, most trade continues to occur within national borders. Where trade occurs across national borders, the vast majority of that trade is regional. For example, the No. 1 trading partner of the United States is Canada. Latin Americans trade mostly with Latin Americans. Asians trade mostly with Asians. In Europe, 60 percent of all international trade is intra-European. There has been an increase in transnational trade, but this is part of a broad trend that can be traced back for decades and even centuries.

A similar point can be made about multinational corporations. Although there has been an increase in multinationals, most companies remain predominantly national. For example, consider the case of United Parcel Service. Some people have pointed out that UPS represents part of the broad shift of globalization, a movement away from national borders to multinational corporations as the new defining social institution. UPS has made a commitment to amateur athletes, providing flexible work schedules to allow them time for athletic training. For this reason, many Olympic athletes are employees of UPS. At the 1996 summer Olympics in Atlanta, UPS had more employees represented in the Olympics than did most of the countries of the world. Since UPS delivers packages all over the world, it is sometimes viewed as a prototype of the new multinational corporation. Some people warn that corporate culture will replace patriotism, that multinational corporations will replace sovereign nations. But UPS, no matter, remains predominantly an American company; its resources and atmosphere are overwhelmingly American. Likewise, many multinational companies remain primarily identified with one country, even when they have offices in other countries.

In other words, while there is an increase in multinational corporations and transnational trade, the main new development in economic globalization is the influx of investment capital in foreign exchange trading. What is the impact of economic globalization on individuals? This is, of course, a complicated question with widely varying answers for different people in different places. For individuals with capital to invest, the last ten years has brought great opportunities for financial growth. For individuals in developing countries, economic globalization has involved the shift to an industrial economy with modern urbanization,
The globalization of moral vision impacts individuals, social associations, businesses, and governments and their interaction—not just at the moral/cultural level but in politics and economics as well.

including economic growth and the range of social problems that attend this shift. In some places, it has also brought with it the difficulties of a market economy, with unexpected business cycles, periods of high unemployment, and the stresses that accompany a market economy. There is a corresponding impact on various social associations.

For businesses, the global economy has presented a whole range of new demands. Some of these include the need to attract investors, respond to new competition, advertise products in a global market, and respond to specific market niches (one of these new market niches is the production of books for businesspeople with instructions on how to remain competitive in the new global environment).

When considering the impact of the global economy on governments, it is helpful to distinguish between different kinds of governments. The developed economies need to provide a legal and juridical framework within which the market can operate. There is an ongoing tension between those who want more regulation of the market and those who want less. Governments find themselves in the role of responding to the desires of some citizens who seek rights to be enforced by the government while also aiming to provide space for the market to operate. For the governments of those countries with a newly developing market, other challenges accompany the oversight of a newly burgeoning economic sector. And of course, some countries—especially those plagued by civil war, repressive governments, overregulation, and closed markets—have been marginalized from economic globalization.

THE GLOBALIZATION OF MORAL VISION

I have saved the section on the globalization of moral vision for last because I consider this aspect of globalization to contain the greatest potential for growth as well as the greatest potential for destruction. The globalization of moral vision impacts individuals, social associations, businesses, and governments and their interaction—not just at the moral/cultural level but in politics and economics as well. Whether this potential will be used for growth or destruction depends almost entirely on which moral vision is globalized.

There are two immediately evident competing moral visions. Likewise, there are two ways of understanding the notion of the "globalization of culture." On the one hand, it could refer to the way that lifestyles aimed at acquisition—especially the materialism associated with some American advertisements, movies, and electronic media—have spread throughout the world. Understood in this way, the globalization of culture refers to the spread of a moral vision predicated on secular consumer culture. On the other hand, some moral and religious leaders, such as Pope John Paul II, have seen the globalization of culture as an opportunity for deeper awareness of the interdependence of human beings across the globe—an awareness that can enrich our sense of
Each consumer is told, “You are free to choose whatever you want.” It is not a moral vision that encourages a global vision of the world.

the universal dignity of human beings and our responsibilities to the various levels of social associations in which we participate, including the solidarity of all humankind. Since these two different ways of understanding the globalization of culture rest on distinct moral visions, I will turn to a brief description of each.

The dominant understanding of the globalization of culture sees the growing development of a monolithic consumer culture. This includes the culture of Hollywood movies, McDonald’s fast food, MTV, and Disneyland. This is a vision of moral libertinism and material consumption. The cultural message of this way of imagining the good life is global in a peculiar sense. It is a message of universal radical individualism. Morally, each individual is conceived of as autonomous—free from the strictures of tradition, class, and familial obligations. In other words, the moral vision of secular consumerism emphasizes individual differences, making the individual the ultimate authority in moral matters. Each consumer is told, “You are free to choose whatever you want.” It is not a moral vision that encourages a global vision of the world.

At first, this emphasis on individualism might appear to result in widely disparate individual desires. However, it actually ends up producing a rather monolithic consumer culture. Teenagers in Chicago hear the same music as teenagers in Warsaw. Cut free from traditional mores, the atomized self often looks to the modern globalizers for a moral vision rather than turning to traditional social institutions such as the family and religion. The market is quick with advertisements to tell the atomized self what is desired. This includes an entire moral vision of how to live and what to buy. What looks like freedom to the individual becomes instead the slavish pursuit of consumer desires perpetuated by clever marketing.

Is it a necessary consequence of economic globalization that it be accompanied by moral libertinism? At first glance, it might seem that the pattern of deregulation that occurs with economic globalization carries with it a moral/cultural pattern of deregulation, so that each individual is left free to do whatever he or she wants. However, the argument that consumer culture is necessitated by economic globalization assumes a false reductionistic determinism. Instead, it seems more helpful to recognize that the free market is an expression of the human capacity for free choices. Consumerism is not a necessary by-product of the market, but rather a common distortion of freedom. That we can raise this sort of question about the consumer culture and sometimes avoid falling into the lures of consumerism shows that consumerism is not necessitated by the market. We recognize in ourselves and in others the tendency to choose to give in to the consumerist model. This shows that the moral vision of consumerism is not a necessary by-product of the market, but rather results from poor choices made by free individuals in response to an anxiety-inducing new situation.

When the globalization of culture is understood as the worldwide spread of
consumerism, several other criticisms are raised. It is sometimes charged that globalization, especially the global economy, will have the effect of destroying local cultures, bringing about a drab, homogenized, monolithic, Americanized culture. If this were a necessary consequence of globalization, then I would join the critics. But it is not convincing to me that globalization will lead necessarily to the destruction of local cultures. Francis Fukuyama points to Quebec as an example of how economic interdependence allows people to stress cultural differences. As Fukuyama points out, Quebec’s economy is deeply integrated with the American economy, and that allows Quebec some leverage to assert its own uniqueness. The choice is not an absolute either/or. We do not have to choose between a globalized moral vision and one that emphasizes local distinctiveness. Instead, it is possible to recognize that we are interconnected globally, and yet each local culture has something distinctive to contribute.

It is sometimes charged that economic globalization leads to the destruction of face-to-face communities. Surely it must be acknowledged that economic globalization can bring stresses to local communities. However, I want to present an argument about the responsibilities that we have to individuals and families if we are going to participate in the global economy and global communication. There is a tendency for the defenders of electronic communication to think that it will completely replace all other forms of communication. In the section on the history of communication, I tried to show two things. First, there is a historical point. Electronic communication arose historically out of highly developed literary communication. In other words, it took a lot of book learning to get to the point where we have radios, telephones, and the Internet. Likewise, literacy arose out of oral culture. Second, this same pattern continues to be repeated in individuals to take full advantage of the benefits of electronic communication. To use E-mail and the Internet, one has to be literate. But to be literate, one first has to know how to talk. Since one learns to talk in small, face-to-face communities — primarily in the family — then it follows that to be committed to global communication also involves a responsibility to be committed to families and literacy. I grant that globalization can bring stresses to local communities, but it also carries with it the responsibility to maintain healthy face-to-face communities, including healthy families.

I think that the best way to think about these issues is to stress another way of understanding the globalization of culture, namely, to follow the lead of Pope John Paul II. On this account, globalization entails a moral vision very different from consumerism. In an address to the International Catholic Union of Business Directors in October 1999, Pope John Paul II said,

We must promote solidarity in all economic endeavors. Globalization must allow for greater participation by people, not their exclusions or isolation; it must apply a greater capacity to share, not to impoverish a large part of the population for the benefit of a few. Nobody must be excluded from economic circles; on the contrary, each and every one should benefit from technological and social progress, as well as from the fruits of creation.

In an address in September 1999, John
It is sometimes charged that globalization, especially the global economy, will have the effect of destroying local cultures, bringing about a drab, homogenized, monolithic, Americanized culture.

Paul clarified his understanding of the moral vision that can accompany globalization:

Globalization will have many positive effects if it can be sustained by a strong sense of the absoluteness and dignity of all human persons and the principle that earthly goods are meant for everyone. There is room in this direction to operate in a fair and constructive way, even within a sector that is much subject to speculation. For it is not enough to respect local laws or national regulations; what is necessary is a sense of global justice, equal to the responsibilities that are at stake, while acknowledging the structural interdependence of the regulations between human beings over and above national boundaries... As a result of the Jubilee, there may be a new culture of international solidarity and cooperation where all—particularly the wealthy nations and private sector—accept responsibility for an economic model which serves everyone.

In these passages, we find an expression of a moral vision that is quite distinct from that of consumerist materialism. Here, the globalization of culture implies a deepened awareness of human solidarity. While it is true that electronic communication has been abused in many cases to present a degraded vision of the human person, it does not necessarily do so. In another context, the pope stated,

An important and serious responsibility belongs to those involved in the mass media, who are called to ensure that the messages which they so effectively transmit will support the culture of life. They need to present noble models of life and make room for instances of people’s positive and sometimes heroic love for others. With great respect they should also present the positive values of sexuality and human love, and not insist on what defiles and cheapens human dignity. In their interpretation of things, they should refrain from emphasizing anything that suggests or fosters feelings or attitudes of indifference, contempt or rejection in relation to life. With scrupulous concern for factual truth, they are called to combine freedom of information with respect for every person and a profound sense of humanity. (Evangelicum Vitae, no. 98)

In this moral vision, the globalization of economics and of communication do not need to be threats to a healthy and humane culture. Rather, globalized communication can provide a greater awareness of the genius found in diverse cultures. An example of this would be films that introduce the viewer to a new cultural setting in such a way that one develops a greater appreciation of the depth of people that are geographically far removed. When global communication is used to explore the authentic humanity of others, there is an opportunity to promote solidarity between cultures that historically may have been in conflict or isolated from one another.

The moral vision presented by John
The globalization of economics reveals that the entire human community is interconnected, and that we live best when we peacefully trade our talents with one another.

Paul emphasizes the fundamental dignity of every human being. It envisions a society of free work, where businesses are understood as communities of persons who voluntarily join together to provide goods and services for the common good of society. This is a moral vision that recognizes that human beings aspire for quality: in the goods we produce and consume, in the services we enjoy, and in the environment in which we dwell. But this pursuit of quality is a pursuit of human flourishing; it is a pursuit of a life that is authentic and in accord with our humanity, rather than one that is damaging to a person's physical and spiritual health. As John Paul puts it,

It is not wrong to want to live better; what is wrong is a style of life which is presumed to be better when it is directed toward "having" rather than "being," which wants to have more, not in order to be more but in order to spend life in enjoyment as an end in itself. It is therefore necessary to create lifestyles in which the quest for truth, beauty, goodness and communion with others for the sake of common growth are the factors which determine consumer choices, savings and investments. (Centesimus Annus, no. 36)

Of course, a great deal of educational work is needed to bring about the kind of globalized vision described here. In older cultures, it was more common among the wise to recognize that the good life flows from the ability to take up what the pope calls "an aesthetic attitude that is born of wonder in the presence of being and of the beauty which enables one to see in visible things the message of the invisible God who created them." (Centesimus Annus, no. 37) In this regard, secular consumer culture is actually a narrowing of the human outlook motivated by a desire to possess things rather than live in the proper relationship to the material things of this world. But in the older wisdom traditions, this sense of the good life remained primarily among the elite. Contemporary globalization offers a positive opportunity for a more global awareness of this moral vision.

Central to this vision is an emphasis on human solidarity, that is, on the interconnectedness of all human beings. While the notion of solidarity flows from a theological tradition that teaches that all human beings are created in the image and likeness of a personal divinity, central elements of the idea are confirmed in the contemporary processes of globalization. The development of electronic communication flows from the deeply human urge to communicate with everyone on the planet. The globalization of communication reveals that the entire human family is a communion of persons engaged in a shared dialogue and participating together in a common journey. The globalization of economics reveals that the entire human community is interconnected, and that we live best when we peacefully trade our talents with one another.

This moral vision is complemented by the notion of subsidiarity. Since every human being is a free being with a fun-
damental human dignity, the principle of subsidiarity articulates that just as it is wrong for a community to take from an individual the ability to make decisions that are properly made by the individual, so too it is inappropriate for a higher and larger collectivity to take from a smaller and lower social community the ability to make decisions that affect them locally; rather, higher and larger groups should interfere in the activities of smaller and lower communities only when necessary, for as brief a period as possible, and in a manner that promotes the integrity and well-being of the smaller and lower groups. This principle places a strong emphasis on self-governance and local governance. It provides an ordered way to integrate the responsibilities of diverse social groups, including the family, social associations, businesses, and governments.

Subsidiarity and solidarity are complementary principles that are central to the moral vision of religious leaders such as the pope. Together, these principles provide an ordered way to live out our responsibilities to multiple social associations in this complex modern world. Solidarity teaches that we live in communion with every human being on the planet, and that we have a responsibility
Whether we choose the one moral vision or the other will impact tremendously the effects of globalization for all the other areas.

to act in a manner that promotes participation by everyone. Subsidiarity provides an ordered way to respond to the responsibilities of participation in diverse social groups. It places a strong emphasis on maintaining the integrity of small groups while acknowledging an appropriate role for larger groups, including a global perspective.

I began this section by claiming that we stand at a crossroads with regard to the globalization of culture. The dominant secular culture identifies the globalization of culture with the spread of a monolithic Americanized consumer mentality. Many people are critical of globalization, even of the globalization of economics, because they believe that it necessarily entails the undesirable spread of a moral vision that ends up narrowing us. There is, however, another way of understanding the globalization of culture—as expressed by Pope John Paul II here. This moral vision emphasizes the universal dignity of human beings. It sees in the globalization of communication and markets a sign of the solidarity of every person on earth. It uses the principle of subsidiarity as a way to order the responsibilities that we have to the various levels of social groups in which we participate. Whether we choose the one moral vision or the other will impact tremendously the effects of globalization for all the other areas. Of these two moral visions, while the second may be less well known, it strikes me as the more promising.

**ADDITIONAL READING**


