

DESCRIBING AND UNPACKING A STORY OF THE PAST AND THE CLOUDED STORY OF THE FUTURE

1. INTRODUCTION TO THE SECOND STEP OF DESCRIPTIVE THEOLOGY: UNPACKING THE STORY OF THE PAST AND THE CLOUDED STORY OF THE FUTURE

In the previous chapter, Chapter Three, I listened to the stories **within** the global village, the stories **of** the global village, the stories **of the villagers** as well as the stories of the **marginalised**, and thus the problem story/ies of the global village were told.

The stories that I listened to were stories of need as well as stories of crises which can be understood as the problem stories of the global village. They were the stories that generated the questions that need to be reflected on theologically. I will come back to these questions again in Chapter Five and Chapter Six, but first these questions need to be unpacked and fully described within their narrative setting. These problem stories were told by both the villagers as well as the marginalised. In this chapter I will unpack, or as Don S Browning (Browning 1991:8) would say describe these problem stories by listening to them within the context of their global setting.

This brings me to the second part of descriptive theology as mentioned in the introduction of chapter three.

The second part of descriptive theology in this study is unpacking the story of the past.

In this section of the study I will be unpacking the story behind the questions and the crises, thereby describing the horizon of cultural and religious meanings that surround our religious and secular practices.

Before I can unpack these problem stories within their global setting, I will need to describe this global setting, or as Browning would say, analyse the cultural religious horizon (Browning 1991:47). I will not only describe (unpack) the global setting, but I will also reflect on the discourses and ask the question: What understanding of the world brought about such interpretations?, in other words the problem stories **will be mapped**, within the various spheres of human existence, namely economic, social, political, etcetera. "In any case, discussion of globalization touches just about every aspect of the academic disciplines, including their moral foundations and implications"(Robertson 1992:9).

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These different aspects I would like to bring into dialogue with each other in this chapter and thereby seeking a **fuller description** of the problem story of the global village, thus “thickening” the problem story. “To describe situations thickly, it is useful to understand the formal pattern of practical thinking. To describe situations is to describe how people think and act practically in specific contexts. To describe situations is to describe the forms of phronesis that actors use in concrete situations” (Browning 1991: 97).

This is not denying that I, as subject of the study, bring my own questions and thoughts to the situation that is being described and thereby the description is biased towards my subjective questions and therefore I would like to see this chapter not only as a dialogue between the different disciplines, but also a dialogue or conversation between myself and the material I have gathered.

I would agree with Browning that this step in theology is a multidimensional hermeneutic enterprise or a dialogue between myself, my prejudice, the material that I have gathered and the various disciplines that will be brought into the conversation. “To describe these practices and their surrounding meanings is itself a multidimensional hermeneutic enterprise or dialogue” (Browning 1991:47).

The chapter will begin with a description of the terms *globalization* and *global village* and a reflection/description of life in the global village. This will be a description of the narrative setting of the problem stories. Then the story of the global village will be described and unpacked as the story of globalization, as well as the story of those marginalised from the village. Finally in this chapter I will reflect on the global narrative setting as a possible metaphoric tool for understanding the stories in the global village.

In chapter three the problem stories were told and in this chapter the focus will be on describing the theory-laden religious/ideological and cultural practices of the global village.

The questions that will be guiding this chapter are:

- What, within a particular area of practice, are we actually doing?
- What reasons, ideals and symbols do we use to interpret what we are doing?
- What do we consider to be the sources of authority and legitimation for what we do? (Browning 1991: 48)

It could be asked what this still has to do with theology and whether these chapters should be understood as *Descriptive Theology*? These chapters and specifically chapter

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four will be making use of the other disciplines of the humanities such as sociology, economics, political economics, history and to a certain extent psychology. How does this fit into the field of theology?

If I look at the discipline of hermeneutic sociology, the sociological task is seen as a conversation/a dialogue between the researcher and the subjects being researched (Browning 1991: 47-48). The researcher, in this case me, brings to the study all the pre-understandings and prejudice with regards to the global village and these are brought into dialogue with the pre-understandings of the villagers and the marginalised. David Tracy argues that social-systemic material, and psychological determinants are traced and described as well as we can, but they need to be placed into a larger set of meanings that give them direction and in the scheme of human action (Tracy 1981: 118). Crites called this larger set of meanings sacred stories which I reflected on in Chapter Two (8.2 Narrative and Human Action). Browning argues that these “larger meanings that constitute the theory embedded in our practice invariably have a religious dimension. That is why hermeneutic sociology, when properly conceived, fades into descriptive theology” (Browning 1991:48).

Therefore a chapter that will mainly be focusing on disciplines such as sociology, economics and psychology can be seen as a theological chapter within the theological journey, if these disciplines are seen as being part of a larger hermeneutic process. If they are conceived as neutral and objective disciplines as was the case in modernity then certainly they could not form part of the theological journey and that of practical wisdom, or phronesis.

2. DESCRIPTIVE THEOLOGY AS THE HERMENEUTICAL LINK BETWEEN THE NARRATIVE THEOLOGICAL APPROACH AND THE “SECULAR” DISCIPLINES OF THE HUMAN SCIENCES

One of the legacies of modernity was the dualism between secular and profane and thus theology’s status as an academic discipline was questioned. Could theology still be in dialogue with the secular disciplines? The natural and the human sciences were seen as the true objective disciplines that dealt with objective verifiable facts while theology was seen to be dealing with subjective experiences and therefore seen as a lesser science.

“Theologians and churches have increasingly both used and envied the human

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sciences” (Browning 1991: 80). Browning argues that this envy can be seen in how the various disciplines have influenced each other.

1. Psychology has influence pastoral counselling
2. Sociology has influenced liberation theologies and political theologies as well as church growth programmes and projects
3. Anthropology, especially the study of ritual and initiation processes have influenced liturgics and religious education.
4. The psychology of moral development (Kohlberg, Gilligan) and the developmental psychology (Freud, Erikson) have had tremendous impact on the theological understanding of Christian maturity (Browning 1991: 80-81).

Theology has in the past and still today been very uncritical in the implementation of these thoughts of the ‘other’ human sciences into its thinking. It has been uncritical of the scientific nature and methodology of these disciplines. Theology has been uncritical of the implicit values and the stories behind the stories of these disciplines, in other words the sacred texts in which these theories are embedded.

Many theologians adapted these thoughts without realising that the theory-laden practices behind these theories are totally contrary to the theory-laden practices (the monuments of the Christian faith) supporting the practices of the church. It is not my intention in this study to demonise the modern human sciences, but rather put forward a critical relationship based on critical dialogue or conversation and in this study I would like to engage in such a critical dialogue with the various other disciplines in the human sciences.

2.1 How is such a critical dialogue/conversation possible?

I believe that the answer to this question can be found in the postmodern hermeneutical character of all knowledge. I understand all knowledge to include both the human as well as the natural sciences.

Therefore I will reflect shortly on the work of Hans-Georg Gadamer once more within the context of the relationship between the different disciplines and the role of hermeneutics.

In Gadamer’s influential work, *Truth and Method*, the word ‘method’ refers to the method of induction which was used both by the natural sciences as well as the social sciences. The method of induction based its theories “on the basis of uninterpreted observations of the phenomenon being studied. After repeated observations, it is believed that patterns in the data will begin to emerge. These patterns will suggest

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theories, models, and laws about the object of study” (Browning 1991:81). This concept of induction was then incorporated in the human sciences by great thinkers such as David Hume, John Stuart Mill and Herman Helmholtz. Yet this method does seem to be inadequate for the human sciences for the following reasons:

1. It creates ‘objective’ distance between the researcher and the object being researched.
2. It creates ‘objective’ distance between the cultural and religious traditions that form and shape both the researcher and the object of study.
3. The scientific theory of induction seeks to create enough objective distance to liberate the researcher from the pre-understandings that he/she might have.

Paul Ricoeur agrees with Gadamer on this point when he says: “The methodology of the sciences ineluctably implies an assumption of distance; and this, in turn, presupposes the destruction of the primordial relation of belonging – Zugehörigkeit – without which there would be no relation to the historical as such” (Ricoeur 1981:64-65).

Therefore to really grasp the relationship between theology and the sciences we need to understand the relationship between hermeneutics and epistemology (Browning 1991:82). This was at the heart of the hermeneutic debate between Gadamer, Heidegger and Ricoeur. It is the basic question of epistemology and the relationship between understanding and epistemology, interpretation and explanation, or narrative and theory, or to place it in the context of the Jewish tradition discussed in Chapter Two (10.6.1 Jewish understanding of revelation) the relationship between Halacha and Aggada.

2.1.1 This critical conversation within the field of psychology

Ricoeur developed the idea of the relationship between understanding and explanation or narrative and theory from within the context of psychoanalysis by building on the work done by Freud. Ricoeur in his work on Freud, *Freud and Philosophy*, interprets Freud to be working with a mixed language, namely the language of energetics and the language of meaning or narrative (Ricoeur 1970:5-7).

The language of energetics comes from the physical sciences as they seek to explain how energy systems function within the material world. Thus in psychoanalysis the language of energetics explains how libidinal energy works according to a rhythm and pattern of tension increase and discharge. These energies can in a certain sense be seen as the law of nature that our meaning-making capacities respond to with the use of

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narrative or interpretation. Therefore Ricoeur would distinguish between theories and language of our biological givenness, 'laws of nature' and the narratives humans invent to respond to and guide these natural needs, wants, drives and tendencies.

Yet we only have access to these biological givens as Wittgenstein would say through language, and the very moment these givens are put in theory or language already interpretation has taken place as we cannot experience these givens beyond the boundaries of language.

Ricoeur argues that through observation a certain level of regularity can be identified so that a theory is feasible. Therefore Ricoeur proposes that the two, understanding and explanation or narrative and theory, be kept in tension with one another. Browning goes along with this understanding of Ricoeur and therefore he keeps a distinction between the narrative—obligational dimensions of practical reason and what he calls the tendency-need dimension, which was discussed in Chapter Two (12.3.2 Fundamental Practical Theology) (Browning 1991:84).

2.1.2 This critical conversation within the field of the social sciences

Kenneth Gergen sees the social sciences "as a protracted communications system" (Gergen 1973:310). His argument is based on the idea that the values of social psychologists shape both the questions and the answers in their research (Gergen 1973:311).

He also demonstrates how social psychology influences the values within society. This to him is the fundamental difference between the natural and the social sciences, because the social sciences are in dialogue with their subjects, while the natural scientists do not communicate with their subject matter (Gergen 1973:312). Therefore psychology is not a science that seeks to dominate, control and predict, but to be in conversation and thus to open the minds to wider and more creative possibilities.

Gergen's ideas find a parallel in the social sciences in the work of Robert Bellah (Bellah 1983a). Robert Bellah moves away from the understanding of social science as a technical reason and moves towards an understanding of sociology as a moral and technical discipline designed to establish the ends and the necessary means to accomplish these ends (Bellah 1983b 45-46). It is a discipline that makes assumptions about the nature of persons, the nature of society and the relationship between persons and society. This is a technical discipline and yet it is also moral as it makes assumptions about what is a good person, a good society and how a good person can

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function in a good society or at least promote the good of a society. These moral assumptions are culturally and religiously rooted and contestable. These assumptions are rooted in the narratives and sacred stories of communities and vary from context to context. Therefore social science would need to enter into a public conversation on these matters (Bellah 1985: 301).

Thus social scientist cannot ignore these stories and narratives that are at the very heart of these assumptions. Therefore they must “take responsibility for understanding the stories and narratives which shape the present. They must come to know the ideals within the narratives from the past (our effective history) that provide the values by which the present is judged” (Browning 1991: 86).

On the other hand the social scientist cannot ignore the technical side of this discipline either. There is a place in social inquiry for analysis and collation of research data. It is this combination of hermeneutical and technical that places Bellah into the school of *critical* social science. A critical social science seeks to break down the walls between social science and social ethics. “It is an approach to social science that puts explanation and methodology into the service of the norms and values that would guide social transformation” (Browning 1991:88). This approach has an element of the critical tradition of the Frankfurt school seeking the transformation and the liberation of society and therefore never a value free, or value neutral approach to social theory. Yet Bellah does differentiate himself from the Frankfurt school in the sense that he seeks to anchor the norms and values within the tradition itself, as the hermeneutical process is unpacked, rather than impose values and norms from an ideological point of view.

Habermas, as a representative of the Frankfurt school, consults tradition and then goes beyond hermeneutics and grounds his norms and values not within the tradition, but in the norms and values of his social theory of communicative action (Habermas 1979:202-205).

Bellah would rather seek these values and norms within the tradition and thus according to Bellah’s understanding of sociology it would always inevitably lead to the religious-cultural narratives of tradition and history. “All the human sciences are, at least their horizons, a kind of descriptive theology... Social science research is in part a dialogue between the religious horizons of the researchers and the religious horizon of the subject of research” (Browning 1991: 89, 91).

2.1.3 The focus and horizon of social research

“All research in the human and social sciences has a focus and a horizon, a foreground and background, a center and periphery,” (Browning 1991:91).

It is also true that all human perception is made up of these two parts, the horizon and the focus, the centre and the periphery. These two are in relationship with each other and are not mutually exclusive, because the periphery continuously influences that which is at the centre or the focus. The periphery is the effective history of the researcher as well as the effective history of the subjects being researched according to Browning. I would like to add one more and that is the effective history of the model of research being used. Thus all human science fades into religious dimensions at the periphery.

In the fundamental practical theological model proposed by Browning this periphery or this horizon needs to be made explicit. So what is implicit in the secular human sciences in fundamental practical theology becomes explicit (Browning 1991: 92).

I will incorporate these ideas of Browning’s understanding of the critical conversation with the other sciences in this chapter of descriptive theology.

2.2 Validity claims in the context of descriptive theology and the common human experience in the global village

David Tracy speaks of common human experience, which was discussed in Chapter Two (12.3.2 Fundamental Practical Theology). It was clear that this common human experience needs to be unpacked which I will attempt in this chapter. I undertake in this chapter to unpack specifically the common human experience of the global village. I will make use of Browning’s differentiation of common human experience into three poles:

1. interpretations of the practices, inner motivations, and socio-cultural history of individual agents
2. interpretations of relevant institutional patterns and practices
3. interpretations of the cultural and religious symbols that give meaning to individual and institutional action (Browning 1991:61).

These three poles will be unpacked within the context of the validity claims that Browning put forward, with which a faith community can substantiate and defend its interpretations and its chosen course of action. He also suggests that these five claims be used already in the description of the theory-laden practices of a community (Browning 1991: 71).

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Browning's five claims are:

1. the visional level (which inevitably raises metaphysical validity claims);
2. the obligational level (which raises normative ethical questions);
3. the tendency-need level or anthropological dimension (which raises claims about human nature, its basic human needs, and the kinds of pre-moral goods required to meet these needs);
4. an environmental social dimension (which raises claims that deal primarily with social-systemic and ecological constraints of our tendencies and needs);
5. the rule role dimension (which raises claims about the concrete patterns we should enact in our actual praxis in the everyday world) (Browning 1991: 71).

1. The visional level

"It seemed to me, that the narrativists were quite right that our moral thinking begins in the context of specific traditions and that these traditions are carried by particular narratives, stories, and metaphors that shape the self-understanding of communities that belong to the tradition. I came to call this the visional dimension of practical moral thinking" (Browning 1991: 105).

2. The obligational level

Browning believes that within these traditions and between the conflicts of particular traditions, human reason will gradually elaborate general principles of obligation. These principles of obligation have a rational structure. Yet these principles, although embedded in certain traditions, can gain a certain degree of independence from the narratives of origin. Thus these principles can be compared to each other although they might come from different traditions of origin. This possibility of comparison opens the door for dialogue between traditions in a pluralistic society (Browning 1991:105).

3. The tendency-need level

Browning believes that all moral practical thinking in some way takes into consideration the basic tendencies and needs of human beings, although these theories that took these basic tendencies and needs into consideration were very often quite unsystematic and implicit. Elaborate systems can be devised to order these basic needs and tendencies (Browning 1991:105-106) George Pugh has developed such a system where he divides human values into selfish values, (values associated with individual welfare and survival), social values (values that motivate individuals to contribute to the welfare of the group), and intellectual values (values that motivate efficient rational thought) (Pugh 1977:115).

There are also still other needs which can be seen as psychologically induced needs.

4. The rule-role dimension

The rule-role dimension seeks to explain the rules and roles within which moral actions are understood within certain traditions and societies. Browning sees this as the most concrete level of actual practices and behaviour (Browning 1991:106).

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5. The environmental-social dimension

All actions and moral thinking is placed within certain constraints. There are environmental constraints as well as social-systemic constraints. These constraints limit the actions of society and therefore also limit the moral thinking behind the actions.

I will attempt to combine these three poles with the five dimensions.

The third pole, interpretation of the cultural and religious symbols that give meaning to individual and institutional action, can be compared to the visional level.

The second pole, interpretations of relevant institutional patterns and practices, can be compared to the environmental social dimension as well as the obligatory dimension.

The first pole, interpretations of the practices, inner motivations, and socio-cultural history of individual agents, can be compared to the tendency-need level or anthropological dimension as well as the rule-role dimension.

I will begin the unpacking/describing of the common human experience in the global village by looking at various descriptions of the global village and globalisation. Then within the context of these three poles and five claims I will be describing the practices as well as the history of these practices and the ideological horizon which is the effective history of these practices. Each human action or practice can be seen within the context of these five dimensions of practical reason. "Action is:

- 1) made up of concrete practices (rules and roles, communication patterns);
- 2) motivated by needs and tendencies;
- 3) limited and channelled by social-systemic and ecological constraints;
- 4) further ordered by principles of obligation; and
- 5) given meaning by visions, narratives, and metaphors" (Browning 1991:110).

3. DESCRIPTION OF THE TERMS: 'GLOBALIZATION' AND 'GLOBAL VILLAGE'

3.1 Description

To define a term like globalization would in essence be modern therefore I will rather seek to describe **my¹ understanding** of the term *globalization* than try to define it, this being a postmodern study.

The term ***globalization*** has developed recently although the process of globalization

¹ I will describe **my understanding** of Globalization without presuming that this is the general or a 'universal' understanding.

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has been in progress over centuries. The noun 'globalization' came up in the mid 1980's and in the second half of the 1980's it was generally being used. The term **global village** was introduced by Marshall McLuhan in his book *Explorations in Communication* (1960) (Robertson 1992:8). McLuhan uses the term 'global village' to describe the notion that the world is shrinking because of the impact of international media.

Globalization is a word that describes the world in which we are living in. "Far from being an abstract concept, globalization articulates one of the dominant characteristics of today's existence" (McGrew 1995:63).

To describe something like globalization is an impossible task as globalization is too large to comprehensively capture it in a brief description. Therefore I will begin my description of the global village by describing certain aspects which are seen to characterise today's existence in the global village. I will tell more stories of life in the global village although some of these stories have already been told in Chapter Three.

3.1.1 Broad descriptive characteristics

Globalization describes the process of the globe becoming '*smaller*' and '*smaller*', as the people living on this globe are brought '*closer*' together. There are various reasons why people across the globe are brought *closer* together and I will identify some of these reasons.

- 1) People around the world are brought *closer* together by the information and communications technology 'being connected to the world wide web'.
- 2) People are brought *closer* together by the international media industry via satellite communication. Sometimes people living in Pretoria know more about what is happening in London than what is happening in Marabastad. Satellite television brings us into intimate contact with happenings all over the world, 'CNN keeps us informed by the hour'. On Tuesday the 11th of September 2001 the whole world was watching the collapse of the Twin Towers of the World Trade centre – 'USA UNDER ATTACK!' Internationally local programmes were abandoned to give the CNN report preference. Within half an hour the whole world was talking about what had happened in New York. The world is connected and united into a media and information village.
- 3) This network of communication and information brings with it a certain uniformity of culture - *the culture of the informed and connected*.
- 4) Economically the globe is being brought closer together by the trans-national companies, which have production sites and outlets all over the world. A well known example is the McDonalds fast food chain. Trans-national companies are

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not bound by national laws, but are regulated by one principle only - the greatest possible profit, in other words national boundaries and politics give way to trans-national economic interests. Many issues in politics today are no longer issues on the national political agenda, but global issues, such as international terrorism, arms control, debt, ozone, environmental issues and currency crises, etcetera. The political agents are no longer governments, but multinational organisations, trans-national corporations, international non-governmental organisations, etcetera.

5) Global finance markets have never before in history had so much power to dictate the future of the globe.

These five characteristics, describe in broad terms, what I understand the term globalization to mean. I will focus on the last two characteristics, the economic description of globalization, as I believe this to be the driving force behind globalization which unites the globe into a village. It probably also has the strongest influence on our practices. It is the economic forces of globalization which give the reasons, ideals and symbols with which to understand, interpret and justify what is happening in the global village – a village which can be described as a financial, communication, information and business village.

“...., there is the issue of the processes which brings about globalization - the ‘causal mechanisms’ or the ‘driving forces.’ What happens here to arguments about the dynamics of capitalism and the forces of imperialism which have undoubtedly played a large part in bringing the world into an increasingly compressed condition?” (Robertson 1992:28)

Although Robertson speaks about ‘causal mechanisms’ which bring about globalization I would rather see these as dominant stories/discourses which bring about a certain interpretation of reality which can be described as the global village.

A global village is a village where you are globally informed and connected, have a McDonalds down the road and can buy the same United Colours of Benetton clothes in China, India or South Africa, or even better – order them over the net.

These describing characteristics are still rather abstract and therefore I will tell the stories of daily experiences in the global village, thereby giving descriptive colour to these broad characteristics.

3.1.2 Daily global village experiences – action in the global village

In November 2000, the USA presidential elections were being held. The close contest between the two candidates and the controversy surrounding the election outcome had an effect beyond the borders of the United States of America. These effects were not only because the USA is a military and economic superpower, but also because of the interconnectedness and interdependence of the globe. There is an interconnection and interdependence that your personal vote in one country's presidential elections has ramifications for the whole globe. The USA terror attack in September 2001 had a similar effect on the global village.

Never before in history has a democratic election in one country affected consumer prices in another country which is thousands of miles away. This is just one experience of the interconnectedness of the global village on a political-economic level.

Our daily shopping expedition to the shop around the corner or the mall in your area has developed in the last few decades to a global village experience. The items we pack into our shopping basket tell the story of a unified global village. We enter the supermarket and the variety of products on the shelves is overwhelming. There is a selection of coffees from various continents, tea from various others and in the electronics department you will find kettles from Taiwan and microwaves from China and a light bulb designed in Holland, but made in South Africa. A shopping expedition to any mall or store is a journey into the global village. The products from the global village find their way into our homes and so the family home becomes an expression of the global village.

In the lounge there is an Italian designed leather lounge suite, with genuine leather imported from Brazil and put together in Korea. The Phillips Television is designed in Holland, but has been assembled in China. The computer is designed and developed in USA by Indian IT technologists and put together in Taiwan. Our homes have become an expression of life in the global village.

Even the shack of the homeless family on the streets of our cities has become an expression of globalization, as they build their shacks with the scraps of the global village. Very often one sees the remains of an old billboard as part of a shack wall.

These daily experiences transform the individual citizen of a national country into a global villager, even if he/she might belong to the marginalised community within this village. Our lives are no longer only connected to the factory workers within our own

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country, but we have become connected to factory workers throughout the globe. The simple experience of buying a computer with the necessary soft-ware is a global issue.

The price of the computer is connected to:

- 1- An USA software company
- 2- IT technologists in India, who are paid half of what their colleagues are earning in the USA, because they are working in “*cheap production sites*”.
- 3- These cheap labour production sites have an effect on the environment - as the increase in income and the amount of people employed brings about a general improvement in lifestyle and buying power in the area and thus places greater demands on the environment.
- 4- The effect on the environment in turn has global ramifications - global warming, etcetera.

Our daily life, our practices and even the simple little activities like going shopping, have become global activities or global practices.

The daily experience of friends and family moving overseas, because of job opportunities is another experience of the global village’s labour market. This competition in the global labour market, is affecting everybody. Every individual who seeks employment does not only enter the local or national labour market, but enters the global labour market and therefore has to compete globally. The social security funds, pension funds, medical aid funds are all connected to the global finance markets, where daily billions of US dollars are moved across the globe placing pressures on the companies in which the average citizen seeks employment. We live in a complex global intrigue of how the coffee that I buy, the work that I seek, the money I bank is all connected and effects families and communities all over the world.

The lifestyle a person chooses² is directly connected to the struggle for survival of families across the globe. Never before in history has life been so connected and interdependent across the globe. There are no longer communities in foreign countries who have very little to do with us, but we are all connected to the same market where we buy coffee, sugar, or a T-shirt and they are no longer in a foreign country, but could be just a block away. This situation challenges us to take the story of the global village seriously.

I need to interpret how it came about that the world can be described to be so

²1 include myself in this as a person who lives in the global village and has access to the information, communications and finance networks.

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connected when so few of the world's population actually benefit from this connection and in a sense are marginalised from the benefits of the global village, and when there has never before in history been a time where society has been so **fragmented**. This fragmentation is another dominant experience and is experienced in various differing forms:

- The division of the world into rich and poor communities, the ever widening gap between rich and poor (villagers and marginalised).
- The rise in cultural religious conflict. Most of the conflicts of the last decades have been either religious/ideological or cultural.
- The rise in genocide.
- The rise in fundamentalism
- The environmental impact on the planet.
- A general feeling of nostalgia
- A loss of values and standards.

“Today we are living in the midst of a worldwide revolution,’ former UN Secretary-General Boutros Boutros-Ghali hammers away in his addresses. ‘The planet is in the grip of two vast opposing forces: globalization and fragmentation’” (Martin & Schumann 1998:28).

Although all communities are connected and are affected by the global village not all communities benefit and actively participate in the functioning of the global village. Some communities are marginalised and even excluded from the village. This means that certain communities benefit while others suffer the consequences of the global village, therefore I will need to differentiate between the different stories within the global village. There are the dominant (ideological) stories and the fragmented or marginalised (problem) stories. The ideological stories dominate as they form the dramatic resources by which we understand ourselves³ as well as interpret the world around us. These dominant stories have the necessary technological means to export *The Global Village Story* throughout the world. I will unpack and share my perspective of these dominant stories – stories which I understand to be mainly economic and ideological and how it came to such a situation of domination and marginalisation.

Globalization is often equated with globalism and is perceived in some quarters as negative as it is understood as ‘one-worldism’ or ‘cosmopolitanism’. There are certain groups who would like to understand themselves as anti-globalization or

³By ourselves I am referring to the modern westernised individual - my intention is not to exclude or to generalise.

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deglobalization, yet even these *anti*- trends are in essence global, just like anti-modern gestures are inevitably in a sense modern.

“...anti-global gestures are encapsulated within the discourse of globality. In that particular sense there can be no foreseeable retreat from globalization and globality” (Robertson 1992:10).

I will not position myself with regards to globalization or anti-globalization, but will seek to gain a deeper understanding of globalization itself.

In the process of unpacking the story of globalization I will place my main empirical focus on the increasing acceleration in both concrete global interdependence (economic technological) and consciousness of the global whole (global narrative setting).

I will focus on two working descriptions of globalization:

“Globalization as a concept refers both to the compression of the world and the intensification of consciousness of the world as a whole” (Robertson 1992:8).

Giddens offers the following description of globalization:

“the intensification of worldwide social relations which link localities in such a way that local happenings are shaped by events occurring miles away and vice versa” (Giddens 1990:64).

The global village is a description of the world in the process of globalization. A world compressed together into a village where everybody is connected and interdependent on the rest, but at the same time marginalising millions to the margins of this village. “In the real world the two phenomena are inextricably bound up with each other, because only global integration confers upon technological progress that penetrative force which is today driving millions to the margins of society” (Martin & Schumann 1998:152).

4. UNPACKING THE STORY OF THE GLOBAL VILLAGE - GLOBALIZATION

4.1 Introduction and the problem of unpacking the phenomenon- “Globalization”

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I will argue that globalization as experienced today is far too complex to reduce it to a single story or description. It is a complex phenomenon which can be described from various perspectives. I will in no way be able to give a complete description of globalization. Therefore I will attempt to describe two complementary perspectives on globalization.

The first perspective: The story of the development of the global village which I understand to be globalization. This perspective includes the economic and political stories which can be interpreted as the main themes (discourses) in the story of the development of the global village or the driving forces of globalization. The economic and political perspectives are closely related to the themes of modernity, which I will reflect on. This first perspective will include Browning's third pole which I compared to the visional level. It will also include the second pole, which I compared to the tendency-need level as well as the obligational level.

I will describe the practices (stories) told of in chapter three within the context of the inner motivations and socio-cultural history as well as economic and political history of the global village within which the individual agents act. As well as placing these stories into the social systemic context.

The second perspective: The global narrative setting of the global village

The second perspective shares various themes with postmodernity.

My main interest is in the second perspective as this perspective describes the global narrative setting in which our individual stories are set. Yet to be able to unpack this narrative setting I thought it important to first describe the development of the setting and the main driving forces behind its development, which is described in the first perspective. The second perspective will include Browning's first pole which I compared to the tendency need level. The study will place the stories told in chapter three into the context of the ideological validity claims, the basic dramatic resources that are at the disposal of the postmodern global village to make sense and interpret his/her practices.

5. INTRODUCTION TO THE FIRST PERSPECTIVE: THE STORY OF THE DEVELOPMENT OF THE GLOBAL VILLAGE – GLOBALIZATION

In this chapter I will tell the story of the global village using history-as-argument, thereby exposing the failures of the global village not by proof or analysis, but by telling its story, based on the method used by MacIntyre (MacIntyre 1984) where he used history to

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expose the failures of the Enlightenment project.

The story of the development of the global village is not a recent story but has its roots in the last few centuries and in recent times this development has accelerated (Robertson 1992:8). Some will argue that to a large extent this story can be seen as being closely related to the story of modernity, which was discussed in Chapter Two. In Chapter Two I reflected on the great themes of modernity, namely science, Enlightenment, secular democracy (nation state) and industrial capitalism. The story of globalization shares these themes with modernity. This does not mean that globalization can be equated with modernity and that one can say that globalization is modernity on a world wide scale. "The concept of globalization should not act simply as a synonym for a new phase in modernization or for Westernization" (Scott 1997:3).

Yet there is a relationship between globalization and the themes of modernity, but they are not synonymous. This relationship with the themes of modernity can be described in two different ways, namely the **convergence theory** or the **divergence theory** (Robertson 1992:11). The convergence theory argues that all societies at different speeds are moving towards modern society. The divergence theory argues that there are different paths and forms of 'modernity'. There are also others who would argue that there is a combination of the two so that in certain aspects societies are converging towards modernity (economic and technological) and in other aspects diverging to modernity (social relational) (Robertson 1992:11).

Giddens (Giddens 1990:64-65), who describes globalization from the perspective of the convergence theory, believes there to be four dimensions:

- 1) the nation state system,
- 2) the world capitalist economy,
- 3) the world military order and the
- 4) international division of labour.

These four dimensions are interwoven into the story of globalization and these four dimensions closely relate to the themes of the story of modernity. In this sense globalization can be described as the process where these aspects of modernity are seen on a world wide scale. These four characteristics of modernity were once used to characterise the modern society (Gesellschaft) within the nation state, as a movement from Gemeinschaft - to - Gesellschaft (Robertson 1992: 13). Today they characterise the modern global world as a whole - the global village.

If one only describes globalization from the perspective of these four themes then

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globalization can be described as if the world has been united (converged) into a single modern global village. The study recognises that the global village is much more complex than a global modern society and therefore there are certain discrepancies in the convergence theory. Yet one has to take into account these dominant themes which to a large extent describe the development of the global village and these dominant themes coincide with the four themes Giddens uses to describe the process of globalization.

Giddens described the story of globalization along the lines of four dimensions which the study will follow, namely: 1) the world capitalist order, 2) the demise of the nation state, 3) the world military order (who has the power) and 4) global division of labour.

Ever since the fall of the Berlin Wall and the collapse of Communism there is one economic system which dominates the world markets and one can argue that economically the world has developed into a global capitalist order. This capitalist order has transformed the world into a global market where everything has become marketable, from labour to cultural diversity. The advertising industry as well as the media and information industry play a major role in these converging tendencies of the global economy. This certainly is a dominant and powerful theme in the story of globalization and I will reflect on this economic theme, but globalization as a phenomenon is much more than this economic story. I will later on in the chapter in the second perspective describe and unpack this, *“more than the economic story,”* to express the complexity of the situation we live in today.

6. UNPACKING THE STORY OF THE DEVELOPMENT OF THE GLOBAL VILLAGE – THE WORLD CAPITALIST ORDER

In this section I will be unpacking the story of the development of the global village with its dominant story of the world capitalist order. I will be describing the social cultural and economic context which forms the social economic horizon of the individual's or communities' actions within the global village.

The fall of the Berlin Wall can be seen as the political historical event that marked the end of the modern era (Erickson 1998:46). It marked the end of a historical era where the world was divided into socialist and capitalist countries. The Berlin wall came down and with it a whole system (ideology) that had for years been a critical challenge to the capitalism of the West. Now this system had disappeared and with it the only real

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challenge to capitalism. It left an ideological vacuum behind and nothing was there to fill this vacuum. In Chapter Three (2.3.2 Inner city of Berlin) I refer to this ideological vacuum and how it affected the people living in Berlin.

The consequence of this vacuum was that capitalism lost its conscience. Capitalism had won the battle and now it didn't need to justify itself, but has the full freedom to develop to its full potential. A single global economic system (ideology) without any challenge or a conscience is dangerous. Socialism arose because of the failures of capitalism (Nürnberg 1998:1). Now that socialism has failed, what lies ahead for the globe?

“The economic context in the late twentieth century is one of unfettered capitalism on a world scale. Local, national, and continental economies have restructured within an integrated free market system. The imperatives of “globalization” compel all members of the human family to secure their livelihood in competition against each other, in a global marketplace. A consolidation of this “global economy” has been proposed by the Multilateral Agreement on Investment (MAI), negotiated secretly in closed sessions around the planet, by the Organization for Economic Cooperation and Development (OECD)” (Rumscheidt 1998: ix).

After the fall of the Berlin wall there is one global economic order, yet the world is not united, but anybody can see that there are poor and rich people, as well as poor and rich countries. Therefore although there is one economic system there is division and fragmentation as the world is divided into rich and poor communities and countries. The global village has one economic system, but this one system does not bring about unity, rather it causes ever more fragmentation. To understand this, I will need to unpack the economic story of the global village.

6.1 The early beginnings of the story

6.1.1 Aristotle and economics

The word ‘*economy*’ comes from the Greek word - *Oikonomia* which means the science of household in other words household management/administration (*oikos*) (Duchrow 1994:21).

Aristotle found that there is a difference between this management of the affairs of the home, which is the management of basic necessities necessary for the household and a striving towards an increase in money (Duchrow 1994:20). Fundamentally Aristotle sees economy to be the management of the home so as to satisfy all the basic

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necessities of the inhabitants within the context of a political community, in other words the basic aim of economy is the satisfaction of basic needs of a community to make life possible.

Aristotle distinguished between two different forms of business:

- 1) the production of products from raw material, which are taken from nature, and sold or exchanged on the market. In large centres money could be used for this exchange. This form of exchange trade Aristotle calls - **metabletiké**
- 2) the accumulation of money which he calls **chremistiké** (Duchrow 1994:21). As soon as the accumulation of money comes into the picture there is a movement away from basic necessities for life to the desire of eternal pleasurable life and with money the necessities for such a life can be bought.

Chremistiké can again be divided into two categories:

- 1) the use of money for profit, in other words where money is no longer used as an exchange medium in the satisfaction of basic needs but to gain profit,
- 2) and the use of money to make money through interest.

Both of these uses of money have an inherent danger in them namely:

- 1) the profit business tends towards monopoly and the manipulation of prices and
- 2) the interest business tends towards usury.

These uses of money Aristotle saw as being destructive to home and society, thus destructive to the *oikos*.

“Denn durch Geldvermehrung um ihrer selbst willen entreiße ich anderen ihren Gewinnanteil beim Wirtschaften. Dadurch wird das Gemeinwesen zerstört. Diejenigen, die endlos, durch grenzenloses Wachstum des Reichtums in Form von Geldanhäufung leben wollen, verfehlen das >>gut leben<<, d.h. das >>in Gemeinschaft leben<< und zerstören sich schließlich selbst” (Duchrow 1994:21).

Very early in history already the inherent dangers were known if an economy is based on making profit or the increase of interest.

For Aristotle the production should be to satisfy the basic needs of the home and not driven by a profit motive. There is always the possibility of surplus production, but even this Aristotle did not think should be a problem, because the surplus taken to the market should not endanger the *Oikonomia* (economy of the home) as long as money and profit remained secondary to the satisfaction of the needs of the home.

6.2 The early beginnings of markets up to the middle ages

Aristotle's description of a market is a description of a local market of a subsistence community where the farmers and the artisans produce for their own households (Duchrow 1994:22). They cannot produce everything themselves therefore they take some of their produce to the local market and exchange with others until the basic needs of the household are taken care of. In larger centres they might have used money as an exchange medium on the markets as direct exchange was not always possible. This kind of market, which was relatively free from profit motives, did not only belong to antiquity, but existed right into the 18th century. These markets were imbedded in community life with cultural rites and ceremonies. These rites and ceremonies controlled the market and embedded it into the life of the community. In other words the market served the community.

These kinds of "community markets" existed right into the 18th century in Europe and they were part of a community and embedded in cultural rites and ceremonies which also protected the market from misuse (Duchrow 1994:22).

The market Aristotle warned about, where profit and interest were the determining factors, were the foreign markets which were involved in credit trade. These foreign markets only came into being where trade routes met, namely in harbour towns and along rivers (Polanyi 1978:93). On these markets the basic necessities for the household were not exchanged nor sold, but luxury items and resources for the wars of the rich and wealthy were bought. The local markets and the foreign market were kept completely separate right into the middle ages.

<p>In summary many communities existed without markets and there where markets did arise they were under the control of <i>Oikonomia</i> (economy of the home) and embedded in the community and the social relations of reciprocity. Yet already there was the emergence of foreign markets where the focus was on luxury items and military resources.</p>

This historical view challenges the inevitability of the market forces today. Thomas Hobbes and John Locke view humanity as being beings which naturally strive towards more profit and that the idea of a profit and interest market is natural to human society (Duchrow 1994:23). This idea is not only refuted by the long story of markets embedded

in the community, but also by the markets of the middle east which are still to some extent embedded in the family and social systems and thus not driven by interest nor profit.

6.3 The mercantile markets

What gradually developed after the middle ages was mercantilism. The local markets slowly disappeared and in their place developed the national markets. The national markets promoted the development of power in the various states with regards to their foreign affairs. The instrument of this power was capital. Private accumulated capital was invested in the expansion of trade. This new development opened the door for monopolies to develop, but the mercantile state did everything in its power to prevent this from happening. In other words the state intervened in the market to protect the state from the market forces (Duchrow 1994: 24).

Private property started playing an important role on the markets as various property owners would use the market to gain greater power over other property owners. In this context of ownership there arose the need for laws to protect property and human life. The state played an important role to take on this responsibility to protect property, life and interpret and enforce contracts. So the market was controlled and kept in check by the state so that the market could still serve the interests of society (Duchrow 1994:24).

The question is: What happened so that the market stopped serving society and that society began to serve the market and that the market started regulating itself without the control from community, society or government? In other words how did the capitalist market arise?

6.4 The capitalist market

One cannot reduce the rise of the capitalist market to a single phenomenon, but the story of its development includes numerous factors and players. Karl Polanyi sees industrialisation through advances in technology as one of the main causes behind the development of a commercial society and the market economy, where the market regulates itself (Duchrow 1994:25). Industrial capitalism as market capitalism can be seen as the combination of commercial society, technological advances and the rise of factories. Commercial society can be described using Marx's formula:

Capital – Product – Capital (more
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The profit seeking dealer buys a product and then tries to sell this product at a higher price than she or he bought it. At first the buying of products was only possible on foreign markets, but eventually on all markets.

The above formula is very simple and with the advances of the industrial revolution this formula became more and more complex as the number of factors which play a role in production increased.

The production of a product included numerous new factors and each of these factors has a price attached to it.

“The economic enterprise consists of five major stages: the **extraction** of raw materials from the resource base, **processing** of these materials into usable commodities, the **distribution** of these commodities, their **consumption** and their ultimate dumping as **waste**. We can also add **services** to commodities” (Nürnberg 1998:9).

Each new stage/ factor in the production of a product becomes a commodity on its own to be sold. This means that to produce a basic utensil like a stainless steel spoon the production goes through various phases each demanding a price. For example the production of stainless steel spoon involves the following:

- 1) the mining of the steel ore (**extraction**) which involves mining costs (labour as well as ore become a commodity);
- 2) factory work to refine the steel into stainless steel (**processing**) which involves factory labour and factory costs;
- 3) the marketing of the spoon;
- 4) the running costs of the shop that sells the spoon.

Each of these different phases has certain costs involved and these phases can be sold, thus commodified.

If the dealer does not calculate all these factors, which cost money, she or he will not make any profit.

So the dealer needs to consider all the factors that go into the production of a product which she/he is buying to sell again later. The time span between the investment in the product and the actual completion of the product needs to be calculated as interest.

This changes the formula:

$\text{Capital} - \text{Production commodities (labour, raw materials, credit capital)} - \text{Production using machinery} - \text{Product} - \text{Capital (with profit)}$
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This change in the formula does not only affect one part of society, for example the

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production, but changes the whole of society. The society changes into a society of intertwined complex markets, therefore a market economy and society (Duchrow 1994:26).

Not only the production is determined by the prices which are regulated by the law of supply and demand, but these prices also determine the income, which again forms the basis of distribution and consumption. In other words the price of the product determines how much the worker will earn. This is the basic idea of how wealth is to be circulated - the workers earn money and in this sense wealth is distributed throughout the population. The producers will want to pay their workers enough money as this will create a larger consumer population, who in turn will buy the product the producer intends to sell. It was believed that this system will regulate itself. The worker's pay is balanced by the profit margin on the one hand and on the other hand if you have a well-paid worker, you have a consumer who will buy the products.

I will clarify some other terms that play a role in this market economy.

- 1 - **Interest** is the income for the money dealers who provide capital.
- 2 - **Rent** is the money that comes in from the use of land. The land owner can demand money for the use of his or her land.
- 3 - **Salary** is the income for the workers.
- 4 - **Profit** is the income for the owners of the businesses (Duchrow 1994:26).

These are the four different elements of the market and it was believed that these elements of the market would regulate themselves and balance themselves so that everyone can benefit from the capitalist market. Adam Smith was a very strong supporter of this idea as he believed it was possible that a self regulated market would over time benefit all within a society.

Yet Aristotle already warned against a market which is driven by profit and not driven by the basic necessities of the community.

6.4.1 The reality of the market economy

Adam Smith believed that the market would keep itself in check, that the various players on the market would compete with each other and this competition would function as an inherent control in the market (Duchrow 1994:27). This idea could only work if all the factors and players in the market have equal amount of power. Yet the market is drenched with power imbalances. The various factors in the market are not equally powerful and therefore cannot keep the market in check.

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“As the power of some grows the power of others becomes more confined. The loser may become totally dis-empowered. In other words, economic development is “asymmetrical”, or “unbalanced”” (Nürnberger 1998:10). This power imbalance in the market opened the market up for exploitation and the powerful made sure that they “*win the game*” and thus the market soon produced winners and losers. There are two losers in this *game*, namely nature, which is exploited more and more and people who are dis-empowered (Nürnberger 1998:10).

The losers were kept in check so that the winners could continue winning by earning ever greater profits. The market will always have winners and losers and therefore the market will always divide and fragment the world. This is what happens if monopolies are created who alone write the rules of the game for their part of the market.

In early industrial capitalism money, land and labour became commodities on the market. This is an abstraction as not one of these three can be seen as commodities that can actually be sold if one thinks about it. **Labour** is human activity which is an integral part of our being human and not a product that can be sold. **Land** is part of nature, which we did not produce, but which was created and is given. **Money** is not a product either, but is a symbol for the power to buy. The whole capitalist market was based on these three abstractions.

Capitalism can be described as having certain basic elements that need to function together to set the stage for ideal market capitalism (Thomas & Potter 1995:20). I will describe these basic elements of capitalism necessary for ideal market capitalism.

6.4.2 The different elements of capitalism

6.4.2.1 Private ownership

“Capitalism means private ownership: the ownership of the means of production is private and individual” (Thomas & Potter 1995:20). The true capitalist owns his/her labour, land (raw materials for production) and money.

The story of labour

In South Africa with the ever rising unemployment we need to understand the role that labour plays within the market economy and before we come to the global labour market I need to look at the story of the labour market from its beginnings.

The labour market seemed to be the weakest link in the market economy. It was this

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part of the market that could be driven to the lowest possible costs (wages) so as to lower the production costs and thereby increase the profits. In a certain sense the labour market was doomed to be pushed to the lowest (a poverty mechanism – if the market is left to itself it will push the price of labour to the lowest possible level) and thus cause widespread poverty.

In history there have been attempts to reverse this *poverty mechanism* by introducing into the market structures and regulations that protect the labourers and at least insure them of a liveable wage. One of these regulations came into effect in 1795 in England – the so called Speenhamland-law (Duchrow 1994:29). The idea was to ensure that the poor worker at least got a minimum wage which the market was not allowed to push lower. In other words a bottom barrier was placed in the way of the natural workings of the market as the *invisible hand* (Adam Smith) of the market was not benefiting everybody equally.

Although this law was introduced to protect the labour market, it had the exact opposite effect, in that it increased poverty. The companies misused this law and brought all the wages down to the minimum so that even those who had been paid better wages in the past now only received the minimum. As a result of this, the law was reversed and the free labour market was introduced which consequently caused immense suffering to thousands of labourers throughout the world. This phenomenon is known as Manchester Capitalism. This system had numerous social consequences for the workers. The freedom of the labour market doomed the workers to be the weakest link in the production of goods. The land owners with the natural resources had a lot of power in their hands, because natural resources were limited. The company owners wanted the greatest possible profit for that is why they are in the business, so they also had power in their hands. The workers are a basic necessity to produce the product and thus actually also should have a lot of power in their hands, but the problem is that there are always other workers who are prepared to work for less. What added to the problem was the population growth which meant a population growth in the labour market. Labour was not a limited resource, rather the exact opposite - there was a labour surplus and thus the labourers had no power in their hands.

Karl Marx, who based his dialectic critique of capitalistic economy on Adam Smith's theory, argued that this system of the three role players namely money, land and labour would have as consequence the estrangement of labourer and labour, because capital and land owners hold the production in their hands (Duchrow 1994:30). In this system the labourer is pushed to survive with a minimal wage and forces numerous others into unemployment and extreme suffering and poverty. Poverty, unemployment and low

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wages are the consequences of a mechanism that is inherent in the market economy of capitalism. Within this mechanism the worker is the weakest link in the process of production and therefore the link that is easiest to exploit. To prevent the exploitation of labour the local governments need to have social laws in place which protect the labourer and his/her family as well as those who have been excluded from the labour market, namely the unemployed.

The story of land

To understand land, which is a resource that sustains life on earth, as a commodity with which one can generate profit, is an abstraction. This abstract notion that land, which is part of nature, is a commodity that can be exploited is already inherent in the dualistic thinking of Descartes. He divided the world into two spheres, namely the human as a rational being and the rest of the physical world as mechanistic objects. Land is seen as matter and the animals on the land as little machines, working according to the dictates of nature. Rationality of humanity was seen as having the power to technically subordinate the “matter”. This thinking soon made use of Genesis 1: 26-28 that it is ordained from God that humanity is superior and that all nature is sub-ordinate and needs to be dominated. So nature becomes a commodity that can be exploited for the increase in capital. Land thus received a money value just like labour.

One can only imagine the ecological danger that is inherent in this thinking, a danger that we are becoming more and more aware of as our planet is ecologically destroyed.

The story of money

Where exactly the idea of money comes from historically is debated, but money began to play a role in the transaction of goods.

Aristotle understands there to be two functions for money:

1. Money used as an intermediary tool in the exchange of goods. The value of the money is directly related to the goods exchanged.
2. Money used for the purpose of creating more money and profit (Duchrow 1994:33).

It is on this differentiation that European history was built and for a very long time the second use of money was seen as morally inferior and was suppressed with laws and traditions. The major change came with mercantile capitalism in the 17th century where money was used to accumulate more and more property which in turn meant more money (Duchrow 1994:33). In other words, money was used to accumulate property or some other form of production and then this changed into a money value, which in turn was used to increase money (profit). Everything was capitalised, which means it got a

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money value.

Within this context of accumulation arose the idea of interest and money capitalised. Interest is justified, because the person who takes a credit can, if she or he uses this credit wisely, increase his/her money so as to have more than enough to pay back the initial credit. The creditor wants to see that the money given works for him/her and therefore asks interest. The same is true for rent. The land owner rents his/her property out. This land then is worked and capital is generated more than the rent, but the owner of the land shares in the money generated on the land by asking rent.

In summary: The three market mechanisms, labour, land and money (capital) can each be exploited if the national government does not have certain laws in place to protect the land and the labourer from the mechanism of the market. In most of the former Western European countries these social laws were in place and strong social security systems protected the individuals from exploitation by the market.

6.4.2.2 Regulation through the market via commodification and competition

The basic philosophy of the capitalist market is that the market regulates itself and not via state intervention although, as has been shown above, state intervention is a necessity. Ideally, under capitalism there is no state control and the government should not intervene on any level. The state should not set price controls or set quotas for production, nor have quality checks (Thomas & Potter 1995:21). All these interventions are not necessary because the regulatory measures are thought to be intrinsic to the market, 'the invisible hand of the market', which is in this case *commodification* and *competition*.

"Under capitalism all goods and services are in principle turned into commodities for exchange rather than for the producer's own use. Individual producers and firms can then produce what they like, decide on quality and set what prices they like, but the assumption is that competition between firms, together with consumer choice between competitive versions of the same commodity, will force them to set the 'right' prices and produce what is actually required" (Thomas & Potter 1995:21).

6.4.2.3 Distribution

Under an ideal capitalist system there is no welfare or any social security, because the market will regulate also this section of society. The market will ensure that there will be distribution of wealth throughout the population via wages paid to the labourers at the

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various levels of production. In the previous section I showed that labour is a commodity which is sold on the market (labour market). The labour market regulates the wage rates and ensures that wealth is distributed (Thomas & Potter 1995:22).

6.4.2.4 Enterprise management

Any production in a capitalist system is run with the aim of making a profit in order to accumulate capital (Thomas & Potter 1995:23). The management of an enterprise is driven by this goal and not the needs of the labourers, nor the needs of the community, but only the enterprise's need for greater profit, therefore, profit is the driving force behind any enterprise management.

6.4.2.5 Legitimisation

“All these elements fit together to form a global system that also functions in an ideological fashion to legitimate actions taken in particular ways” (Thomas & Potter 1995:23). The market and the needs of the market legitimises everything that politicians do. I will later reflect on the demise of the nation state and how the politicians legitimised what they were doing by passing the responsibility to the market.

6.4.3 The development of a global market economy

The development towards a global economy has its roots in early trade and the colonisation as countries went beyond their local/national boundaries in search of greater wealth. The colonial power's search for more wealth brought the world closer and closer together. At first the traders discovered different worlds and these worlds opened new trade opportunities. Later during the time of colonisation the colonies with their masses of raw material brought the world even more into contact with each other, but mainly with the economic needs of Europe in mind.

Today there is a situation where the whole world is involved in trade on the global market, trading in raw materials, labour, technology, information, media, manufactured goods and money. This is trade that goes beyond national boundaries and is in the hands of trans-national companies and the finance markets, which trade with money. This is a process that unites the world financially into a global village. The development of this village is motivated not by notions of unity or tolerance, but by trade.

Over the years trade has changed tremendously, I would like to point out three different phases:

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- 1) Trade with products. In the past the industrial countries would import raw materials and then produce the goods at home which could then be exported.
- 2) Trade with production. The industrial countries no longer produced only at home, but moved their companies into other countries. They move their production sites to those countries where production costs (land, labour and tax benefits) are the lowest.
- 3) Trade in money. The financial markets trade with billions of US Dollars daily as money is sent around the globe.

Today 1.500 billion US\$ of foreign exchange circulates the world every 24 hours. These global finance markets are dominated by speculative money (Martin & Schumann 1998:48-49). The world has never in the past been so connected that if something happens in one part of the globe everybody is affected. A war in Iran can affect interest rates in South Africa - we are living in a global village. The global village is exciting as never before in the history of our world have people around the globe been so connected to each other. Yet, as already mentioned, not all people benefit from this global village as numerous communities are excluded and are being excluded ever more from the benefits and the developments of the global village and are thus doomed to increasing poverty.

6.5 The final stage in the development of the world capitalist order- the market of the global village

The process of globalization was accelerated with the end of the cold war. The end of modernity has been linked with the fall of the Berlin Wall and therefore to the end of the 'Cold War' between the two differing economic systems/ideologies. The official end of this war was declared on 19 November 1990 by the member states of the North Atlantic alliance and the Warsaw Pact when they met in Paris for a joint declaration of the end of the Cold War (McGrew 1995:56). This meant the end of the global struggle between capitalism and socialism. A new global order needed to be established as the world had grown ever closer together with trade and communications. What developed was a world of free trade and as Rumscheidt says of *unfettered capitalism* (Rumscheidt 1998) there was no critical alternative anymore and this led to extreme exclusion of so many communities throughout the world. The economic order of the world today has also been described as '*turbo capitalism*' a term first used in 1995 by American economist Edward Luttwak (Martin & Schumann 1998:9).

The world capitalist order of the global village has three main actors namely the trans-

national global economy, the world banks and the finance markets.

The companies are concerned with the increase in capital from production and the banks are concerned with the increase in capital on the monetary market.

One can identify three phases in this process of becoming a global economy (Duchrow 1994:68). I will be reflecting on these three phases as they describe the story of the development of the global village.

6.5.1 The beginning of the story of the global market (the first phase): the transnationalisation of the markets and the market players

The first phase began after the financial crisis of 1929 and the collapse of the liberal economic policies. This collapse brought the national states to the realisation that they needed to increase their influence over the market to ensure that another crisis does not arise. This meant that the market needed to be controlled and not left to its market mechanisms (Duchrow 1994:66). The economic crisis that started in 1929 had different effects in the various parts of USA and Europe. In Germany and Austria it led to the rise of Fascism and the Second World War and after the war the division of the world into capitalist and socialist zones. After the war certain precautions had to be put in place to ensure economic growth as well as social stability. This was a time in which politics still had power over the economy.

After the war a new form of capitalist enterprise appeared – the multinational or transnational capitalism. “The transnational, originally associated with US hegemony for which it promoted the ‘free enterprise worldwide’ argument (socialist countries excepted), operated in a world side by side with the robust elements of national policies; specific fiscal policies, tolerated protectionist policies, sectorial subsidies (especially in the agricultural sector), autonomous monetary controls regulated within the framework of fixed exchange rates and the gold standard, etc” (Amin 1997:13).

Various international organizations and agreements were developed to regulate the market economy. Global institutions came in place to regulate international trade and the international market.

6.5.1.1 International Institutions of the Global Market – The Bretton Woods - institutions

In 1944 there was a conference held at Bretton Woods in the USA which for the second half of this century had a greater impact than the famous Jalta meeting (Duchrow 1994:90). The political division of the world at Jalta was not as long lasting as the

economic ordering of the world which began with Bretton Woods.

The aim of Bretton Woods was to learn from the mistakes of the liberal economic systems that came to a fall in 1929.

The four Bretton Woods institutions are:

1) IMF International Monetary Fund and the World Bank

J. M Keynes, an English delegate, brought to this meeting a plan of how the future world economic system could be structured. He proposed a world bank which is not controlled by local national politics and whose task it is to control international capital, to balance trade imbalances and to protect the weaker economies so that there could be balanced economic growth everywhere (Duchrow 1994:91). The USA did not accept this plan and being the strongest economic power after World War Two they had little difficulty getting their own 'White Plan' onto the table and passed. The USA economically benefited from the war and owned 80% of the world gold. The European countries were dependent on USA for aid, so they had to accept the USA plan. The main differences between the 'White Plan' and Keynes' plan was the role of control mechanisms to insure balanced growth and prevent extreme discrepancies between rich and poor. The solution to the economic crisis was a move from national-centred economic behaviour to internationally co-ordinated finance and trade (Hewitt 1995:41).

The Bretton Woods era can be divided into two periods: the first up until 1971/73 and then the second period till today.

The aim of the first period was to rebuild Europe after the war and this was done with:

- 1) short term bridging credits and
- 2) a system of fixed exchange rates. The dollar became the one monetary unit on which the exchange rate would be based at 1 ounce of gold = 35 US\$.

The other member states' monetary systems were connected to the dollar at a fixed rate. They were allowed to vary between 1% up or down and then the national central banks had to intervene. The structure that was put in place to regulate this world monetary system was not a world bank, as proposed by Keynes, but the International Monetary Fund. The financial base of the IMF was the quotas which the member countries paid to become members. This is what makes the IMF a completely undemocratic institution, because the rich countries have all the say, as the voting rights are determined by the number of quotas bought. (Duchrow 1994:92) The IMF then

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established the International Bank for Reconstruction and Development (IBRD) later to be known as the World Bank (Hewitt 1995:41). The World Bank was to provide finance for long term investments, while the IMF was to be a source of short term finance to compensate for balance of payments deficits and exchange rate fluctuations (Hewitt 1995:41).

This system collapsed in 1973 and the way that they thought to solve this crisis was to give the IMF a new policing function to squeeze money out of the poorer countries. This money was the interest accumulated from money owed to the rich countries by the poorer ones. I shall be looking at the Bretton Woods institutions again when looking at the story of marginalised countries. What is important to understand is that the rich countries control the IMF and its institutions. The countries with the most voting power in the IMF are USA, Germany, Japan, England, France, Italy, Canada, Netherlands, Belgium and Switzerland, thus excluding the poorer countries from any say in world economic matters (Duchrow 1994:93-96).

6.5.1.2 GATT (General Agreement on Trade and Tariffs)

The United Nations is a forum through which international decisions are taken and by which international political and military stability was to be maintained. In the same line of thought there was a need for an international organization which would regulate international trade and insure the stability of commodity prices. This was the role assigned to the GATT.

In 1948 the United States and Western Europe agreed to the General Agreement on Trade and Tariffs (GATT), which for the first time established a common international regime for trade between participating states (Martin & Schumann 1998:108). After eight rounds of negotiations the GATT members brought about a reduction in tariffs to a level in favour of trade between developed countries (Martin & Schumann 1998:108). It is an agreement that benefits the strong and protects the strong from competition from the weaker economies. It basically gives the powerful economies the freedom to enter the markets of the weaker yet at the same time protecting the powerful countries' markets from competitive products from the weaker economies (Duchrow 1994: 98).

GATT was replaced in 1994 by the World Trade Organization (WTO), where the different governments do no longer argue about trade agreements and tariffs, but about the restrictions to trade and how they best be removed.

6.5.1.3 G7 (Group of the 7 largest industrialised nations)

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This group includes the USA, Germany, Japan, Great Britain, France, Italy and Canada. The leaders and finance ministers of these countries come together annually for an economic summit. They come together to manage the world economic system. Nobody voted them into this position and they only represent 12 % of the world's population, yet they have taken upon themselves the right to manage the global economy (Duchrow 1994:99).

Gradually the GATT regulations relaxed and this led to the weakening of national productive systems because the various phases of production were de-localized and the barriers of foreign investment were reduced (Amin 1997:13). The market thus moved beyond the control of national governments (and their specific interests) and an international institution became necessary. Yet these international institutions are largely controlled and dominated by the richest countries in the world thereby excluding the poorer countries.

These international institutions are supposed to regulate the global market, yet in the 60^s and 70^s the relationship turned around and no longer did politics regulate the market, but the market started to dictate to politics. The new theory was no longer regulation of the market as in the time of GATT, but liberalising and deregulation (Duchrow 1994:66).

“Deregulation instead of state controls, liberalization of trade and capital movements, privatization of public enterprises - these were the strategic weapons in the arsenal of market-trusting governments and of the international economic organizations under their sway, the World Bank, the International Monetary Fund and the World Trade Organization”(Martin & Schumann 1998:8).

Story: The trans-national story of Ford

The highly valued Ford engineers work at Dearborn in Michigan for the world's second largest car manufacturer. Here these engineers work in a glow of various computer screens in the information age of the global village. The chassis designer draws with his electronic pen on his designer board designing the latest new Ford which will be seen on our roads within the next few months. All of a sudden an anonymous voice is heard coming from some multi-media speaker beside the monitor offering some alteration to the design. Then on the screen the design changes as if drawn by some ghost hand. This ghost hand is sitting half way around the globe in Cologne Germany at Ford's European headquarters. People are working together on the same project in the Global village, yet they are thousands of kilometres away from each other. This connects the project to the

whole globe, but at the same time also connects the project to various different time zones and therefore the work never stops. This has increased the speed in which cars are produced tremendously (Story adapted from Martin & Schumann 1998: 96-97).

Work in the global village does not only save costs, but it also saves time. This new Ford project saved the company billions as numerous jobs could be done away with, including highly skilled jobs such as engineers, managers and salesmen, as well as save the company tremendous amount of time in the development of the new model. For the last world-marketed model, the Mondeo, Ford designers still needed two months and twenty international working conferences to complete the project. For the most recent model, the Taurus, fifteen days' work and three control sessions were all that was necessary before the board gave the green light for production to start - an efficiency leap of more than 100 per cent" (Martin & Schumann 1998:97).

"The UN trade organization, UNCTAD, calculates that there are some 40,000 companies with headquarters in more than three countries. The hundred largest alone account for a turnover of roughly 1.4 trillion dollars per annum. TNC's⁴ today carry two-thirds of world trade nearly half of it within their own company networks" (Martin & Schumann 1998:112).

The shift that took place in the first phase is a shift away from production capital to money capital, in other words finance capital. Finance capital became the dominant force within the world market. Finance capital is capital that is not linked to production, but capital that is linked to the money markets. These two factors together have as consequence that capital growth is the last authority on all matters - economic, social, political, ecological, etcetera (Duchrow 1994:67).

6.5.2 The second phase

In the economic system of the global village there are two main actors, namely the Trans-national corporations and the finance markets, with their shares and dividends trade.

A few statistics

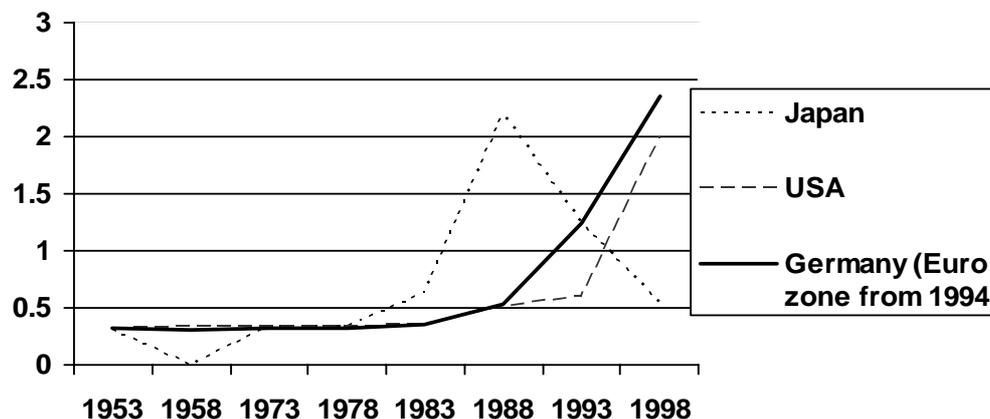
- 1 - Since 1985 transactions in foreign currency and international securities have increased more than tenfold.
- 2 - Within 24 hours some 2.5 million million dollars changes hands.
- 3 - "Dealings in shares, corporate loans, treasury bonds and countless special

4 TNC is the abbreviation for Transnational corporations

contracts (so called derivatives) have been moving in the same order of magnitude” (Martin Schumann 1998:49).

- 4 - Ten or so years ago there was one market in Frankfurt for German government bonds, one in London for British and one in Chicago for futures each with its own national legislation. Today all these share markets are linked and can be called up anywhere in the world at any time. This means that share prices throughout the world are connected and that if Dollar prices fall in the USA this has repercussions throughout the global village.

These statistics show that everybody is in competition with everybody else in the market and nobody can control the market, but the market controls itself. Not the Federal Reserve Bank or any government can determine the state of a currency, because each currency is globally sold on the global finance market. This new situation became very clear in South Africa in 2001 - 2002 after the drop in the value of the Rand, where the government could do nothing but have an inquest into the matter. There is an army of professional money-multipliers rushing electronically around the globe seeking the best financial opportunities. Pension fund and insurance fund managers can move billions of dollars from yen to Swiss francs and back to dollars within hours all around the world with just one push of a button on a keyboard. From the middle of the 1980s the amount of shares on the international market increased dramatically as the graph (Herr 2000:6) shows and is an indication of the increase of finance capital on capital markets.



Story: Patrick

Patrick is nine years old and is one of those who pushes buttons on keyboards and allows billions to speed across the globe on the electronic data highways of the global village. He works together with 400 colleagues ten hours non-stop in the trading halls of Barclays de Zoete Wedd investment bank and manages the business of Swiss francs. His work station is a modest little space three metres

wide amidst a babble of voices and bellowed orders. Before him he has three screens and two speakers, which constantly supply him with necessary information. There is another four colour screen which is produced by Reuters and which connects Patrick via special cables, satellite channels and its own mega-computer in London to 20 000 finance houses and all the major stock exchanges around the globe. This screen tells Patrick the last three offers or supplies of Swiss Francs, the highest and lowest rates of the last few hours for all the currencies, as well as the latest news from the currency world. Patrick can contact any other users by keying in a code and immediately conclude a deal. Before he can conclude any deal he also needs to keep in mind any information that his two independent brokers communicate to him via the speakers. Every couple of minutes he himself makes a bid, either by telephone or his keyboard. This is Patrick's world where he works shifting millions around the globe. On a Thursday in January 1996 he complains: The "market is nervous!" Before he came to work he studied the daily edition - and therein he discovers that there will be an important meeting of the Bundesbank directors in Frankfurt. If this meeting should decide to still lower the bank rate further, the dollar and franc should rise. They are not sure what the outcome of the meeting will be. The in-house economist guesses that the interest rate will remain the same. Patrick sets of to work and begins by buying 70 Marks for 575 Swiss francs at the Swiss UBS Bank. He does this by using an electronic pen as he enters the deal at high speed into the house system through the dots on the console: 70 million marks for francs at 0.81575 francs per mark. Not long after this the price falls by a hundredth of a centime; in other words Patrick has lost 7000 francs. But luckily the interest rates at the Bundesbank stay the same and within seconds his loss is converted into gain twice as large. He characterises his work as 'educated gambling'(Adapted from Martin & Schumann 1998:49-51).

Unpacking Patrick's story

The rate of a share is determined by two factors. Firstly the most important factor is the expectation of future development of the specific company shares on the share market (Herr 2000:6). If for example Patrick can expect an increase in profit for a company then the share value of that company will increase. It increases because there is a greater demand for its shares and therefore the higher the demand the greater the price of the shares. On the other hand if a rather dim future is expected for the company then the share value will drop as all share owners will try to get rid of their shares and there will be a surplus of the specific company's shares on the market at very low prices. Secondly the other determining factor is the interest rate. If the interest rate is good, people will rather invest their money in high interest rate deposits than buy shares. This

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means that if the interest rates rises the share value will decrease and the other way around (Herr 2000:6).

This is where the 'educated gambling' begins that Patrick spoke about. The most important factor on the money market is this expectation, or should I call it speculation, with regards to the future. Nobody can know the future so we are dealing with subjective opinions about the future. Patrick has to interpret these subjective opinions about the future and interpret them faster than the other players on the market, so that he can sell/buy his shares before the others interpret these subjective opinions about the future. This speculation about the future has been structured in that technical analysis with regards to trends and assumptions are produced and most market players work from this technical analysis (Herr 2000:8).

Since 1973 and the abandoning of the Gold-Dollar-Standard there have been flexible exchange rates between Dollar, Deutsche Mark and Yen as well as all other currencies. This flexibility adds to the instability of the markets as the exchange rate also influences the share value. Patrick has a screen which continuously tells him the latest exchange rates which he continually needs to be aware of. The share trade and the dividends trade continually influence each other (Herr 2000:8).

"With this derivatives trade 'the financial world has emancipated itself from the real sphere,' argues the banker Thomas Fischer, who had ridden the market tiger for years as trading manager of the Deutsche Bank" (Martin & Schumann 1998:53).

Only 2.7 % of the money on stock exchanges has anything to do with the actual product on the trade market (Kessler 2002:3). 80% of this money exchanges from one owner to another within 8 days (Kessler 2002:3).

Story: The derivatives business-dealing in the story of the future

Across the room from where Patrick is practicing his educated gambling there are those who work in the derivatives business, they do not deal in the present, but they deal with the future. They deal with what the market participants expect the price of shares to be in 3 or 12 months or in 1 or 5 years. The products they work with have rather strange names such as swaps and collars, futures and options, dingos and zebras and each month new ones arrive on the market. What these products have in common is that their price is 'derivative' based on rates paid now or later for real securities and currency. For example: *If you believe in the German economy and you want to bet on its future you do not need to buy any German shares directly. You as a client can sign a futures contract on the German share index; "a contract which for a premium promises payment of the difference if the index rises above an agreed level" (Martin & Schumann 1998:52). The bank needs to cover itself if this should happen by having a counter-contract on its own stock of shares. Now you as*

client may also insure yourself against further fluctuations in the exchange rate by swapping the interest on the long-term deposits for short-term interest payments to the bank, or visa versa. What actually happens here in these deals is that they detach the risk of a rate drop or debt default from the purchase price of real securities or currency. And so risk itself becomes a tradable commodity. This is a tremendous change from the past, where risk business was only there to insure the real economy and was never an “economy” on its own. The information age and high technology has made it possible for this trade to take off. This trade really took off in the years between 1989-1995 when the nominal value of contracts doubled every two years and reached the sum of 41 000 billion dollars (Adapted from Martin & Schumann 1998:52-53).

This is a whole new dimension of trading when you trade with the future economy, but which has become larger than the present real economy. “There could hardly be a better example of this than Siemens which earns more from its financial transactions than from its world-famous products” (Martin & Schumann 1998:53).

The financial markets and their trade in the future have begun to dominate the trade in real economy. In other words the share market and derivatives market dictate to the real economy to increase profits so that the share value of the company can increase. The share value has the final say in all matters – “‘shareholder value’ was the only yardstick of corporate success” (Martin & Schumann 1998:121). The management of corporations have to work with this new yardstick, the share holder value, on all levels of management (Herr 2000:8). “Grässlin: Diese Werte müssen zählen. Allerdings haben wieder Ferdinand Piëch noch Jürgen Schrempp das erkannt. Beide setzen andere Werte – Stichwort: Shareholder value” (Schnellbach: 2002:10). Jürgen Schrempp is the CEO of Daimler-Crysler and Ferdinand Piëch is the CEO of Volkswagen and both would agree that the shareholder value is what counts (Schnelbach 2002:10).

The economic news headlines these days are dominated by stories of Corporate financial crisis, the absurd salaries for top management, crashes in share value as well as aggressive takeovers, for example in South Africa, in the late 1990’s, the possible take over of Standard bank by Ned Bank was long in the news. In February 2002 the collapse of Saambou bank is another example of these trends.

For corporations and companies there has to be some form of control and governance and this governance is what is understood by the term “Corporate Governance” (Tyrell 2000:9).

Corporate Governance: Describes the totality of factors and regulations that determine how in large corporations decisions are made and how the profits are distributed. This includes the following: corporate constitution which includes community and corporate law, but also includes the various stakeholders in the corporations and to what extent their interests play a role in the decision making process (Tyrell 2000:9).

Corporations (companies) are to a large extent financed externally by banks or capital markets as well as having their own investments which means that the banks, the various financial intermediaries as well as the capital market have a say in the corporate decision making process as they have a stake in the corporation. The corporation is dependent and imbedded in the financial system (Tyrell 2000:9).

The financial systems which have an influence on the corporate decision making process can be divided into two groups, namely the capital market dominated or the bank dominated.

The corporations in Britain and the USA are capital market dominated, while in Europe and Asia they are bank dominated. There is also a differentiation between the corporate governance within these different dominated systems, namely “insider control systems” and “outsider control systems”.

Insider control system: the influence over the corporation as well as the control over the management of the corporation rests essentially on mechanisms which have the presupposition that there are market players who have inside information of the corporations and can have an influence in the management of the corporation, without being directly part of the decision making process. This system works within a bank dominated system.

Outsider control system: the influence over the corporation rests on mechanisms which presuppose that the market players do not have insider information and a more distant relationship to the corporation and are therefore outsiders. It is a system that works within a capital market dominated system (Tyrell 2000:9).

In a corporation there are various different stakeholders for example the employees, the share owners, the banks and the national government. Ideally, in the insider control system all the various stakeholders and their interests need to be well informed and

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represented at top level management. The various stakeholders have varying amounts of power within the decision making process. Again ideally it would be if there was an equal distribution of power within the decision making process.

In the outsider control system the various interests of the stakeholders are not that important as the control is solely based on anonymous market mechanisms. The management of the corporation has only to respond to the needs of one group of stakeholders namely the shareholders and their interests in higher profits. The shareholder-value is therefore the only criterion on which management is based.

Now if one company's share holder value decreases another company can buy the majority of the shares and thereby change the whole management team of the company. This is what is known as aggressive takeover.

This places extreme pressure on the management of corporations to keep the share - holder-value as high as possible. The only influence that the corporation has on the share-holder-value is the profit that it makes.

Within this historical context of the dominance of the share-holder-value as well as globalization, the major companies had to come up with solutions as the old idea of an increase in production that would increase profits no longer worked. The only way to increase profits was to decrease production costs. The answer to their crisis was to go trans-national and to seek internationally the lowest possible production costs, which included raw-materials, labour and favourable production conditions.

The second phase was when the Trans-national Corporations (TNC's) began a process known as *global sourcing* which is a process by which globally the best and most favourable production sites are sought. Favourable production sights include sites with the lowest labour costs. This means that on a "global level there are more than 40,000 trans-national corporations of varying shapes and sizes playing off their own employees (as well as different nation states) against one another" (Martin & Schumann 1998:7).

This is best seen in the example of the high-tech movement away from the USA and Europe to India. A few years ago the chief planners of companies such as Hewlett-Packard, Motorola and IBM began to employ new specialists in the various fields from India at much lower wages. This is called 'brain shopping.' The universities are good in India, but the pay is low (Martin & Schumann 1998:99). Not only does brain shopping take place, but also re-location to better production sites, where the different nation sates compete with each other to offer the corporations the best possible production sites with the lowest costs (labour, rates and taxes, etcetera). For example, the New

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Delhi government, to entice the software giants, had to offer them something that they could not refuse. They provided the whole infrastructure from air-conditioned open plan laboratories to satellite links at almost zero costs. The major giants responded to this offer and now Siemens, Compaq, Texas Instruments, Toshiba, Microsoft and Lotus all have set up branches on the Indian sub-continent (Martin & Schumann 1998:100). Siemens, a firm that once started in Germany, now produces more capital outside of Germany than inside.

For example they have:

- * A company that creates software in India - Bangalore.
- * In Brazil, Argentina and Mexico cheap labour produces Osram bulbs.
- * In England North Tyneside there is a company that produces micro-chips.

All these companies belong to Siemens and are all over the world with 400 production sites in 6 different continents (Spiegel 1996:80). No longer do these large companies only export their goods all over the world, but they produce their products in those countries where they find cheap labour and favourable labour laws.

“Grässlin: ‘Bei der suche nach einer neuen Produktionsstätte für Automobile geht das Spielchen so: Sie wählen das Land mit den niedrigsten Standards aus, um dort allerdings immer ein bisschen besser zu sein als die anderen und damit die Public-Relations Karte zu ziehen. Warum wird der Smart nicht in Deutschland gebaut, sonder in Hambach in Frankreich? Weil dort die Ökostandards und die Löhne viel niedriger sind. Warum wird die M-Klasse in Alabama gefertigt? Weil dort die größten Steuererleichterungen gewährt werden und die Gewerkschaften eine marginale Größe darstellen” (Schnellbach 2002:10).

6.5.3 The third phase

The third phase started with the TNC moving across the globe and there was an increasing need for international credit. In the past this money was given via the national banks who would then work out the credit via the US\$. Already in 1957 the British banks started dealing in Dollars themselves without going via the Pound, in other words ‘free bank zones’ were created also known as “Offshore”, “Euro” or “Xeno”.

This must not be seen as a geographical development, but what actually happened was that the bank of England or Frankfurt split its books (Duchrow 1994:70). One part of the books was controlled by the national balances and the other part was for the uncontrolled trans-national transactions. This development had numerous benefits for

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the banks, but it also meant that the volume of capital on the trans-national money markets increased tremendously. Money was moving around the globe free from any national political control as well as free from any tax system (Duchrow 1994:71).

These offshore havens for tax avoidance are found scattered all around the globe stretching from the Caribbean through Liechtenstein to Singapore (Martin & Schumann 1998:61). These offshore tax havens promise zero taxation and that the identity of their clients will never be revealed. Now this is not only a haven for banks and insurances seeking tax-free investment, but also a haven for international crime, where large sums of crime money can just disappear and no traces can be found of it.

Never before in human history has there been so much money in the world and so much profit earned by the trans-national companies. “Share prices and corporate profits rise in double-digit leaps whereas wages and salaries sink” (Martin & Schumann 1998:7). Yet wage drops are continuous and governments struggle because of tax avoidance as “profits are revealed only in countries where the rate of taxation is really low. All around the world the owners of capital and wealth are contributing less and less to the financing of public expenditure” (Martin & Schumann 1998:7). If all the offshore-centre’s money would be added up it would come to more or less 50 billion Marks per annum, which is the same as the new public debt added each year. IMF statistic: “a total in excess of 2000 billion dollars is managed under the flag of various offshore mini-states”(Martin & Schumann 1998:63).

Whose money is this that is invested, that gambles with the future and refuses to pay tax in the country in which it was earned? It is investment money:

Investment funds – 7 trillion Marks world wide Pension funds and insurance companies – 10 trillion Marks (Martin & Schumann 1998:70).
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This means that the middle class citizen is at the same time victim and perpetrator, winner and loser of this financial system. He or she invests in these funds as they put money away for pension and for insurance purposes. This money is invested in the derivatives trade, which places pressure on the companies in which these middle class citizens have their jobs and lose their jobs, because they are made redundant. The middle class citizen also has to pay increasingly more tax because his or her tax is the only tax that the government can lay their hands on because of these offshore tax havens.

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This trend increased in 1973 with the oil crisis and the flood of the so-called petrodollars. Two consequences can be seen as a result of this situation:

1) The trans-national flood of Dollars strengthened the inflation development of the Dollar, which the US-Government started with the financing of the Vietnam War. US-Government was therefore forced to end the Dollar-Gold Standard in 1973. With the end of the Gold-Dollar Standard all the fixed exchange rates between Dollar and other currencies also fell. The so called floating Dollar meant the opening up of the dividend market, therefore more and more trans-national money was speculated with on the money market.

2) The banks had to find investment opportunities for this extra capital that was on the global markets. The bank targeted the developing countries to invest in. The investment was focussed as it did not want to create competition for the industrialised countries, thus the focus was not on production of export goods, but on luxury projects such as big dams and Atomic power plants.

The interest rates for these credits increased and rose to above 20 % (Duchrow 1994:72). This high interest rate was driven by the arms race in the industrialised countries, as they needed money for arms development. The consequence of this was that many of the developing countries fell into the debt trap. "This transformation was boosted by the ideological offensive of the 1980s, which accelerated privatization and systematic deregulation: in a word - the incredible rise of so-called 'neo-liberalism' boosted by the Thatcher-Reagan style which apparently convinced even Social Democrats to abandon many of their traditional fundamental humanistic values in the name of so-called 'economic efficiency'"(Amin 1997:13).

The finance markets gained more and more power so that they could influence everything, from national politics to social systems and even ecological debates were dictated to by the power of profit.

The world had moved towards the creation of a single international economic system - the financial markets of the global village.

In summary: the final stage in the development of the world capitalist order – the market of the global village – can be summarised in three phases. The first phase was when the capital markets became trans-national. It was in this phase that various international institutions arose. The second phase was the emergence of financial markets and the trade in money. The third phase was the trans-national companies competing internationally for the best (cheapest) production sites

because of pressure from the finance markets. These finance markets form the social-cultural and economic horizon within which individuals and communities act and need to understand themselves and their actions. It is within the context of the global village, as a metaphor that is guided by the ideological story of the finance markets, that the secular individual has to understand his/her actions and practices. The economic story of the global village is the visional dimension of the practices within the global village which places certain demands on companies and individuals which they need to oblige to in order to survive and have their basic tendencies and needs fulfilled.

Conclusion

In this section I have tried to retell and interpret the story of the global village by unpacking the dominant story – the economic story of the development of the global village. This dominant economic story forms the social economic history of the global village and thus forms the economic, political and ideological horizon. This horizon determines the obligations of individuals within the global village.

Early markets: In the early beginnings many communities existed without markets and where markets did arise they were under the control of *Oikonomia* (economy of the home) and embedded within the community and social relations of reciprocity. Yet already in these early days there was the emergence of foreign markets where the focus was on luxury items and military resources.

Capital markets: The three market mechanisms: labour, land and money (capital), can each be exploited if the national government does not have certain laws in place to protect the land and the labourer from the mechanism of the market. In most of the former Western European countries these social laws were in place and strong social-security systems protected the individuals from exploitation by the market.

Trans-national capital markets and finance markets: the final stage in the development of the world capitalist order – the market of the global village – can be summarised in three phases. The first phase was when the capital markets became trans-national. It was in this phase that various international institutions arose. The second phase was the emergence of financial markets and the trade in money. The third phase was the trans-national companies competing internationally for the best (cheapest) production sites because of pressure from

the finance markets.

If one looks at the development of the market of the global village it is a story where economics gains more and more power over politics and the market moved further and further away from the community it is meant to serve. It is a story of fragmentation as economics is separated from the rest of society and has a life of its own. This separation between economics and the rest of social life has drastic consequences for both villager and marginalised. In this section we only looked at the stories of villagers. In the next we will also look at stories of the marginalised. The story of Ford: the trans-nationalisation of Ford has increased productivity for the company, but the people working in the offices are placed under tremendous pressure as the speed of work has also increased. This connectedness to the global village has certain consequences for the people working there:

- Pressure at work as the projects move forward at greater speeds as 24 hrs a day around the world people are working on the same project.
- The employees of these trans-national companies have to compete globally for their jobs. If a certain section of the company does not perform there are others internationally that can replace it.

The story of Patrick: A high pressure job on the financial markets a single mistake and it can cost him billions of dollars. Again Patrick just like the employee at Ford experiences pressure at work and continuous competition globally for better 'gamblers'. We can only imagine how the situation at work influences their family and social life. Yes they are connected and financially benefiting from the global village yet they experience fragmentation. It is in this context of the economic story that each individual is forced to reflect on numerous ethical questions about work, family and security within the global village and I understand this to be in line with Browning's obligational level.

7. UNPACKING THE STORY OF THE GLOBAL VILLAGE - THE DEMISE OF THE NATION STATE

7.1 Introduction

In the previous section I reflected on the story of the development of a world capitalist economy which I understand to be the global economy of the global village.

This story of development is a story where economics gains more and more power over politics. In this section I will unpack this story of a power struggle between economics and politics. I will tell the story of how the national governments opened their borders for trans-national global capitalism thereby reducing their own powers to control the

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economy. I will reflect on this reduction of control over the market by the national government. It is the story of the demise of the power of politics over economics. In this section I will also be looking at the various institutional patterns and practices of the global village and how they form and shape the actual practices within the global village and in a certain sense prescribes the rules and the roles that villagers should enact in

the global village. Before I can reflect on the demise of the nation state, I will first describe the nation state and its role in society.

7.1.1 The functions of the nation state

1. Regulate affairs within its boundaries
The state has the right to regulate the affairs within its own boundaries as well as to defend these affairs from foreign intervention (Thomas & Potter 1995: 26).
2. The State has the monopoly to use force within its boundaries
In other words the state has the right to use force to enforce rules and regulations by which it governs within its boundaries.
3. The State provides identity and cohesion
The state plays a major role in providing the people with a national identity and protecting this national identity.
4. The State is both agent and structure within society
The State sustains relationships with other agents within society such as the family, religious organisations, etcetera (Taken from Thomas & Potter 1995:26-28).

I will retell a story of an incident which describes the demise of the nation state. The Mexican Peso crisis:

Story: The Mexican Peso crisis in January 1995

The story begins just before the winter holidays in the USA and four days before Christmas. The Mexican government announces that it has to devalue its peso for the first time in 7 years, which means one peso will cost 5 US cents (15 % decrease). This news spread havoc all around the world because international banks and funds had invested more than 50 billion dollars into the Mexican government bonds, shares and debentures. The reason for this investment was because Mexico had been declared a financially sound country for investment. This means that the Mexican Government had met all the standards for investment set by the IMF. Now all of a sudden foreign investors were faced with massive losses for their invested assets. The news spread so fast and everybody who could was withdrawing all their money from Mexico which meant that the peso lost in three days not 15 % but 30 % of its dollar value. In the USA a crisis committee was formed with representatives from all areas of government dealing with foreign and economic policy. The economic development of Mexico was one of President Clinton's projects, as he thought it wise to stabilise a neighbouring country so as to stop the millions of economic refugees entering the USA through the southern border. For three weeks there were uninterrupted negotiations with the Mexican government and the outcome was a short term solution to the problem. The Mexican finance minister had to be replaced together with immediate rectification of the government finances and in return the USA presidency announced that they would stand by Mexico with loan guarantees to the value of 40 billion dollars. These "solutions" did not quieten the uncertainty on the international financial markets with the

result that the dollar outflow from Mexico was not stopped and the situation worsened. Investors were not sure that Clinton would get the money which he had promised as there was a hostile new Republican majority in congress. On the 12th of January a dramatic change came about as on this day Clinton and Zedillo (the Mexican president) announced their financial closing of ranks. This had global consequences as all the world's stock exchanges came under pressure and especially all the up and coming markets lost extensively. Countries which had no link to Mexico, such as Hungary and Indonesia all of a sudden were part of the Mexican crisis. Heads of South-East Asian central banks had to make their currencies artificially more expensive by raising interest rates in order to keep investors happy. Argentina, Brazil and Poland soon followed. "From 20 January onwards, the end of the fourth week of the crisis, the dollar also went into free-fall". Then on 30 January shortly before 8 P.M, Clinton's chief of Staff Panetta received two telephone calls: one from Mexico's new finance minister, Guillermo Ortiz, and one from the leader of the Republican majority in the House of Representatives, New Gingrich. There was no time to consult with the other contributors, namely Germany, France, Britain and Japan, because in the morning the failure of Clinton's plan would be made public and the market would come down.

So Camdessus (World Bank) had to make a decision on his own, although this would be unconstitutional and by that evening he told Clinton that the IMF would pay another 10 billion dollars. Clinton eventually got together 50 billion dollars. "In under twenty-four hours, then, half a-dozen people acting outside all parliamentary control had used taxpayers' money from the industrialised West to launch the largest credit aid programme since 1951, exceeded only by payments under the Marshal Plan with which the USA had supported post war European reconstruction" (Martin & Schumann 1998:45). This was a real gift from the tax payer to the rich, so that they would not loose too much money invested in the world market (Story adapted form Martin & Schumann 1998: 41-46).

7.2 Unpacking the story

There are numerous actors in this drama and I would like to highlight them and then to unpack the plot and the role of each of the actors within the story. I will also be looking at the various institutional patterns and practices.

7.2.1 Actors and the plot

7.2.1.1 The global finance market and its functionaries - the investors.

The main actor in this story is certainly the unseen presence of the global finance market who dictated the plot of this story. The plot, put very simply: the global finance market wants more profit, they want their share values to increase. The global market has its agents, namely the investors, who need to act according to the plot of getting the

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best share value, in other words the best increase on capital invested. “Their trading departments provide only mercenaries for the electronic finance armies, while the commanders issue orders from quite different heights. They sit in the headquarter boardrooms of the investment trusts and pension funds” (Martin & Schumann 1998:53).

7.2.1.2 The Mexican government

The global finance market invested in the Mexican government, which means they invested in government projects which were probably prestige projects like power stations, etcetera. The investments did not bring the economic growth that they had hoped it would and the Mexican government fell into an economic crisis as the pressure of the global market escalated.

7.2.1.3 The USA government

The USA government as global superpower is powerless to the pressures of the global finance market and cannot prevent the crisis.

7.2.1.4 The IMF

The IMF does in the end get the money together to stop the world wide crash, but whom does it serve? The members of the contributing countries and their tax payers, as it is using tax money, or is it serving a power beyond the member countries, namely the global finance markets?

“The Mexico crisis (30 January 1995, the crash of the Peso) lit up with rare clarity the face of the new world order in the age of globalization. As never before, the main actors demonstrated the force with which global economic integration has changed the structures of power in the world. The government of the American superpower in the world, the once omnipotent IMF and all the European central banks seemed guided by an unseen hand as they bowed to the dictates of a higher power whose destructive capacity they were no longer able to evaluate: namely the international money market” (Martin & Schumann 1998:46).

7.3 National political framework for capitalist market economy

The liberal theory of the market economy understands the market to be an entity which regulates itself and that the government’s only function would be to ensure that the market is left alone and that it is not disturbed by outside factors. Yet the government also has the function to protect the individual from the market. In the previous section I

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have shown the importance of certain political controls. These controls are important to protect the labourer from the market and the environment from destruction. The market without these controls has only one law and that is greater profits and therefore it has no respect for rights of individuals or the environment. The government is caught between these two needs. On the one hand the market that needs freedom to grow and to be able to compete and on the other hand the citizen who needs to be protected and has a right to a liveable wage.

7.3.1 Politics over economics - Fordism and Keynesianism

In the past there have been some attempts to keep the market in check from within the market.

Fordism can be described as the accumulation process where the production is rationalised by the introduction of the conveyer belt. This means a smaller labour force, but a better paid labour force, therefore a certain section of the labour market enters the middle class bringing with it a split in the labour market. The incentive to pay the worker more is that in this way a bigger consumer market is created (Duchrow 1994:63).

The economist John Maynard Keynes also responded to the dangers of the market. He was specifically concerned about the increasing unemployment and therefore introduced the idea of invest so as to prevent rising unemployment. This was not a purely social concern, but was also a market incentive as unemployment causes social and political upheaval which endangers the market, so it is in the interest of the market to invest in labour intensive projects (Duchrow 1994:63-64).

7.3.2 Economics over politics – Neo-liberal finance market

The social mechanism that Fordism and Keynesianism tried to introduce to balance the accumulation of wealth with social factors was the role of the politics of the national governments. It was the task of the politicians who had to create the framework and the boundaries in which the market could function. In the sixties and seventies this relationship changed, as it was no longer the politicians who dictated to the economy, but the economy which dictated to the politicians.

This change came about after the 1979 and 1980 elections in the USA and Britain which were both won by the conservatives. The conservative politicians had a different economic dogma known as neo-liberalism. The economic advisor of Reagan namely Milton Friedman and Thatcher's advisor Friedrich August von Hayek were the driving force behind this neo-liberal dogma which the two countries adopted. The theme of neo-

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liberalism was deregulation, in other words freeing the market from the power of the politicians. The key to this shift in power was that accumulation and regulation of capital was no longer bound by national boundaries, but became trans-national. Yet the political boundaries that could keep the market in check were national and bound to national politics and thus powerless to the trans-national market activity. The international organisation that was in place had certain bias towards the powerful market players. Giddens compares this freeing of the market from politics to the “Dschagannath Wagon” (Jähnichen 2000:12). The image of the “Dschagannath Wagon” is taken from India and the Hindu religion and vividly describes the loss of control over the market by the national governments.

The Story of the “Dschagannath Wagon”

In the history of the Hindu tradition once a year an image of Krishna would be placed on a wagon. This wagon is not really controllable, but rushes through the streets driven by its own momentum and choosing its own direction. The people would throw themselves off the wagon or in a moment of religious ecstasy throw themselves under the wagon thereby sacrificing themselves as the wagon runs over them killing them in the process (Adapted from Jähnichen 2000:12).

I find this metaphor very apt as the global market is running wild and is only minimally controllable and continuously runs the danger of destroying itself together with all that is around it.

“Whether it is a question of securing social justice or defending the environment, or restricting the power of the media or combating international crime, the individual nation state always finds itself overstretched, and attempts to coordinate international efforts just as regularly break down” (Martin & Schumann 1998:10).

The story shows that in the end the market dictates to the national governments and no longer the tax payers who elect the national governments, thus questioning the whole democratic process.

“Globalization turns out to be a trap for democracy itself” (Martin & Schumann 1998: 10).

What went wrong, that the market started to regulate itself and the nation-state lost its political power?

The basic thesis that brought about this change was that the market is inherently good and state intervention bad (Martin & Schumann 1998:8).

“Basing themselves on the ideas of the leading representative of this school, the

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American economist and Nobel prize winner Milton Friedman, most of the neo-liberal governments of the West made this dogma their guiding policy principle in the 1980's" (Martin & Schumann 1998:8).

The collapse of the socialist system added fuel to this thesis and the world was freed from the "dictatorship of the proletariat" to be placed under the "dictatorship of the world market" (Martin & Schumann 1998:9).

From the story of the Mexican crisis it becomes clear in whose hands the power is and also in whose hands our future lies. Is it really a democratic process that indicates the direction nations will be moving into the future or is it the brokers and the investors on the stock exchanges? Could this global economy be the end of democracy?

Jacques Chirac says that the speculators on the money markets are the "AIDS" of the global economy (Spiegel 1996:93). They hold the power over local governments as the governments can be blackmailed to offer better deals and subsidies or else the company leaves the country. The competitions of sites will become a competition for the best subsidies and tax relief thus governments become the puppets of the global economy.

Billions of US\$ are moved around the globe daily on the international stock exchanges. These financial powers will change the world in which we are living as the national states hand over the power to these global players. The head of the World Trade Organization, Renato Ruggiero, calls this new global development the "Geopolitical Revolution" (Spiegel 1996:81).

The topology of powerful economies will change completely according to the International Monetary Fund vision of the future as totally different countries will be leading the race as top producers. In the year 2004 they foresee the developing countries producing more as the industrialised countries together (Spiegel 1996:84). Spiegel estimates that a worker in Europe and USA will not earn more than a worker in Malaysia (Spiegel 1996:84). If this continues there will be no winners, only losers and extremely cheap labour which would not pay a liveable wage, because somewhere in the world there will be someone who will be prepared to work for less. Never before in history has the Marxist slogan of the Communist Manifesto been such a necessary truth. The workers of the world must unite - or else be doomed to ever growing poverty (Marx 1967:121).

There are some that do not see the future so negatively, but rather see this global economy as a time of opportunity. This optimistic world view is based on the economic theory of David Ricardo of the 19th century. His theory can be understood in the

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following way: The world economy should develop so that every country produces that which they can best produce and in this way everybody will eventually benefit from the growing profits. Eli Heckscher and Bertil Ohlin later developed this theory by saying that countries with capital should concentrate on producing specialised high-tech goods, which are technology and “know-how” intensive and leave the labour intensive products to the poorer countries (Spiegel 1996:85). For the industrialised countries this theory holds true for in the past decades there has been a constant increase in capital growth in these countries. Many of the poorer countries, especially after the fall of socialism, followed this liberalisation.

The poorer countries opened themselves up for the Multinational companies, by liberalising the necessary laws. It is estimated that within a time period of 4 years 368 financial laws were liberalised in the poorer countries of the world, thereby opening the doors for multinational companies to enter. The whole world was opened for world trade and production no longer was dominated by Europe, USA and Japan. With the liberalising of the laws the multinationals moved across borders and fused together with other companies from other countries, with only one thing in mind - more profit. Profit was the only criteria and the only law that dictated to these multinationals. The US economist Thurow says that only the minimising of costs and the maximising of profits is at the heart of capitalism (Spiegel 1996:85).

The developments in technology made this global economy possible - fax, e-mail, Internet and glass fibre cables gave the necessary technological basis for the global market. You no longer need to be on the site to manage production. These production sites are no longer dependent on raw materials, but on cheap labour and the necessary know-how, but know-how is sent around the world in seconds.

The theological magazine Publik-Forum held an interview with Jürgen Grässlin who wrote the Biographies of Jürgen Schrempp (Daimler-Chrysler) and Ferdinand Piëch (Volkswagen) and they discovered the following with regards to the relationship between politics and economy, or one could say the demise of the nation state.

Publik-Forum: Wie groß ist der Spielraum der Spitzenmanager für eigene Entscheidungen?

Grässlin: Der Spielraum ist gewaltig, gerade in Zeiten der Globalisierung. Inzwischen sind Manager weit mächtiger als Staatshäupter. Mit 162 Milliarden Euro ist das Umsatzvolumen der Daimler-Chrysler AG größer als das Bruttosozialprodukt eines jeden schwarzafrikanischen Staates.

Grässlin: Für mich sind selbst die einflussreichsten Politiker Deutschlands Marionetten der deutschen Großkonzerne. Gerhard Schröder verkauft sich sogar

selbst als >>Autokanzler<<, also als Vasallen der Autoindustrie.

The European Union had agreed to develop an ecological tax and this is how the automobile industry responded in Germany.

Grässlin: "Diese EU- Altautoverordnung wurde von der deutschen Autoindustrie vor allem in Person von Ferdinand Piëch ausgehebelt. Mit einem einzigen Privatbrief an Bundeskanzler Schröder – den ich zu seinem Unwillen in meiner Piëch-Biographie publiziert habe – hat der VW-Chef erreicht, dass die Verordnung erst 2006 in Kraft tritt."

Grässlin: Die Politik verabschiedet die Gesetze, etwa im Umwelt- und Sozialbereich. Aber in Wirklichkeit wird der Primat der Politik durch das Diktat der Großkonzerne ausgehebelt. Die Wirtschaftsführer geben die Rahmenrichtlinien vor, und die führenden Politiker lassen sich zu Marionetten degradieren" (Schnellbach 2002:10).

The context in which we are living often makes one feel rather powerless against the economic market mechanism of our world. This powerlessness comes from a deep-rooted belief that we can't really change anything, because it is naturally determined to be this way. The market economy determines the rules and the roles that individuals as well as institutions need to act by. There is an element of determinism as if society, as we know it, is structured by natural laws that cannot be changed. This is often also the argument for the market economy that it is the way it is because of intrinsic laws within society and humanity. History has a different view of this determinism and has warned about the intrinsic dangers of certain processes that are taken for granted and inevitable today.

"Global economic integration is by no means a natural process; it is consciously driven by a single-minded policy. In every new piece of legislation, it has always been the decisions of governments and parliaments which have removed the barriers to cross-border movement of capital and goods" (Martin und Schumann 1998:8).

"Now there is no ideology, no pop culture, no international organization, no ecological interest even, which binds the nations of the world more closely together than the electronic network of global money machines of the banks, insurance companies and investment funds" (Martin & Schumann 1998:48).

Globalisation of the economy has certainly brought with it many "winners" but sadly still many more "losers". It does not only force people who are marginalised into absolute poverty, but also the environment is being threatened by the environmental impact of the rampant economic globalisation. George Bush has declared war on terrorism, but José Lutzenberger says that the consumerism that drives the global capitalism is a far

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greater form of fundamentalist terrorism than Bin Laden's fundamentalism (Bultmann 2002: 16). José Lutzenberger: "Der Terroristische Fundamentalismus richtet sich – schlimm genug – gegen einen Teil der Menschen. Die Konsumgesellschaft hat sich vorgenommen, den gesamten Planeten bis aufs Letzte zu plündern" (Bultmann 2002:16).

Summary: The market needs to be controlled in some way, either through national government policies or through economic theories that try and influence the market. In the story of the development of the capitalist market it became clear that the market was moving beyond the boundaries of national governments and national banks. This brought with it the need for international organisations to regulate the international markets.

Conclusion:

The national government abdicated power to the international markets of the global village. Although they only abdicated power with regards to economic decisions these economic decision influence all spheres of social life, such as: social–security, government spending, tax laws, and in a certain way also government policies on numerous issues. Thereby national identity has been eroded away as individuals realise that their democratic vote has become relative to the needs of the global economy. This is another form of fragmentation within the global village. The individual as well as institutions are forced to act according to the rules and roles of the financial markets.

8. UNPACKING THE STORY OF THE GLOBAL DIVISION OF LABOUR

Story: The final victory over the labour unions

The story begins in 1991 when Caterpillar, the world's largest producer of construction machinery and bulldozers, had a tremendous turnover and profits hit an all time high. These profits needed to be increased even more and for this extra increase the work force was just not profitable enough anymore. The shareholder value placed pressure on Caterpillar to perform even better and that meant that the wages were too high and the production needed to be improved. Other construction companies in different parts of the world had higher productivity at lower prices. This meant that Caterpillar had to cut wages by 20 % and add two hours to every working week. The Union, the United Auto Workers (UAW), organised a nation wide strike as

an answer to these wage cuts. The union organised strikes, walkouts and shop-floor sit-downs which lasted up to 18 months. This organised strike, one of the largest in USA history since the war, cost the union 300 million dollars in stoppage money to its members and brought the union nothing. Caterpillar was not touched by the strike. It was during this strike that the Caterpillar management sent office staff, engineers, the whole middle and lower management, and above all 5000 or so part time workers into the assembly halls, as well as ordering as much as possible from foreign subsidiaries in the global village and got the desired results and Caterpillar actually increased output and sales during the long strike (Adapted from Martin & Schuman 1998:115-117).

This story of construction giant Caterpillar makes us aware of how the division of labour has changed in the global village. Labour was no longer a local/national negotiable in the formula for profit, because it is globally negotiated.

This story highlights the shift in power and shows that it is possible to put an end to union power and that unions can try what they like, but will no longer be able to demand higher wages. There are a number of reasons for this loss in power.

The companies went trans-national.

Caterpillar in the early 1980's was still a classic USA company producing everything on national ground with national workers. Then in 1981 a Japanese company Komatsu started producing at much lower costs, because labour costs in the Far East were much lower, and therefore they could dump products on the US market at much lower prices. In response Caterpillar started buying smaller parts from smaller companies and no longer producing everything by themselves. The Company went trans-national, having smaller plants all over the world where wages were favourable. Caterpillar integrated overseas factories into the production and invested 1.8 billion dollars into the automation of local original plants (Martin & Schumann 1998:116).

8.1 The story behind the story

This global world is filled with possibilities and numerous dangers. It has become a global shopping centre as things are produced and sold at the same time 24 hours all over the world. This possibility creates tremendous pressure to produce better, faster, cheaper and 24 hours a day, because somewhere in the world somebody is producing faster or cheaper. Pressure that is experienced in the workplace pushes wages and employment opportunities to its limits. The production costs in Germany are much higher than in Brazil, because of labour regulations. The head of Audi worked out that for every car produced in Hungary the company saves 100 DM (Spiegel 1996:105). This

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opens up the global labour market to total exploitation by forcing cheaper and cheaper labour. The battle begins between multinational companies and countries who are trying to defend their labour laws while trying to fight growing unemployment.

The world is financially dominated by a few multinational companies and the international stock exchange. It is these companies that put pressure on the local national governments to change their labour laws, reduce social security or else they will move their company to another country. In Germany workers were forced to work three extra days for the same pay, or else the company would be forced to retrench thousands of workers, or as mentioned in Chapter Three (3.2.3 The stories of families in the global village) extra hours are expected without any extra pay. The law of profit dictates to the companies and to the national governments. If government do not want to loose all investment and struggle with the social evil of ever growing unemployment they need to comply with the demands of the market as expressed by the trans-national companies.

The companies are registered on the stock exchange and sell shares. Every shareholder wants to get value for his or her investment. In other words for each share that you have in the company the shareholder receives interest. This is the leverage that the 'all powerful' stock exchange has on the multinational companies. The stock exchange is open 24 hours around the world and shareholders want to get the best profit from their shares, therefore the stock exchange can place tremendous pressure on the companies. If the profit margin of a company is down the investment companies will place pressure on the companies to get the profit margin up, in other words to produce cheaper for more profit. This in most cases means downsizing and the loss of jobs, for example Fidelity Investments manages 548 Million US\$, which is 8% of the New York stock exchange (Spiegel 1996: 92). Similarly pension funds invest millions in the stock exchange and expect high returns. The investment companies pressurise companies to perform and to seek the cheapest possible production and achieve the highest profit. Daily 1.5 Billion DM rush across data lines – money that is not connected directly to any product, but that is invested as a speculation on the future.

Summary: In the global village the division of labour has certainly become global. No matter at what level, management, or labourer the market has opened up globally. Companies can employ managers from all over the world and seek the best (cheapest) labourers all over the world as the companies have become trans-national. This opening up of the global labour market has opened the doors for companies to produce cheaper and better. In the global village there is one global labour market from which the trans-national companies can choose from, thus

taking away the power of labour unions.

Conclusion: The global labour market opens up numerous opportunities for the trans-national companies to really seek the cheapest and most sufficient employees, but at the same time this situation places tremendous pressure on the labour market, as the price of labour is pushed to its lowest limit. Governments struggling with unemployment have to adapt their labour laws to attract the trans-national companies, thereby opening the doors to exploitation and minimising social security. The top management of the companies are placed under tremendous pressure by the financial markets and the share value of their company. If the company does not perform there could be an aggressive take-over by another company. This places tremendous pressure on management as they could also lose their employment. In the global village the competition within the labour market has increased, continually placing pressure on all levels of employment, thus fragmenting the market by bringing the villagers into competition with each other. The global labour market raises numerous ethical questions with regards to our tendencies and needs and the pre-moral goods and how these goods are being used and distributed in the global village and at what cost to the environment.

9. UNPACKING THE STORY OF THE WORLD MILITARY ORDER

9.1 Introduction

Who has the power in this global village and whose interests are being protected? These are the questions that I will be seeking to understand and unpack in this section of Chapter Four.

9.2 World military order

To use military power to secure economic interests is not something new, but has always been part of world history. Yet the 500 years of European and Western history have added a new dimension to this world military order and that is the possibility to destroy the whole planet with its atomic weapons.

The first phase of this development went right into the seventies and it was legitimised through the threatening presence of communism (Duchrow 1994:101). This threat of communism and the “defence of the free world” allowed the Western countries to

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intervene in various countries where there were important raw materials or strategic geo-political locations. In a world with so much inequality between those who have and those who don't have one has to think about defending this inequality. Hand in hand with the policy of deregulating the markets and the neo-liberal financial policies, there had to be strategic security policies in place to "protect" these economic policies. These strategic security policies can be described as Low Intensity Conflict Strategy (LIC) and of late also Mid Intensity Conflict Strategy (MIC) (Duchrow 1994:101).

I will not go into the detail of these various strategies, but thought it important to mention them as according to Giddens the World Military Order is part of his understanding of globalization.

9.3 Whose power

"When the cake stops growing", says Lester Brown, 'the political dynamic changes.' Two hundred million tons of grain is currently exported per annum throughout the world, half of it from the United States. 'That means', Brown concludes his remarks in San Francisco, 'that food to the USA will be the major power in years to come - with the prospect that food will be misused as a means for political pressure.' Thus according to the latest calculations, China will want to import roughly 37 million tons of wheat in the year 2000, more than the total of all US grain sales of any kind" (Martin & Schumann 1998:37).

Summary: Military power is used by those benefiting from the global village to protect the economic interest of the global village as well as expand the ideological discourse on which the global village rests. This power is not only a military power, but also a power based on resources, where the resources include anything from food to development aid. Food support and development aid is only given to those countries who have 'bought into' the story of the global village and its economic policies.

Conclusion: The military power protects the economic and ideological interest of those who benefit the most from the global village. There are tremendous power imbalances within the global village. The military imbalances were seen so clearly in the USA attack on Afghanistan, where the world's super power attacks one of the poorest countries in the world. Yet there are other power imbalances. There are economic discrepancies which influences global decisions, as only the economically powerful are invited to the G8 summits who make decisions about

development and global economic policies.

Food and development aid has also become a tool with which to pressurise poor countries to change their economic policies. The global village is a village characterised by power imbalance. This power imbalance is reflected in the numerous battles, wars and acts of terrorism seen throughout the globe.

10. UNPACKING THE STORY OF THE IDEOLOGICAL MEDIA STORY OF THE GLOBAL VILLAGE

10.1 Introduction

Together with the spreading of multinational companies into all corners of the world there is an aggressively growing global culture of Hollywood films, McDonald's fast foods and the "American way of life" which for me is characterised in the 'Marlboro man' advertisements. Throughout the world you can see the posters of the Marlboro man riding into the sunset or a Coco-Cola sign used to keep a shack together in some rural poverty-stricken area of Africa.

The Big-Mac tastes the same in New York or in some small town in the middle of Eastern Europe or in India. There is a certain culture which is exported to the whole world via the global communications networks. The television networks, dominated by USA, bring via satellite into homes across the world, 39 or more channels of USA dominated television. Even for those families who cannot afford satellite television the national television stations have "Bold and the Beautiful" as well as "Dallas" translated into many local languages.

A survey was done by a London advertising agency, Young & Rubicam, to discover which labels are the best known amongst the youth and young adults. This survey was conducted with 45 444 youths from 19 different countries and best known labels are Coca-Cola, Disney, Nike, BMW, Porsche, Mercedes Benz, Adidas, Rolls-Royce, Calvin Klein and Rolex (Betto 2002:41). All these labels belong to a certain culture.

Fukuyama says: "there has emerged in the last few centuries something like a true global culture, centring round technology and driven by economic growth and the capitalist social relationship necessary to produce and sustain it" (Fukuyama 1992:126). Can one really speak of global culture or is it national culture that has become global? In a sense it is a trans-nationalization of a very national culture, namely images and values of the "American way of life" (Golding & Harris 1997:9). This way of life is sold by

the advertising industry on the global markets.

Is it a way of life, a culture that is sold, or is it more?

The South American theologian Betto, sees these commercial markets to have become more than just a culture, but a new religion. He argues that the labels, the products marketed and sold on the commercial markets, help humanity in their search for meaning and purpose (Betto 2002:41). The individual self defines him/herself by the labels that they use. The manager of the London advertising agency, Young & Rubicam, says that in these labels there is so much passion and dynamics that they can change the world and convert human sense of meaning and purpose (Betto 2002:41). Humanity is judged and identified by these labels and therefore by the dictates of the consumer markets, for example if I would go to a friend travelling in a bus my social value would be less than if I came to my friend's house driving a BMW. The product that I use, wear or drive establishes my position within society. Maybe one can change Descarte's proposition to: "I consume therefore I am." And then what I consume says who I am.

Fitch, a London designer office, said that these markets have godly characteristics (Betto 2002:41).

This is the paradox of globalization that on the one hand it has brought us into contact with cultures from all over the world as the world has grown closer together. Never before in history have so many people travelled across the globe with an ever growing tourist industry. Yet on the other hand different cultures have become commodities for sale in the global culture dominated by the West. Culture as become commercialised in a global commercial culture. The culture of the global village is a culture of commercialisation as we live in a consumer society. There are those that argue that the religion of the global village is this consumerism, or as Carl Amery call it 'the religion of the total market' (Amery 2002: 29) – a new religion of consumerism/capitalism, as Karl Marx already argued in the previous century, that capitalism will eventually lead to a form of world dominating religion. Walter Benjamin wrote an essay in 1921 in which he argues that capitalism is a religion (Amery 2002:29). Can I argue that capitalism is an ideology that rises up as a world religion – the religion of the global village?

It is a religion with a very aggressive missionary drive.

10.2 Global village - ideology and media and cultural imperialism

No global power can exist without the necessary legitimation thereof and the instrument

of legitimation is ideology (Duchrow 1994:105).

“It is an established fact that the activities of imperialism are not confined solely to the political and economic fields, but also cover the cultural and social fields, thus imposing an alien ideological domination over the peoples of the developing world” (Jankowitsch and Sauvart 1978:226).

This global power legitimised by a certain ideology needs to be spread across the globe and in the global village and with the information and communications technology this has become an easy task. In the previous section I discussed the power relations within in the global village and how this power is maintained through the world military order, but here is another medium by which this power imbalance is kept in place and that is the media.

The USA as the only super power in the world, as well as the greatest beneficiary of the neo-liberal economic system, has national interests in the capitalist economic system becoming the single global economic world system. Media is also one tool that can ensure global dominion. It is not just any economic system and lifestyle which is exported throughout the world, but it is the lifestyle and economic system of the industrialised countries (Kessler 2002:2). It is the lifestyle and values of the villagers which is exported through the global village.

“Centre dominated periphery, imperialists held dominion over dependencies, and all was increasingly held in place by the power of the media above all else” (Golding & Harris 1997: 5). I would like to reflect on Schiller’s understanding of cultural imperialism as Schiller describes it: “...sum of the process by which a society is brought into the modern world system and how its dominating stratum is attracted, pressured, forced and sometimes even bribed into shaping social institutions to correspond to, or even promote, the values and structures of the dominating centre of the system” (Schiller 1976:9).

Although this is an oversimplification and does not really describe the reality of international media, it does describe a certain tendency. Cultural imperialism today would need to take cognisance of the impact of colonization on the Third World countries in the export of culture and world culture.

The United Nations Development Decade spanning from 1961-1970 was implemented to help the marginalised countries to develop. The thought behind this decade was that the advancement of technology had brought the industrialised countries tremendous wealth so if this technology was exported into the developing countries their wealth would also grow. It proved to be the opposite, for the only ones who profited from this exercise were the producers of the advanced technology (Hamelink 1997:70).

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It was during this period that the information/communication technology was also transferred from the industrialised developed countries to the developing countries. The advanced technology was not so much introduced to meet the needs of the people, but to meet the needs of trans-national companies who had re-located into the developing world (Hamelink 1997:70). This also had as consequence that the information/communication conglomerates developed and thus the world's news and entertainment began to be controlled by ever fewer companies.

10.3 Media in the global village and the failed MacBride recommendations

The MacBride commission was appointed in 1976 following the recommendations of the 19th General Conference of UNESCO⁵ held in Nairobi (Hamelink 1997:74). The commission had the task of investigating the conflict around Mass Media, which was dominated by the media conglomerates in the industrialised countries.

The MacBride commission produced a series of 82 recommendations (Hamelink 1997:75). These recommendations can be grouped into five core areas of concern, namely: communication, technology, culture, human rights and international cooperation. I will only focus on the first three of these core areas as to help describe the story of the global village from a media/ideological point of view.

10.3.1 Communication

The MacBride recommendation focussed on the idea that each country and especially the developing countries need to look at their own communication needs and not allow the market to be swamped by the media giant's products and their perspectives.

The idea was that communication and its development should not be left to chance, but should be linked to policies which are linked to social, cultural, economic and political goals of the specific country (taken from UNESCO, 1980a, International Commission for the study of Communication Problems, Recommendation 1, pp 254-255).

Yet today very little can be seen in reality of this recommendation. One reason for this is that communication is seldom on the political agenda of developing countries. There are so many other struggles that they are battling with, that communication is not on the list

⁵UNESCO United Nations Educational, Scientific and Cultural Organization. "The specialized UN agency created in 1946 to contribute to world peace by promoting international cooperation in the fields of education, science, culture and communication" (Golding & Harris 1997:237).

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of priorities. Communication is also not a hotly debated issue that could win a party seats in government. There are other issues which are hotly debated and therefore focussed on. The new economic era into which the world has developed was one of deregulation and not of policy regulation and therefore the market was left to decide what should be done as many of the State run media corporations were privatised in the last few years. This trend towards privatisation was also a recommendation made by the donor countries, such as USA, UK and France as well as donor agencies such as IMF, USAID and the World Bank (Hamelink 1997:77). The MacBride recommendation was that the national governments should regulate the media influence via policies that it has in place, but this recommendation is impossible in the light of the demise of the nation state within the global village. In other words it is becoming more and more difficult for national government to get policies in place that oppose the economic “*development*” of the global village.

10.3.2 Technology

The MacBride recommendation: policies need to be in place to evaluate the impact of imported advanced technology.

“The preparation of technological impact surveys can be a useful tool to assess the consequences for lifestyles, relevance for under-privileged sectors of society, cultural influence, effects on employment patterns and similar factors”(International Commission for the Study of Communication Problems, UNESCO, 1980a, Recommendation 24, p 259).

The 1980s, which can be characterised as the information decade, brought about the idea that in communication/ information lay the future to prosperity and thus the doors were opened to all the latest developments in technology without any regard for the recommended policies, “the political leaders in Africa, Asia and Latin America have made statements reflecting the urgent need to catch up with the electronic world and their concern about lagging behind” (Hamelink 1997:78).

Story: High-tech communications technology in Mexico

Within three years of negotiation among a selected number of agencies, namely government, the secretariat for communication and transport, and the commercial television company Televisa, an announcement was made on the 24th of March 1983. They said that from 1985 Mexico would have its own national satellite called ‘Morelos.’ The whole process of launching the satellite as well as the manufacturing was all given to foreign tenders, thus the satellite did nothing for the local population besides provide them with another 39 channels of USA television (Adapted from Hamelink 1997:79).

“More than 500 active satellites are meanwhile sweeping the globe with the signals of modernity. Uniform pictures on a billion television screens nurture the same longings on the Amur, Yangste, Amazon, Ganges and Nile. Even in areas far from electricity, such as the Niger in West Africa, satellite dishes and solar panels have plunged millions of people’ from their village life into a planetary dimension...”(Martin & Schumann 1998:13).

10.3.3 Culture

Recommendation:

“We recommend establishment of national cultural policies, which should foster cultural identity and creativity, and involve the media in these tasks. Such policies should also contain guidelines for safeguarding national cultural development while promoting knowledge of other cultures. It is in relation to others that each culture enhances its own identity.

Communication and cultural policies should ensure that creative artists and various grass-roots groups can make their voices heard through the media. The innovative use of film, television or radio by people of different cultures should be studied. Such experiments constitute a basis for continuing cultural dialogue, which could be furthered by agreements between countries and through international support “(International Commission for the Study of Communication Problems UNESCO, 1980a, Recommendations 28, 29, pp 259-260)

Today looking back on this recommendation one has to conclude that it was not very successful in its implementation. The trend internationally has been away from local culture and to global culture and hardly any serious cultural dialogue (Hamelink 1997:80). This recommendation did not take the reality of the international media market into consideration. More and more countries have become dependent on imports and only the largest companies could respond to the demand by supplying the necessary goods.

In South Africa this is experienced as the production of local films costs much more than to import a soap opera from USA.

“In 1983, the leading US companies exported half a billion dollars’ worth of TV products, often in co-production or in disguise of national production firms. The promotion of a universal homogeneous visual code has probably fostered global cultural integration rather than cultural dialogue” (Hamelink 1997:81).

Twenty years after the MacBride Commission the most successful single company which can be found in any corner of the globe is McDonald's (Hamelink 1997:81). McDonald's is not only a fast food chain, but it is symbolic for a way of life – maybe a symbol of life in the global village?

The same television shows are seen all across the planet, the world is connected into a global village by the homogeneous visual cultural code. A homogeneous visual code which is influenced by the *soapies* people watch as well as the chart buster movies shown. "Their pictures govern people's dreams, and dreams determine action" (Martin & Schumann 1998:16).

Story: Opening the doors for cultural invasion

The story takes place in Kenya, a country which in 1989 embarked on a journey to launch a second TV channel. This second TV channel was going to be financed by advertising and Ted Turner's CNN. On the 15th of November 1989 the chairperson of the Kenya Times Media Trust stated: "This will be a global commercial television channel that will run for 24 hours throughout the country. We have already negotiated contracts with leading television companies to ensure satisfaction to our subscribers. These companies included Cable News Network and Sky TV. We have also negotiated contracts with various motion picture companies" (Winsbury 1990:36) (Story adapted from Hamelink 1997:81).

Not only is the globe influenced by the feature films, sit-coms and soap operas, but also by the advertising industry. The trans-national companies spend millions on advertising to export their goods into all corners of the globe. The trans-national companies export not only their goods, but also a certain way of life. "Just ten big firms currently pay for nearly a quarter of all the TV advertising in Germany. A ninety-second commercial that can be used in several continents costs as much as an average European feature film" (Martin & Schumann 1998:16).

This has as consequence that there is a certain visual code, which influences the needs and the dreams of the global village, both of those benefiting as well as those who are marginalised from the village.

"If the nearly 6 billion inhabitants of the planet could really decide by referendum how they wanted to live, there would be an overwhelming majority for the kind of middle-class existence lived in a suburb of San Francisco" (Martin & Schumann 1998:14).

Martin and Schumann continue by asking the question: Why has the Californian ideal of

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life imposed itself all over the world? Why did Disney come out on top? The size of the American market, together with the geopolitical position of the United States after the Second World War and its strength in the propaganda battles of the Cold War, played a central but not all-decisive role. To put it another way: Stalin wanted omnipotence, but Mickey Mouse achieved omnipresence” (Martin & Schumann 1998:14).

One reason for this development is the technological superiority of the USA and the availability of USA products on the international media markets. “On average the US film industry spends 59 million dollars on a feature film - a sum which European or Indian producers cannot come close to matching” (Martin & Schumann 1998:16). Economic superiority allows for cultural imperialism, because the economic superior countries have the necessary means to export their cultural goods.

“The decisive victory of the ‘Disney-colonization of global culture’ rests, according to Barber, upon a phenomenon as old as civilization itself: the competition between hard and easy, slow and fast, complex and simple. The first term in each of these oppositions is bound up with amazing cultural achievements, while the second corresponds to ‘our apathy, weariness and lethargy. Disney, McDonald’s and MTV all appeal to the easy, fast and simple” (Martin & Schumann 1998:15). The sin of this new religion of consumerism in contrast to the other world religions is that it is not altruistic, but egocentric. It does not further the idea of solidarity, but rather competition. It sees life not as a gift, but as a commodity and as property (Betto 2002:41).

A few last thoughts and the ideological media story of the global village:

- * “Neo-liberal economists and politicians preach the ‘American model’ to the world, yet this is frighteningly similar to the propaganda of the old GDR (German Democratic Republic) regime....” (Martin & Schumann 1998:9).
- * “The ‘transformation of thirst into a need for Coca-Cola is now complete” as Ivan Illich said in an interview in Bremen (Martin & Schumann 1998:18).
- * “The expression on everyone’s lips is Zbigniew Brezezinski’s ‘tittytainment” (Martin &Schumann 1998:4). “He thinks of ‘tittytainment’ (‘tits’ plus ‘entertainment’) in terms not so much of sex as of the milk flowing from a nursing mother’s breast. Perhaps a mixture of deadening entertainment and adequate nourishment will keep the world’s frustrated population in relatively good spirits” (Martin & Schumann 1998:4).

In Summary:

The world has become smaller and the different cultures of the world have been

brought into contact with each other. Yet within the global village, with its different cultures, there is a certain dominant cultural tendency, which coincides with the ideological tendency of the global village. This cultural domination was the result of availability of the necessary communications and media technology and the economic means to develop the technology as well as to mass produce media products which can then be sold internationally.

The trans-national companies who were producing internationally also embarked on a global campaign to advertise their products globally.

This dominant cultural tendency could be seen as cultural imperialism and United Nations realised this tendency and therefore a commission was established to make a few recommendations to prevent this from happening. Yet these recommendations came at a time when national governments were losing their power to the economic process of the global village and therefore could never really be implemented.

I am not saying that there is a homogeneous global culture, but what I am saying is that there is a global cultural tendency. Each individual culture responds in its own unique way to the global visual code that is dominated by the media giants.

Conclusion:

The global village does not have a homogeneous culture, but what one could argue is that there is an ideological visual cultural code developing which is promoted by the media giants of our time. These media giants have the necessary technology as well as the necessary funds with which to export their visual code throughout the globe.

This visual code is made up of:

- International news is dominated by certain News Giants so that in some countries people are informed about their own country through the eyes of foreign News agencies.
- International advertising, which is dominated by those who can afford to produce international advertisements, namely the trans-national corporations. They do not only advertise their product, but also an ideology which sells their product.
- Feature films, sit-coms and soap operas, which are translated and shown throughout the globe.

Each country within the global village then responds in a unique way to this global cultural visual code. Within the global village there is a dominant cultural visual code, but each culture responds to this code in their own way. For many living, on the margins of the global village they need to reconcile their daily reality of poverty

with the global cultural visual code of Californian wealth that they see on television. In this sense the global visual code emphasises the fragmentation of the globe.

Summary: Unpacking the story of the global village

In this section I have tried to describe and interpret the story of the global village, by unpacking the dominant story namely the economic story of the development of the global village.

Early markets: In the early beginnings many communities existed without markets and there where markets did arise they were under the control of *Oikonomia* (economy of the home) and embedded within the community and social relations of reciprocity. Yet already in these early days there was the emergence of foreign markets where the focus was on luxury items and military resources.

Capital markets: The three market mechanism: labour, land and money (capital) can each be exploited if the national government does not have certain laws in place to protect the land and the labourer from the mechanism of the market. In most of the former Western European countries these social laws were in place and strong social-security systems protected the individuals from exploitation by the market.

Trans-national capital markets and finance markets: the final stage in the development of the world capitalist order – the market of the global village can be summarised in three phases. The first phase was when the capital markets became trans-national. It was in this phase that various international institutions arose. The second phase was the emergence of financial markets and the trade in money. The third phase was the trans-national companies competing internationally for the best (cheapest) production sites because of pressure from the finance markets.

If one looks at the development of the market of the global village it is a story where economics gain more and more power over politics and the market moved further and further away from the community it is meant to serve. It is a story of fragmentation as economics is separated from the rest of society and has a life of its own. This separation between economics and the rest of social life has drastic consequences for both villager and marginalised. In this section we only looked at stories of villagers. In the next we will also look at stories of the marginalised.

The demise of the Nation State: The national government abdicated power to the international markets of the global village. Although they only abdicated power with regards to economic decisions these economic decisions influence all spheres of social life, such as social security, government spending, tax laws, and in a certain way also government policies on numerous issues. Thereby national identity has been eroded away as individuals realise that their democratic vote has become relative to the needs

of the global economy. This is another form of fragmentation within the global village.

The global labour market: The global labour market opens up numerous opportunities for the trans-national companies to really seek the cheapest and most sufficient employees, but at the same time this situation places tremendous pressure on the labour market, as the price of labour is pushed to its lowest limit. Governments struggling with unemployment have to adapt their labour laws to attract the trans-national companies, thereby opening the doors for exploitation and minimising social-security. The top management of the companies are placed under tremendous pressure by the financial markets and the share value of their company. If the company does not perform there could be an aggressive take-over by another company. This places tremendous pressure on management as they could also lose their employment. In the global village the competition within the labour market has increased continually placing pressure on all levels of employment, thus fragmenting the market by bringing the villagers into competition with each other.

The world military power: The military power protects the economic and ideological interest of those who benefit the most from the global village. There are tremendous power imbalances within the global village. The military imbalances were seen so clearly in the USA attack on Afghanistan, where the world's super power attack one of the poorest countries in the world. Yet there are other power imbalances. There are economic discrepancies which influences global decisions, as only the economically powerful are invited to the G8 summits, who make decisions about development and global economic policies.

Food and development aid has also become a tool with which to pressurise poor countries to change their economic policies. The global village is a village characterised by power imbalance. This power imbalance is reflected in the numerous battles, wars and acts of terrorism seen throughout the globe.

The ideological media story of the global village.

The global village does not have a homogeneous culture, but what one could argue is that there is an ideological visual cultural code developing which is promoted by the media giants of our time. These media giants have the necessary technology as well as the necessary funds with which to export their visual code throughout the globe.

This visual code is made up of:

- International news which is dominated by certain News Giants so that in some countries people are informed about their own country through the eyes of foreign news agencies.
- International advertising, which is dominated by those who can afford to produce international advertisements, namely the trans-national corporations. They do not only advertise their product, but also an ideology which sells their product.
- Feature films, sit-coms and soap operas, which are translated and shown

throughout the globe.

Each country within the global village then responds in a unique way to this global cultural visual code. Within the global village there is a dominant cultural visual code, but each culture responds to this code in their own way. For many living on the margins of the global village they need to reconcile their daily reality of poverty with the global cultural visual code of Californian wealth that they see on television. In this sense the global visual code emphasizes the fragmentation of the globe.

11. UNPACKING THE STORY OF THE FRAGMENTED AND MARGINALISED FROM THE GLOBAL VILLAGE

“In history up to the present it is certainly an empirical fact that separate individuals have, with the broadening of their activity into world-historical activity, become more and more enslaved under a power alien to them, a power which has become more and more enormous and, in the last instance, turns out to be the world market” (Marx 1845:49).

11.1 Introduction

In the process of unpacking the story of the global village I have become more and more aware that this is not the only story of the global village, but that there is another story – not as dominant, but certainly constantly present. In the previous chapter I listened to stories not of a unified world, but of a fragmented world. It is a world where people felt lost and confused. I can describe their feeling as a feeling of homelessness. Many of the villagers did not feel like villagers, but felt homeless in their fragmentation. As they did not have time to be with their families, they experienced the stresses of the workplace and many young people grow up without their parents. I also listened to the stories of those who were physically homeless, who were economically marginalised from the global village. In this section of this chapter I will unpack these stories - the stories of fragmentation, marginalisation and of homelessness in the global village.

I unpacked the story of the global village by looking at different perspectives of the story, namely the historical economic development, the world economic order, the division of labour, the demise of the nation state, the world military order and the ideological media story of the global village.

In this section I will also begin with the historical setting of the stories of fragmentation and marginalisation.

11.2 Unpacking the historical setting of the stories of marginalisation and fragmentation in the world capitalist order

In the previous section I discovered that the development of a global market economy and global finance market marginalised certain portions of the global population. Within the global economic system there are certain population groups who are ever more doomed to live in abject poverty. I will unpack the historical development of this process of marginalisation and fragmentation and I will unpack/describe the story of a divided world, namely those who live in and benefit from the global village and those who are marginalised from the village and hardly survive on the scraps of the village.

In the process of unpacking the story of the global village I will seek to describe the role which the poorer countries played in the story of a capitalist world economic order.

11.2.1 Unpacking the story of the marginalised from Bretton Woods to the end of the Cold War

By the 1960^s most of the poorer countries which were once under colonial rule have been liberated and have won their independence. Many of these independence struggles were violent with military intervention and left deep scars within these countries. These countries did not only bear the scars and the high costs of the independence wars which won them political freedom, but they also remained economically and culturally dependent on the old colonial powers.

I will give a brief outline of certain global events and how these events affected the global economy and especially changed the fate of the poorer countries.

I will focus on the 50 years between 1945 and 1990 – the years where this process of marginalisation was most visible as the poorer countries systematically became poorer and poorer and the rich became richer and richer.

11.2.1.1 Post Second World War

I have already mentioned in a previous section that Bretton Woods conference came together to solve the problems of the collapse of the liberal-economic system in 1929. In the 1930's there was rising unemployment and heavy protectionism resulted in a decline

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in world trade of 65 % in value terms between 1929 and 1933 (Hewitt 1995:40).

The Second World War destroyed Europe and Europe and the USA were in economic chaos. It was in this context that the Bretton Woods conference was held. It was an emergency meeting to solve the economic chaos that had arisen in Europe and the USA.

The Bretton Woods institutions, which arose out of the conference, did little to help the poorer countries, but were mainly there to protect and give greater freedoms to the industrialised countries. GATT, one of the results of the Bretton Wood conference, was supposed to bring about international stability for commodity prices. Yet GATT only protected the industrialised countries' interests and did very little to stabilise commodity prices, which would have helped the developing countries as they were producing numerous basic commodities.

At the same time after the Second World War the Cold War began and the foreign politics in the USA changed likewise. The hatred of Communism in the USA brought with it the conservative politics of the McCarthy era (Hewitt 1995:41).

Throughout the Cold War period the world revolved around Cold War politics and the East-West axis of the competing ideologies, namely capitalism and socialism. Everything was divided according to these lines of East-West relations and the North-South relations were marginalised or manipulated in the power struggle of the superpowers in the Cold War. In the 1960's the interest grew in the poorer countries as the South became the arena for superpower rivalry.

“.....with over 140 conflicts, costing 20 million lives, the Third World has remained an area of conflict..... in which the USA and the USSR have repeatedly been involved (Halliday, 1998, p13)” (McGrew 1995:58)

Many of these countries were struggling to gain independence from colonial power and this struggle was exploited by the superpowers in their East-West conflict.

These countries were united in their struggle for identity and their struggle to give birth to an independent nation. This unity culminated in the formation of the Non-Aligned Movement (NAM). The NAM started in 1955 at the Bandung conference and soon became the pressure group for the poorer countries. They struggled together to defend themselves against exploitation from the superpowers after they had freed themselves from colonial exploitation.

Out of the NAM emerged the Group of 77 (the G 77) which united the poorer countries

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into a powerful voting block at the United Nations. The strength of the G 77 was their numbers as they easily had a democratic majority in the UN. The G 77 was a democratic counterbalance to the G 7 within the United Nations who held the economic and military power in their hands. The G 77 also had a few successes within the United Nations, such as the *'Declaration on the Granting of Independence to Colonial Countries and Peoples'*. They also tried to balance the imbalance between the rich and the poor countries through the United Nations Conference on Trade and Development (UNCTAD) (McGrew 1995: 58). Developments like these brought within the United Nations a new axis in world politics, namely a North-South axis.

11.2.1.2 The Golden Years

The years between the 1950's and 1960's can be described as the golden years for development. These years can be described as a time where in the developed world there were low unemployment rates and low inflation and this lasted for about two decades. It was a time of optimism for economists and developers. It was believed that the economic system of the OECD⁶ (Organisation for Economic Co-operation and Development) countries would save the world. There was great faith in modernity as the goal of all development and the road to modernity was economic growth and the trickle down effect, until the whole population benefits from the economic growth.

Economic growth is measured in Gross National Produce and therefore the GNP is the indicator of development. In these golden years the lower and middle class economies averaged higher growth rates than the OECD countries. This growth rate dropped again and at that stage the developing countries' exports were 70-90% primary commodities and 50-60% were manufactured goods. This made balance of payments very difficult (Hewitt 1995:41-42).

The developing countries realised this danger and tried to industrialise and this development gave birth to an era of import substitution industrialisation. In other words, instead of importing manufactured goods, rather develop industries which produce these previously imported goods locally. These industries were either private or government industries and some where international companies who had invested in the developing countries as part of the trans-nationalisation of the international economy. In the late 1960^s 70% of capital flows into developing countries were from investments of trans-national corporations (Hewitt 1995:42).

⁶The OECD formed in 1961. Its members are drawn from 25 developed countries, mainly from Western Europe and North America, but including Japan, Australia and New Zealand. Today the group of seven is the most powerful political and economic grouping within the OECD (Hewitt 1995:41).

The developing countries, with their poor infrastructure and often unstable political situation, were not always the first choice for international investments. In order to attract companies to invest, the governments needed to make sure that they had favourable investment conditions within their countries.

On the other hand the industrialised countries did not want products produced in the developing countries on their markets, because these products, *produced in favourable investment conditions*, lowered the prices. The industrialised countries protected their markets, thus forcing the developing countries to look locally for markets to sell their goods.

Besides these difficulties of entering the international market the developing world can not be seen as a homogeneous group.

Each developing country's process of industrialisation was very different, thus aggravating the already existing diversity amongst the developing world and fragmenting the developing countries as the competition between them increased. This competition was incensed as they competed for markets on which to sell their products that were not allowed on the developed countries markets.

Summary: The golden years of development did bring about growth, but it was not sufficient to establish social and local economic development. The reason for this was that most of the development was due to the trans-national corporations who were setting up local industries to export products. Yet these trans-national corporations' development had very little linkage to the overall economy of the country (Hewitt 1995:42).

11.2.1.3 The debt-led growth in the 1970's

The 1970's brought a new understanding of growth and development which moved away from the failed economic growth development idea of "*trickle down development*" of the previous decade. The new idea was "*Redistribution with growth*" (Hewitt 1995:46). The industrialisation in the developing countries took place mainly in the urban centres and thus brought about large scale urbanisation as people streamed into the cities in search of employment and thus agriculture was neglected. The slow industrialisation was in no way able to employ these masses of people from the rural areas. Within this context of urbanisation the United Nations' International Labour Office published its research on employment in the various countries.

This rapid urbanisation brought with it tremendous unemployment and urban poverty,

with the accompanying social problems. In these years (1970's) urban centres developed throughout the developing world, larger than the cities of the developed world, but these are urban complexes with immense social and ecological challenges. "Bombay and New Delhi are replacing Mexico city and Sao Paulo in the headlines as examples of the nightmare cities. Each already has more than 10 million people living within it, and the figure is due to double again in fewer than twenty years" (Martin & Schumann 1998:27).

The urban explosion

This is the century of the great urban explosion. In the 35 years after 1950, the number of people living in cities almost tripled, increasing by 1.25 billion. In the developed regions, it nearly doubled from 450 million to 840 million, and in the developing world it quadrupled, from 285 million to 1.15 billion.

In the past 60 years the developing world's urban population increased tenfold, from around 100 million in 1920 to close to 1 billion in 1980. Meanwhile, its rural population more than doubled.

- In 1940 only one person in eight lived in an urban centre, and about one in 100 lived in a city with a million or more inhabitants.
- In 1960 more than one person in five lived in an urban centre, and one in 16 in a city with a million or more.
- In 1980 nearly one person in three was an urban dweller, and one in 10 living in a city with a million or more.

The population of many of sub-Sahara Africa's larger cities increased more than sevenfold between 1950-1980, for example Nairobi, Dares Salaam, Nouakchott, Lusaka, Lagos and Kinshasa. During these same 30 years populations in several other Third World cities – Seoul, Baghdad, Dhaka, Amman, Bombay, Jakarta, Mexico City, Manila, São Paulo, Bogotá and Managua – tripled or quadrupled. Immigration has usually contributed more to their growth than natural increase. This growth has been far beyond anything imagined only a few decades ago and at a pace that is without historic precedent (UNDP, 1980 (Hewitt 1995:47).

From these statistics it is clearly seen that the crisis of the developing world is an urban crisis. The urban complexes have to come up with new ideas of how to handle the social problems that necessarily come with the population explosion. In trying to alleviate the problem of unemployment the developing countries had to shift their development emphasis to labour intensive technologies and development. Growth with employment was sought to counter the social problems that were growing in the urban complexes.

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This constant process of urbanisation was aggravated when in the 1970's the free convertibility of the US\$ to gold at fixed rates was suspended. This had important financial ramifications for the developing countries, since this suspension was linked to the growing structural crisis in the OECD countries. The OECD countries, who were the strong supporters of the ideology of free trade, were now protecting their markets more and more from cheaper products coming in from the developing world and thereby bridging all GATT agreements (Hewitt 1995:48).

The oil producing countries (OPEC) started flexing their oil power muscles in 1973 when the first oil crisis fuelled the already tense situation. Oil prices remained high after the sharp increase in 1973 and this led to growth in the oil producing countries.

While the increased oil prices brought with it increased growth in the OPEC countries, it added to the economic recession in the OECD countries. This slow growth in the OECD countries and consequently the low demand for credit together with the surplus profits from the oil in the OPEC countries caused a surplus of capital that needed to be invested somewhere. The commercial banks thus turned their attention to the developing countries to lend them money. The OPEC countries also made money available to the developing countries through what was called the Euro dollar (oil dollars deposited in private European banks)(Hewitt 1995:49).

This surplus money forced the interest rates down, thus an ideal time for taking up credits. The developing countries on the other hand were struggling economically because:

- 1) they were losing export markets in the OECD countries as these were protecting their markets and
- 2) the import costs rose.

The developing countries thus eagerly accepted these loans at very low interest rates which the various banks were offering them.

They got capital at very low interest rates, until the OECD countries started to adjust to the recession. One of these adjustments was to increase the interest rates which had terrible consequences for the developing countries.

11.2.1.4 The 1980's

Story: Kabula Mboje and the debt trap in Tanzania

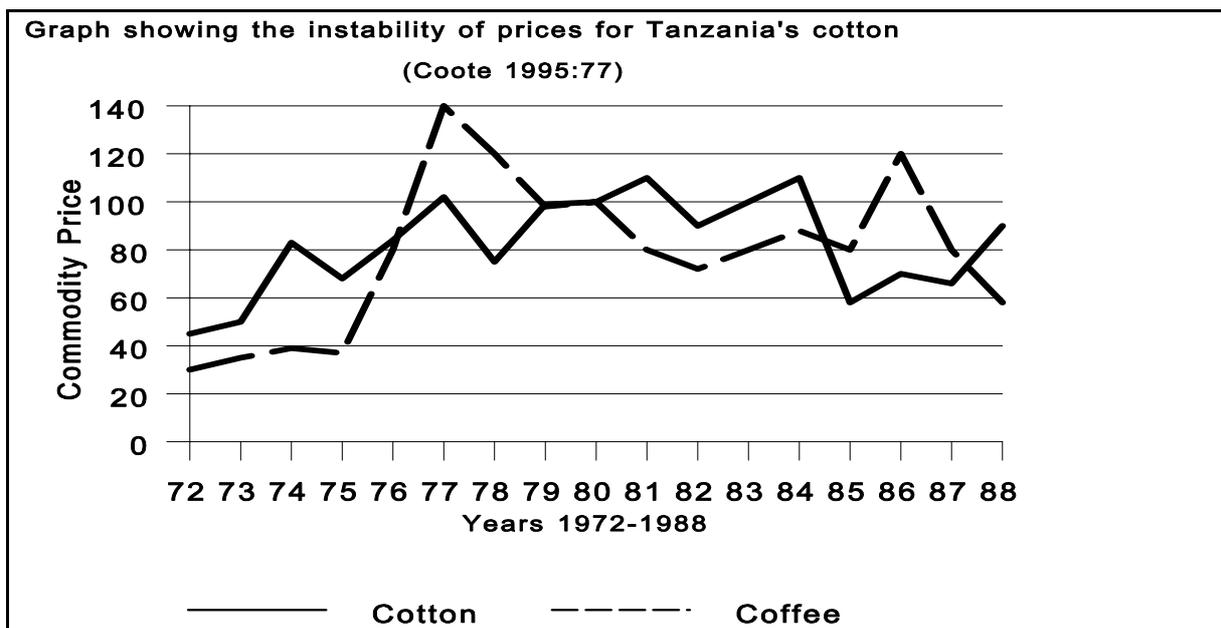
We meet Kabula Mboje who looks at us proudly, yet with great sadness in her eyes, showing a piece of beautiful, brightly coloured cloth - kanga. This is the garment which is traditionally worn by women and men in Tanzania. "Look!" she says: "This was very cheap, yet it cost me 800 shillings, not very much less than I

earned from this year's cotton harvest". It was a bad year, but none the less she had grown enough cotton on her two-acre-plot to make 720 kangas. Kabula lives in a village called Mwabuzo, a rather scattered rural settlement in the Shinyanga region of West Central Tanzania. A fertile area of the land and until the 1940s it had been a thickly forested area, but now there are only a few baobab trees left. One can only imagine the soil erosion that has taken place in this area. The cotton harvest was over and along all the roads carts were drawn by oxen bringing in the cotton to overfilled sheds. By law each adult member of the community is required to grow at least one acre of cotton. "Cotton is the only cash crop we can grow around here," she explains. "We have to grow something for cash so that we can pay our local taxes and buy essentials such as salt, clothes and shoes". The little farming community does not really have the technical resources to produce cotton on a large scale, so they have to pay for the tractor to do the ploughing, pay for the spray of the crop and eventually pay for the transport of the cotton to the village storage sheds. Thus not much money is left if any for the essentials (Story adapted from Belinda Coote 1995:75-76).

Unpacking Kabula's story

The 1980's have been described as the worse decade for development. This decade has been described as the decade of the "debt trap". The OECD countries slowed down their economies thereby depressing commodity prices as well as the demand for commodities and this allowed interest rates to rise. In Kabula's case the price for cotton dropped internationally. The reason for this depression in the cotton prices was that the cotton market was flooded. All over the developing world people were producing cotton, trying to get into the cotton market. The reason for this over production of cotton can be found in the structural adjustment programs of the IMF and World Bank who forced over 70 countries throughout the world to produce cotton thus flooding the international markets. The cotton was exported to the OECD countries, where it is processed and then various products made from it. Now two things happened in the OECD countries:

1. Their economies slowed down and therefore the demand for primary commodities also diminished.
2. The flooded markets meant that the OECD countries could depress the prices to suit their needs (Coote 1995:77).



The above graph shows how unstable the prices for these basic commodities were and therefore making it impossible for a country such as Tanzania to plan for the coming year. The prices were totally unstable and beyond the control of the developing countries.

The 1980s was a decade in which the average real prices of commodities fell to their lowest level recorded in the twentieth century, with the exception of the Great Depression of 1932 (Coote 1995:78). For the developing countries who relied on commodity exports and borrowing money this turn about was pernicious.

“Between 1981 and 1985, this loss has been estimated at US\$ 553 billion, equivalent to 122 per cent of the total value of the commodity exports of developing countries in 1980” (Coote 1995:82). The developing countries were exporting mainly primary commodities and still needed to import advanced technology and manufactured goods. The price of manufactured goods did not drop as did the prices of primary commodities, but to the contrary they increased.

The burden of structural changes and inflation control in the industrialised countries was carried by the developing countries. The developing countries were financing these changes in the OECD countries by paying back the loans which they had borrowed at low interest rates during the years of surplus oil money, now at extremely high interest rates.

“Developing countries had to pay out more and more to service their debt while receiving less and less for their exports. As these contrasting movements aggravated their financial difficulties, commercial banks decided to stop lending

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them new money, and the result was the international debt crisis of the 1980s” (Hewitt 1995:50).

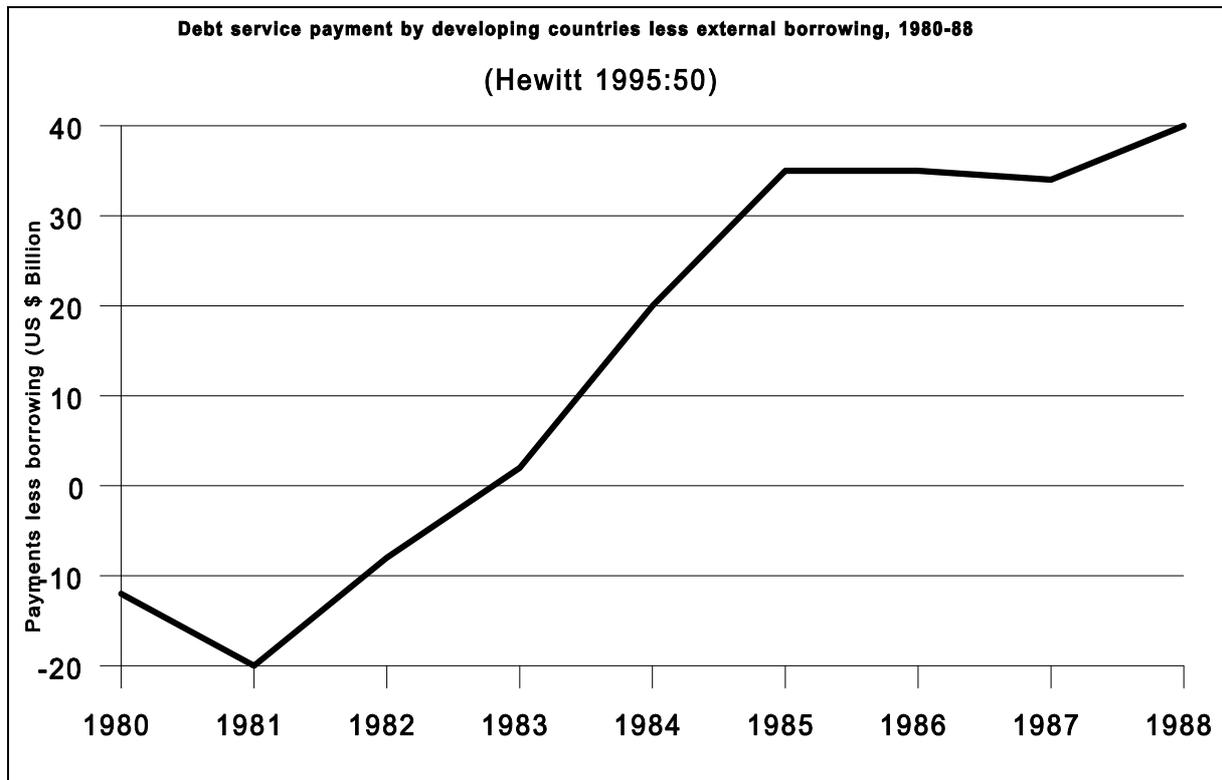
The developing countries were paying back much more in service charges than they had borrowed initially.

“From the onset of the debt crisis in 1982 through 1990 (as of this writing the last year for which complete figures are available) each and every month, for 108 months, debtor countries of the South remitted to their creditors in the North an average six billion five hundred million dollars (US\$ 6,500,000,000) in interest payments alone. If payments of principal are included in the tally, then each of the 108 months from January 1982 through December 1990 witnessed payments from debtors to creditors averaging twelve billion four hundred and fifty million dollars \$12,450,000,000)” (George 1995:188).

There are a number of reasons that led to this situation:

- Direct foreign investment declined by some two-thirds in the early the 1980’s, and there continued to be a net outflow of profits from the least developed countries.
- Non-oil commodity prices continued to decline rapidly through the 1980’s.
- Growing protectionism in the OECD further mitigated against other developing countries exports, such as auto parts, steel, electronic, textiles, petrochemicals and agricultural products. This was perhaps the greatest irony for the developing countries in the 1980s while the neo-liberal ideology of free market took firm root, its proponents – OECD countries – were making their own economies more protected, not less (Hewitt 1995:50).

“According to the OECD, between 1982 and 1990 total resource flows to developing countries amounted to \$927 billion. This sum includes the OECD categories of Official Development Finance, Export Credits and Private Flows - in other words, all official bilateral and multilateral aid, grants by private charities, trade credits plus direct private investment and bank loans. Much of this inflow was not in the form of grants but was rather new debt, on which dividends or interest will naturally come due in the future. During the same 1982-1990 period, developing countries remitted in debt service alone \$ 1345 billion (interest and principal) to the creditor countries. For a true picture of resource flows, one would have to add many other South-to-North outflows such as royalties, dividends, repatriated profits, underpaid raw materials and the like. The income-outflow difference between \$ 1345 and \$927 billion is thus a much understated \$ 418 billion in the rich countries favour” (George 1995:189).



The consequence of this was a continuous decline in developing countries, because the few industries they had developed were not allowed to sell their products on the European and USA markets. They had accumulated a lot of debt in the process of developing these industries, following the advice from the OECD countries who said that this was the way to modernity and prosperity. Now they could not balance the payments with low exports and rising imports. In the 1980's the number of least developed countries grew from 31-42 (Hewitt 1995:51). The separation between rich and poor was getting worse and worse and countries were being excluded by rising poverty.

The international institutions intervened to make sure that the creditors got their interest on the money they had given as loans. So the IMF and World Bank introduced stabilisation and structural adjustment programmes. These programmes were only aimed at short term improvements in the balance of payments and not an overall improvement in the economies of these countries.

The basics of structural adjustment programmes were: reduced public spending on social and health services as well as education and reducing the subsidies on basic foods (Hewitt 1995:51). The countries were doomed with these cut-backs in public spending and the future looked even bleaker. The countries had to focus again on agricultural products which they brought onto the market, but they had no say in the

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prices of these products. Many of these countries began to focus on cash crops as demanded by the adjustment programmes. This form of agriculture had tremendous impact on the environment and the farming communities. The farming communities produced the cash crops on every little piece of land that there was, thus having no land left to produce food for the community and therefore the little money that came in from the cash crops had to be spent on importing basic foods. The downward spiral began.

11.2.1.5 The poorer countries and their attempt to restructure the global order

Both NAM and G 77 did not only try to counteract superpower dominance, but also sought to remove the numerous barriers that stood in the way of development in the poorer countries.

“This translated into a desire to restructure the institutions, relationships and mechanisms which governed the world capitalist economy in which, for historical reasons these states were inescapably embedded” (McGrew 1995:59).

Within the system there were inbuilt inequalities that stood in the way of effective development in the poorer countries. The systems that were in place to regulate trade, finances and technology of the capitalist world order are: General Agreement on Tariffs and Trade (GATT), International Monetary Fund (IMF) and the World Bank. These three institutions had the needs of the industrialised countries at heart and not the needs of the poorer developing countries. These institutions were viewed by many poorer countries with suspicion as they tended to reinforce the structures of economic dependency with regards to the relationship between the poorer countries and the affluent countries of the North (McGrew 1995:59).

The G 77 had some achievements in the beginning with regards to the revisions to the GATT agreement in 1964. When some of the poorer countries discovered oil, this gave them a new sense of power within the global economic order, but at the same time it split the block of poorer countries into those who produced oil and those that needed oil. There were two other splits as well:

- 1) Between the newly industrialised countries and the still poorer countries.
- 2) The rise of Islamic fundamentalism brought about another split in this group.

The majority block began to vaporise together with the economic recession in the early 1980's and the process of restructuring, debt and recession seemed to seal the fate of the poorer countries. Then finally the end of the Cold War also changed the fate of the poorer countries as they were no longer of interest in the battle between East and West (McGrew 1995:60).

Some facts of an economically fragmented world

“A Total of 258 people own as much wealth as 2.5 billion people own together – nearly half the world’s population” (Martin & Schumann 1998: 23).

The living standard of an average USA citizen is 240 times higher than that of a person living in Nepal, and the German living standard is 140 times higher than that of a person living in Nepal (Mendt 2002:42).

The industrialised countries use three quarters of the world’s energy and produce 80% of all the lethal waste products. A North American burdens the world’s environment 280 times more than somebody from Nepal (Kessler 2002:2).

The wealth of the three richest people on earth is more than the Gross National Product of 48 of the world’s poorest countries (Kessler 2002:3).

In the world there are 514 Multi-million Dollar Millionaires. 276 of these millionaires live in the USA, 115 of them are in Europe, 77 live in Asia, and 14 are from the Middle East, or the previous communist countries or Africa (Kessler 2002: 3).

“The wealthiest fifth of nation’s dispose of 84.7 per cent of the world’s combined GNP; its citizens account for 84.2 per cent of the world trade and possess 85.5 per cent of savings in domestic accounts. Since 1960 the gap between the richest and the poorest fifth of nations has more than doubled –“ (Martin & Schumann 1998:29).

“The most affluent 20 per cent of countries use up 85 per cent of the world’s timber, 75 per cent of processed metals, and 70 per cent of energy” (Martin & Schumann 1998:29).

“The intensification of processes of globalization in the 1980s has had profound effects within the Third World. In the economic sphere, the aggressive restructuring of global capitalism the emergence of new international division of labour, the integration of financial and the growing power of multinational capital have fostered deeper division and conflict within the Third World while simultaneously widening the North-South ‘gap’” (McGrew 1995:69).

Summary: The story of marginalisation and fragmentation of the developing world can be described in various phases. The first phase was the era of liberation from the colonial powers. This was a phase of struggle which was very often embedded in cold-war politics. The second phase was a phase of optimism where the story of modernity had reached its peak and there was confidence that through economic development the social and economic discrepancies would be solved. The third phase began when the developed world went into recession when the gold dollar standard was abandoned. It was during this time that some of the developing

countries discovered oil and this plunged them into new found wealth. This “oil money” was invested in international banks. At the same time the economies of the developed world slowed down, therefore there was little demand for credit from the developed world in other words the international banks had surplus money. This surplus money was offered to the developing world at very low interest rates. The developing countries took these loans and when the economies of the developed world tried to recover by raising the interest rates the developing world was soon caught in the ‘debt trap’. They tried to unite in a democratic power with the G 77 and had a few achievements. Yet the G 77 was tearing apart because of different rates of development of the developing world and religious differences between the countries, especially the Islamic countries.

The story of the developing world is truly a story of marginalisation and fragmentation within the setting of the world economic order.

Conclusion: In the process of globalisation the developing world was marginalised from the very beginning, although there were moments within their story, but the dominant theme in this story is systematic marginalisation and exclusion. The developing world does not really have much say in the major economic decisions that are made which will influence the globe as these decisions are taken by the developed countries. The fact that the USA refuses to sign the Kyoto agreement is an expression of the power imbalance between the villagers and those marginalised from the village.

11.3 Unpacking the story of fragmentation and marginalisation - the division of labour

Story: Jesús Conzález

Jesús Conzález was a man who had slaved hard for years to get a position within the company as an electrician with regular income and some security for him and his family. He was employed in the Mexican motor vehicle industry. He worked in a factory which assembled shock absorbers for motorcycles and tractors. Then Mexico went through one crisis after the other, first the currency crisis, then trade and finally the whole national economy fell. The factory in which Jesús was working went bankrupt. Today we meet Jesús, 39 years old with a family, sitting by the road side on the pavement of a noisy dirty Avenida San José in the centre of Mexico City. He sits on an old metal crate and advertises his trade –“electricista” hand written on a piece of cardboard (adapted from Martin & Schumann 1998:139).

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The losers of this process of globalization are the unskilled labourers and the unemployed - all those who lost their jobs because of downsizing, etcetera. IMF president, Michel Camdessus, warns that there are poor countries which did not have a connection to this process of globalization and will be marginalised more and more (Spiegel 1996:95). Countries which have nothing to offer, no products to sell and even less money with which to buy products will be excluded from the global economy. The contact between rich and poor will be lost as the law of profit drives the rich further and further away from the poor. This is not just a gap between rich countries and the poorest countries in the world, but it is a gap that is growing within the countries themselves and even in single cities. In USA the middle class is disappearing. In the industrialised countries more than 30 million people are unemployed (Spiegel 1996:95).

Story: VB-dialog

At VB-dialog the direct banking subsidiary of the Bavarian Vereinsbank, the pay scale negotiated with the unions no longer holds. Instead of the usual 23 to 30 Marks, the pay is only 16 Marks an hour, little more than what is paid in the cleaning trade. The big Munich bank saves on holiday money for new employees, as well as on the Christmas bonus, and it requires staff to be prepared to work at any time of the day or night, including weekends, with no extra pay” (Martin & Schumann 1998:98). “In a study of the plans of fifty leading banks around the world, they forecast that half of all the people currently employed in the money business will lose their jobs in the next ten years (Martin & Schumann 1998:99).

There will be an ever growing population of working poor – people who have jobs but the wages have been forced so low that they can hardly survive with the pay they receive.

The finance markets are very volatile and this volatility influences millions of lives. When the word was out that in the Asian countries there had been some bad investments the whole market came down and the result was that 1.5 million people in Indonesia lost their work. The loss on the margins of the village is much greater than the loss of those speculating on the markets (Kessler 2002:3).

The social security systems (medical aids, etcetera) of countries will crumble away as the pressure increases. These trends are visible in South Africa with the ever rising costs of medical aids, while they pay out less and less. How long will they be able to continue and how long will people and employers be able to afford medical aids? More and more hours and work is demanded for the same salary (Chapter Three: 3.2.3). Less and less people are employed to do the same and more work. The global market

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pressures that are being felt in South Africa are aggravated by the process of affirmative action thus creating immense pressure at the work place. This pressure of the global economy affects the family life and society at large (Chapter Three: 3.2.3). This global market has pressurised the local firms to reduce the wages as seen in the story of VB-Dialog. The local companies, to be able to compete on the money markets, need to reduce their labour costs. "In 1995 four-fifths of all male employees and workers in the United States earned 11 percent less an hour in real terms than they did in 1973" (Martin & Schumann 1998:117). These same companies, who reduced their labour costs, are the companies who are earning record profits and doing extremely well on the money markets. "...between 1973 and 1994 per capita GNP in the United States grew by a full third in real terms. At the same time, for the three quarters of the working population that have no managerial or supervisory responsibility, average gross wages fell to 19 per cent less than they earned twenty years ago" (Martin & Schumann 1998:118).

Story: Jürgen Schrempp and Daimler-Benz

Jürgen Schrempp took over Daimler-Benz in May 1995. The previous year was not the best financial year as the company lost 6 Million Deutsch Marks. Schrempp responded to the losses by closing down the AEG division as well as the aircraft manufacturer Fokker and together with this closing down came the announcement that 56,000 staff members would lose their jobs within the next three years. This loss in employment for thousands of workers was good news to the markets and the Daimler shares soared to new heights with a 20 percent increase. The company was soon 10 billion Marks better off, although it could no longer 'afford' the 56,000 employees. Jürgen Schrempp was a man who was seen by his own staff as a failure, but by the Wall Street Journal and Business Week he was hailed as a revolutionary who was breaking up Germany's cosy employer-employee relations and reorganizing the company around shareholder interests (Adapted from Martin & Schumann 1998:130).

It is rather ironic that after the fall of communism and the end of the cold war the words of Karl Marx are so true. He was speaking at the First International in London when he said: "The general tendency of capitalist production is not to raise but to sink the average standard of wages, or to push the value of labour more or less to its minimum limit" (Martin & Schumann 1998:7).

Story: Blackmail against the worker

The Viesmann boiler makers in Kassel are a highly efficient company with an

annual turnover of 1.7 billion marks with a workforce of 6500. Yet the company announced that the next gas water-heater models would be produced in the Czech Republic. The workforce in Kassel, concerned about their future, agreed (96% of the work force agreed) that they would rather work an extra three unpaid hours a week (adapted from Martin & Schumann 1998:13).

“An economic and social earthquake of unheard-of dimensions is now looming on the horizon. Whether in automobile or computer construction, chemistry or electronics, telecommunication or postal services, retail trade or finance, wherever goods or services are freely traded across borders, employees seem to be sinking inexorably into a morass of devalorization and rationalization. Just in the three years from 1991 to 1994 more than a million jobs were lost in West German industry. And Germany is still not badly off in international terms. Elsewhere in the OECD, the number of well-paid jobs shrank even faster. In 1996 more than 40 million people in the OECD countries are looking in vain for work” (Martin & Schumann 1998:102).

The division of labour in the global village

- “According to the United Nations International Labour Office, just under a fifth of all employees work at wages beneath the official poverty level – ‘the working poor’” (Martin & Schumann 1998:122).
- “Germany, 1996. More than 6 million job-seekers – more than at any time since the founding of the Federal Republic – can find no secure employment. The average net income of West Germans has been declining for the past five years.”
- The leading management consultant Roland Berger estimates that at least 1.5 million additional jobs will be lost in industry alone, ‘probably including every second job in the middle management.’
- “In the next century, 20 percent of the population will suffice to keep the world economy going. ‘More manpower won’t be needed, thinks Washington SyCip. A fifth of all job-seekers will be enough to produce all the commodities and to furnish the high-values services that world society will be able to afford. This 20 percent in which ever country, will actively participate in life, earnings and consumption - to which may be added another 1 percent or so of people who, for example, have inherited a lot of money. And the rest? Will 80 percent of those willing to work be left without a job? ‘Sure’, says the American writer Jeremy Rifkin, author of the End of Work. ‘The bottom eighty per cent will have almighty problems (Martin & Schumann 1998:4-5).

“What Marxist’s argued a hundred years ago and was then absolutely wrong, is today a reality. The capitalists are becoming richer and richer, while the working class is being impoverished.’ Global competition is putting ‘people through the mill’ and destroying the cohesiveness of society”(Silvio Bertolami in Martin & Schumann 1998:123).

In summary: the story of fragmentation and marginalisation within the context of the global labour market is a story where the world is not divided into rich and poor countries, but where the global labour market is fragmented as the competition rises for the employment opportunities. It is not only the cheap labour that is affected, but this cuts through the whole spectrum of society, even management positions are affected by this global competition. Those who are out of the labour market, in other words not economically active, are pushed to the margins.

Conclusion: The labour market in the global village fragments the village into villagers and those marginalised from the village, in other words the unemployed who do not have a place in the village. In Chapter Three (3.3.1) the story of the homeless community was told as a story of persons who had lost their employment and thus were ostracised to the pavements of the global village. The fragmentation is not only between those who have employment and those who don’t, but also amongst the villagers themselves as those with employment continuously live in fear of losing their employment. This fear is also exploited by the companies to demand overtime without pay. This fear fragments the villagers as they live in competition with each other, but also their families, as very little time is left for family life (Chapter Three: 3.2.3).

11.4 Unpacking the story of fragmentation and marginalisation - the demise of the nation state

I have shown the demise of the nation state within the global village as even the powerful governments of the world have handed over control of the economy to the market. These governments did this willingly and knowingly with the various policies that they implemented such as the de-regulation of the market.

In the developing world the governments have always been vulnerable to external forces as they continuously had to adapt to external pressures. “The permeability of all nation states to trans-national forces, combined with growing interdependencies, has eroded the scope of any state to pursue autonomous foreign and domestic policies”

(McGrew 1995:65).

The demise of the nation state cannot only be seen as a consequence of the de-regulation of the market, but also needs to be seen as a social reality caused by mass unemployment and poverty. These social challenges need to be taken into consideration as they make countries ungovernable.

“My thesis in this respect is that the polarization produced by ‘really existing capitalism’ creates in the peripheries such dramatic conditions at all levels (economic: growing poverty; social: massive marginalization; cultural: frustration, etc) that makes democratic rule almost impossible. Therefore I do not accept this fashionable idea of today that ‘market’ (read, capitalism) generates (for needs) democracy. No really existing capitalism needs autocratic powers in the peripheries. That is after all the lesson of history. Democracy appears here, in a truncated and weak version, from time to time (as in the case now) as an expression of the crisis of autocracy, its failure to deliver, rather than an objective need of the system. In that sense autocracy in the peripheries is not a ‘vestige of the past’ but a consequence of the modernization operating in the frame of global polarization of wealth and power” (Amin 1997:22).

These social conditions of fragmentation break down the democratic processes within the nation state. Together with the demise of the nation state I would add the instability within the nation states.

11.4.1 The instability within the nation state.

The global village with one international money market and labour market places such pressure on the individual employee that it causes the social fabric of society to tear apart. This pressure is affecting those jobs which previously were seen as stable jobs, for example engineers who now are continuously under performance pressure. As soon as their performance ratings are down their position is threatened. This pressure is brought back into the home and affects family life.

Employees are living in the continuous fear of losing their jobs and this creates an atmosphere of insecurity and a feeling of hopelessness with regards to the future.

“Insecurity and fear for the future are spreading; the social fabric is tearing apart” (Martin & Schumann 1998:103).

These limited employment opportunities as well as the economic instability adds to the

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feeling of insecurity which again fuels various other fears. Although the global village has united the whole world there are cultural and ethnic tensions which have been rising in the past few years which are fragmenting the world.

“It is not the really destitute who are rebelling; rather, it is the fear of losing position - a fear now sweeping the middle layers of society - which is politically explosive to an incalculable degree. Not poverty but fear of poverty is the danger to democracy” (Martin & Schumann 1998:11).

It is this fear that is fragmenting a society as everybody becomes a threat to everybody else and fear becomes a dominant story.

“The attack on the whole middle class is fresh kindling for a fire that has already swallowed up large parts of the world’s leading society. Unresolved racial conflicts, well-known drug problems, equally well known crime rates, the collapse of once – famous high schools where teachers work for a wage that not even a home-help would accept in Germany. There seems no end to the disintegration, and so the revolution of those at the top continues against those at the bottom” (Martin & Schumann 1998:169).

This fear will be translated into all sorts of social ills and problems. As the competition rises so will the fear and as consequence also the violence potential. The amount of violence is seen in the rise of violent crime, family murders and road rage.

“Canada and Belgium are hamstrung by the quarrel between their linguistic groups. In the United States, whose waves of immigrants long ago accepted a common national language, millions of Hispanics down to the second and third generation now reject English. Tribalism is everywhere gaining strength, and in many regions it threatens to slide into violent nationalism or regional chauvinism” (Martin & Schumann 1998:25).

The conflict potential is rising no longer between countries, but within countries themselves and breaking down the nation state and making it ungovernable.

“Unlike the wars of the nineteenth and early twentieth centuries, most wars in future will be fought not between but within states. In 1995 a mere two out of fifty armed conflicts around the world followed the familiar pattern: the wars between Peru and Ecuador, and Lebanon and Israel. Yet the new conflicts within national boundaries receive little international attention. In South Africa, for instance, 17,000 people lost their lives through acts of violence in the year following the end of apartheid - more than during the thirty years of armed struggle against

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apartheid”(Martin& Schumann 1998:25).

Together with Rwanda, Burundi, and Zaire, other African countries are becoming the epitome of racial and civil war. Since 95 percent of world population increase is concentrated in the poorest regions, the question is hardly whether there will be new wars, but rather what they will be like and who will fight whom.

Those in authority and in positions of government are helpless in the face of these global tendencies so they shift the blame and seek scapegoats.

“It is not we but foreign competition that is to blame - every second news broadcast says as much from the mouths of those who are supposed to defend the citizens’ interests. From this (economically false) argument, it is but a short step to open hostility towards everything foreign. For a long time now, millions of newly insecure middle-class citizens have been seeking salvation in xenophobia, separatism and disconnection from the world market. The excluded are responding with exclusion” (Martin & Schumann 1998:10).

In a time where the future is continuously threatened there is a need to place the blame somewhere and the obvious place for the blame is on the outsiders, “who are taking away the jobs”, which explains the rising xenophobia. This is a phenomenon which is becoming more and more real both in the developed world as well as in the developing world. The new radical right which is growing in Europe is just one expression of seeking to place the blame on those who are foreign. Newsweek said that it is fear of all that is foreign that is driving the new right in Europe (Schneider, T 2002:8).

In the developing world there is continuous population growth and uncontrolled urbanisation which makes governance of these urban complexes extremely difficult. The New Dehli authorities often realize first from satellite photos where their metropolis is currently growing - unplanned, uncontrolled and unauthorized” (Martin & Schumann 1998:27).

It has become clear that the story of the democratic nation state looks rather bleak unless politics again gains control over the market. The primacy of politics over economics needs to be restored. If this is not done then, although the global village through technology and communication has brought humanity together, it will soon crack-up.

Summary: Unpacking the story of fragmentation and marginalisation - the demise of the nation state

There are two factors that are a threat to democracy. The first is the demise of the

nation state as politics abdicates power to the market and the demands of the market which affects both the developing and the developed world.

Second is the social, economic and cultural impact of globalisation on the nation state which brings with it so many social challenges that the fabric of society tears apart. Society is faced with too many challenges both economic and social and the governments' hands are too tied by the market to really address these challenges nationally, thus creating a sense of insecurity and hopelessness amongst the population making governance even more difficult.

Conclusion: In the global village democracy is being threatened because the market is dictating to politics. The needs of the global market are dictating the political agenda of the national governments. In a certain sense human rights are giving way to the rights of the market, suggests economist Franz-Josef Hinkelammert (Börger 2002:20). This causes a great amount of helplessness and frustration amongst the villagers as they feel helpless and caught and thus seek scapegoats to blame. This searching for scapegoats has caused an increased xenophobia and a rise in fundamentalism, thus creating more tensions within the village and fragmenting society. The nation state is faced with numerous social, economic and political problems which it cannot really address as the political agenda is determined by the pressures of the market. This frustration is then expressed in various forms of political unrest and social instability.

11.5 Unpacking the story of marginalisation – the cultural and media story

I have looked at the media story of the global village in a previous section and in this section I will reflect on the media story of marginalisation and fragmentation.

The global village can be described as a world connected through communication and information technology. The world is connected via satellite and cable TV, but who has actually benefited from this transfer of technology?

“...the results of processes of transfer suggested, by the late 1960s, that the primary beneficiaries (of telephony, educational television and satellite communication) had been foreign manufacturers, foreign bankers and national administrative and military elites”(Hamelink 1997:70). The developing world has received all the necessary technology, but with this technology also comes the ideological influence of the exporting country.

One can actually go further and say that the introduction of the advanced “global village technology” has not resolved any of the problems, but rather been more of an obstacle

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in the path of independent and self-reliant development, as it does not really cater for the needs of the people, but rather for the needs of trans-national corporations - providing them with the necessary communication and information infrastructure so that they can broadcast their material. The globalisation of the media world in a certain sense plunders the local cultures (Scheider, N 2002:8). The local productions are too expensive to produce, so the local broadcasters import “foreign culture” which influences the local cultures, thus limiting the possibilities of developing local cultural identities.

Another aspect of the cultural fragmentation within the global village is the sense of homelessness. Yes, the world is connected and there are thousands who have exchanged their local/national job for a global job and are continuously travelling around the globe. They work in the global village, travelling on intercontinental flights from one conference facility to the next. “Lost to everyone and to themselves, the career travellers then pour out that crippling sense of emptiness and solitude which takes hold after the eighth intercontinental flight of the year. The familiar surroundings in which they take their rest are global indeed, but in the end also monotonous and unbearable” (Martin & Schumann 1998:19).

Summary: Unpacking the story of marginalisation – the media story

The global media is controlled by ever fewer media corporations and thus the world is united as it is exposed to a single visual and information code. This single visual information code marginalised local cultures and local news. CNN is broadcasted in hotels across the globe and thus the global villager is at home everywhere, but also nowhere. The culture of the global village with all its benefits is a culture of homelessness as the individual is at home nowhere, but in the abstract global village.

Conclusion: The media story of the global village is on the one hand the story of ever greater unity as the smaller media corporations are being bought up by the media giants and thus ever fewer corporations are operating globally. In the global village there is developing a single visual code which is expressed in advertising as well as in the film industry. Yet this single visual code does not achieve unity, but rather brings about fragmentation as this global visual code is incorporated into the local narratives and very often is in conflict with the local narratives. The global culture that is developing amongst the villagers who are working for the trans-national companies and thus are jetting around the globe is a culture of homelessness and fragmentation as they are at home everywhere and thus nowhere.

Summary: Unpacking the story of marginalisation and fragmentation

Unpacking the historical setting of the stories of marginalisation and fragmentation in the world capitalist order The story of economic development In the process of globalisation the developing world was marginalised from the very beginning. Although there were moments of hope within their story, the dominant theme in this story is systematic marginalisation and exclusion. The developing world does not really have much say in the major economic decisions that are made which will influence the globe as these decisions are taken by the developed countries. The fact that the USA refuses to sign the Kyoto agreement is an expression of the power imbalance between the villagers and those marginalised from the village.

The labour market in the global village fragments the village into villagers and those marginalised from the village, in other words the unemployed who do not have a place in the village. In Chapter Three (3.3.1) the story of the homeless community was told as a story of persons who had lost their employment and were thus ostracised to the pavements of the global village. The fragmentation is not only between those who have employment and those who don't, but also amongst the villagers themselves as those with employment continuously live in fear of losing their employment. This fear is also exploited by the companies to demand overtime without pay. This fear fragments the villagers as they live in competition with each other, but also their families, as very little time is left for family life (Chapter three: 3.2.3).

The demise of the nation state: In the global village democracy is being threatened because the market is dictating to politics. The needs of the global market are dictating the political agenda of the national governments. In a certain sense human rights are giving way to the rights of the market, suggests economist Franz-Josef Hinkelammert (Börger 2002:20). This causes a great amount of helplessness and frustration amongst the villagers as they feel helpless and caught and thus seek scapegoats to blame. This searching for scapegoats has caused an increased xenophobia and a rise in fundamentalism, thus creating more tensions within the village and fragmenting society. The nation state is faced with numerous social, economic and political problems which it cannot really address as the political agenda is determined by the pressures of the market. This frustration is then expressed in various forms of political unrest and social instability.

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12. INTRODUCTION TO THE SECOND PERSPECTIVE: THE GLOBAL VILLAGE AS A NARRATIVE SETTING

In the first perspective of Chapter Four: “Unpacking the story of the global village”, I described the global village by telling and retelling the stories from various points of view. The first point of view could be described as the ideological story or the dominant discourse of the global village. These are the stories told by those who benefit or support the processes of globalization. The second point of view is developed from the stories of those who are marginalised from the global village namely those who feel fragmented and lost within the processes of globalization. These stories from the two differing perspectives were told under various themes, namely economic, labour and nation state. The ideological story (discourse) of the global village is a story of a unified homogeneous world, which has been united into a single entity through economic development leading to economic interdependence and the spread of information technology throughout the world linking every part to the world wide web. I also reflected on the stories of the interconnectedness of the labour market in the global village. Besides the economic and technological stories which have united the world there is also the environmental story of the survival of our planet which also unites the globe together in a basic struggle for survival. This first ideological story can be described as the visional dimension – that dimension which provides the villagers with the symbols and metaphors with which to understand and interpret reality within the global village.

Yet the personal stories of individuals, families and communities were stories not of a unified world, but stories of fragmentation and marginalisation. These stories are not stories of a unified world or of a cosy global village where everybody lives in harmony, but they are stories of homelessness - spiritual, psychological and social homelessness as well as physical homelessness. These personal individual stories are in contrast to the visional stories of the global village. These are the stories of concrete practices and realities of the rules and the roles that people enact in their daily lives as they try to

respond to their tendencies and needs.

In this section of the study I will seek to describe and understand this global narrative setting where on the one hand we have stories of unity and homogeneity and on the other hand stories of marginalisation, fragmentation and homelessness. There is a stark contrast between the ideological stories of unity, the benefits of the global village and the “*real*” stories of homelessness. I will be looking at Browning’s first pole (Browning 1991: 61) which seeks to interpret the practices of individuals within the narrative field of experience.

13. GLOBAL VILLAGE AS A NARRATIVE SETTING – A SOCIAL AND CULTURAL PHENOMENON

13.1 Introduction

Before I can unpack the story of the global village as a narrative setting, I will first have to seek to understand globalization as a cultural phenomenon and thus as a possible narrative setting. In the previous section I reflected on culture in the global village, but from the media point of view. In this section I will reflect on the ‘culture’ of the global village from a sociological point of view.

I will seek to understand the global social setting in which individuals live.

The question I am seeking to understand in this section is: **“Can an individual understand him/herself (personal identity) or socially construct their reality without considering the processes of globalization?”**

13.2 Globalization and experience of self

In Chapter Two (8.3.2 Narrative understanding of self/personal identity) of the study, I reflected on the understanding of personal identity as an interaction of various narratives. The individual self understood him or herself within the setting of the narratives of the society into which she / he was born. In a world that is compressed into a global village the individual self needs to understand him/herself within this global narrative setting. The individual’s future story is no longer only dependent on the story of his / her society or nation, but is dependent on the world as a whole namely as a global village. Certain things have developed in such a way that the individual person is linked to the global story, therefore Robertson can speak of a consciousness of the world as a whole. Is the global village a symbol with which to understand oneself and one’s actions?

13.2.1 A few examples of how the individual story is connected to the global story

13.2.1.1 The global economy

The individual's economic future is dependent on the global finance markets as his or her financial security is dependent on these markets. The financial security is not only the investments of capital on the finance markets, but also the availability of employment opportunities. If the finance markets should collapse then directly and indirectly, as a result of this collapse, everybody's lives are influenced – both the global villager as well the marginalised. The inflation rate in one country is influenced by the oil prices in another country. Economically we cannot see ourselves in isolation, but need to see ourselves within the economics of the global village. Therefore the individual's economic story is set within the context of the global village's economic story.

13.2.1.2 Global military order

If atomic war should erupt, that would mean the end of the world as we know it. This possibility is a real possibility and determines the way the individual interprets his or her story of the future.

13.2.1.3 Global environmental factors

The destruction of the rain forests in South America and central Africa, the pollution of the oceans, the plundering of the natural resources and the pollution of the atmosphere are just a few of the environmental issues influencing the whole globe. The individual living in the global village is either conscious or unconscious of these issues, but it forms part of the setting in which he/she has to make a living.

13.2.1.3 Global pluralism

The compression of the globe into a global village has created a new heightened awareness of other cultures and religions. In the past an individual might have objectively been aware of the existence of other cultures and religions, but in the global village he / she is subjectively confronted with the reality of a Muslim or a Buddhist at the work place, on the school bench or on the street as an Islamic economic refugee seeks shelter. Stanley Fish call this multiculturalism "boutique multiculturalism, which is "the multiculturalism of ethnic restaurants, weekend festivals, and high profile flirtations with the other in the manner satirized by Tom Wolfe under the rubric of 'radical chic'"

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(Fish 1997:378).

The world cup fever that seized South Africa was experienced by everybody and created a world consciousness. The individual for the first time in history has to define himself/ herself within the setting of world consciousness (global consciousness) which can be described as a global field of experience.

In the last few years social scientists had become more and more aware of trans-national social processes (Kilminster 1997:257).

Martin Albrow, gave a sociological definition of globalization: “This is the process whereby the population of the world is increasingly bonded into a single society” (Albrow 1992: 248).

Albrow is not saying that the world is becoming a single unified society or that it will inevitably become one, but what he is saying is that there is a sociological process or a trend which can be identified that is bringing people closer and closer together and bonding them into a single society namely a global society.

Globalization, as a social phenomenon, forces social scientists to rethink their most fundamental category namely society. In the previous perspective the study reflected on the demise of the nation state and in the old social theories society was equated with the nation state (Scott 1997:4). If the nation state does not really exist anymore, within the global village, it forces social theory to rethink this category. In the past it was within the nation state that cultural identity and homogeneity were sought, but within the global village the state has abandoned this task to the market forces (Scott 1997:4).

“The substantive analysis which lies behind and is thought to warrant such dramatic proposals rests upon a general diagnosis of late/postmodernity which focuses not on increasing cultural homogeneity and universalism - as the theory of modernity typically did - but upon diversity and fragmentation. It is this emphasis which has drawn globalization theory into the general domain of the social theory of postmodernity” (Scott 1997:4-5).

There are differing theories with regards to globalization. Some of the theories connect globalization to modernity and others to postmodernity. I would like to agree with Robertson (Robertson 1992:53) as he argues: “I also argue that globalization is intimately related to modernity and modernization, as well as to postmodernity and postmodernization.’

I would briefly like to unpack this statement by looking at the connection to modernity and postmodernity.

13.3 Globalization and modernity

Theories which closely connect globalization to modernity see globalization as the globalizing of modernity, in other words, that a specific model of modern society is globalized, for example the ‘*American way*’ (Scott 1997:5). In the previous section I reflected on the cultural imperialism that is certainly taking place because of the dominance of certain countries with regards to media and media technology. The question is, What is it that is globalized? Is it a certain culture, for example the American way, or western culture which is globalized or is it something else which is determining global culture? Scott believes that it is not a specific culture which is being globalized, but a certain way of life. In other words there is no specific culture such as Western culture which is spreading throughout the globe, but there is a global culture that cannot be seen to be Western, or Eastern, or African, but in a sense it stand above local cultures and sees cultural diversity as something which can be marketed and sold. This culture can be seen as an economic culture which is the cultural context of the economic order of the global village. Some have described this global economic culture as consumerism.

“That ‘solution’ centres on the idea of economic culture, the ideas, values, symbols, and so on, which are more or less directly available for and implicated in economic action. While implied by Marx’s concept of commodity fetishism and even more clearly suggested by Weber’s devoting most of the last ten years of his life to the analysis of the ‘economic ethics’ of the major religious traditions, the notion of economic culture has had a surprising ring to many modern ears precisely because it puts together (again) that which had previously been analytically rendered asunder (*the materialism-idealism schism*)” (Robertson 1992:45).

It is this economic culture which is spreading around the globe as the dominant culture of the global village.

“What is being sold in all cases is the idea of selling - of consumerism - itself; the idea that the world is a market of cultural artefacts and resources from whose vast range the consumer must choose” (Scott 1997:5). Consumerism is the economic culture of the global village. A ‘good society’ is no longer determined by the public discourse or public values and standards, but by the consumer preferences.

In this sense globalization is closely related to modernity as a single economic culture has emerged which is the value context within which the economic activity of the global village can function.

13.4 Globalization and postmodernity

In modernity there was the movement from the particular to the universal. Even in social theory the particular discoveries were universalised and became universal principles. In the process of globalization there are two processes working at the same time, namely localising tendencies as well as globalizing tendencies (Scott 1997:7), thus in the global village there is a lot of room for diversity. Yet, what makes globalisation interesting is that the local tendencies come into contact with other local tendencies within the global village and this brings about the diversity of the global village. These differing local tendencies interact with each other as they become aware of each other in the global village and therefore a process of relativization begins a movement away from universalism and absolutes towards relativity, as that which once was seen as absolute within a specific local context is confronted with absolutes of a different local context and thus is questioned. In this sense globalisation and postmodernity have much in common. “An argument I have been making all along is that one of the major consequences of globalization is the relativization of ‘narratives’ “..... If one of the major features of globalization is the compression of the world, one of its main consequences is an exacerbation of collisions between civilizational, societal and communal narratives” (Robertson 1992:141).

As these narratives collide with each other they also become relative to each other which is also the story of postmodernity.

“Or, to put it in a very different way, there is an eerie relationship between postmodernist theories and the idea of postmodernity, on the one hand, and the geopolitical ‘earthquakes’ that we (the virtually global we) have recently experienced, on the other” (Robertson 1992:50).

Yet although the nation state is losing its influence, each society has its own particular situation, circumstance and story to tell and so it is not possible to place a universal model of globalization on all societies. But I will propose a way of understanding the situation of the individual as well as community within a global world and how these individuals and communities make sense of their reality with the various stories they have at their disposal. This means that the individual or community lives within the global field of experience where the converging tendencies of the global world system interact with the divergent tendencies of the specific context. There is an interaction of the global stories with the individual community stories within this field of experience. In Chapter Two of the study, personal experience was placed within the narrative context and understood within the context of various narratives, the narrative of the individual

experiencing, the narrative of the community (context) as well as the sacred narratives which run through all the stories.

Summary: The global village can certainly be seen as a narrative setting in which the individuals have to understand and interpret his/her identity and reality. There are various global realities which makes it impossible not to take globalisation into consideration, namely:

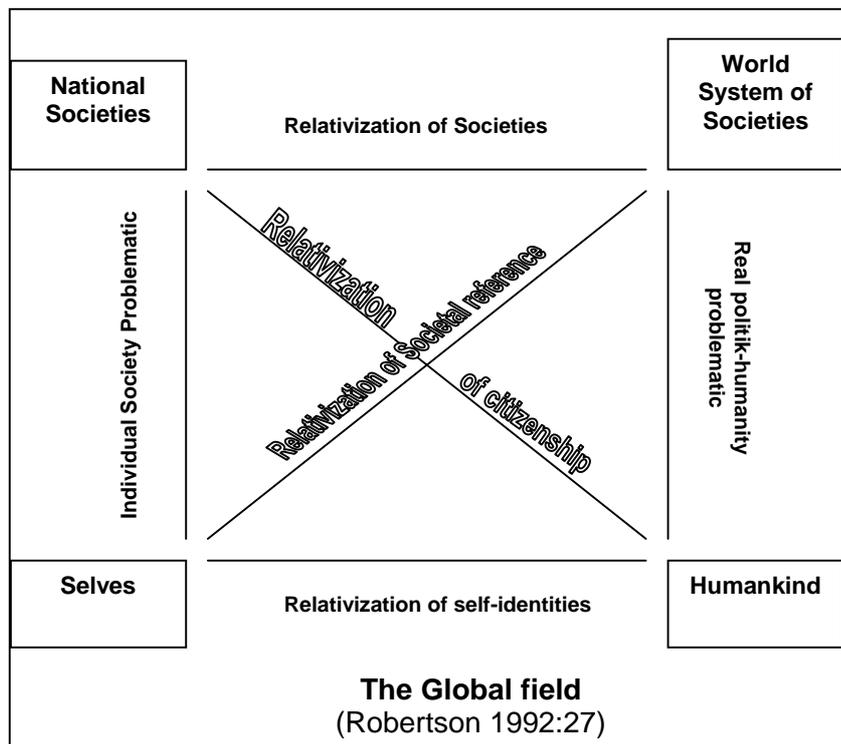
1) global economic reality, 2) global military order, 3) global environmental factors and 4) global pluralism.

14. GLOBAL FIELD OF EXPERIENCE/ GLOBAL NARRATIVE SETTING

Robertson, (Robertson 1992: 25) makes use of a model which takes four aspects (reference points) into consideration.

“These are national societies; individuals, or more basically selves; relationships between national societies, or the world system of societies; and, in the generic sense, mankind, which to avoid misunderstanding, I frequently call humankind” (Robertson 1992: 25).

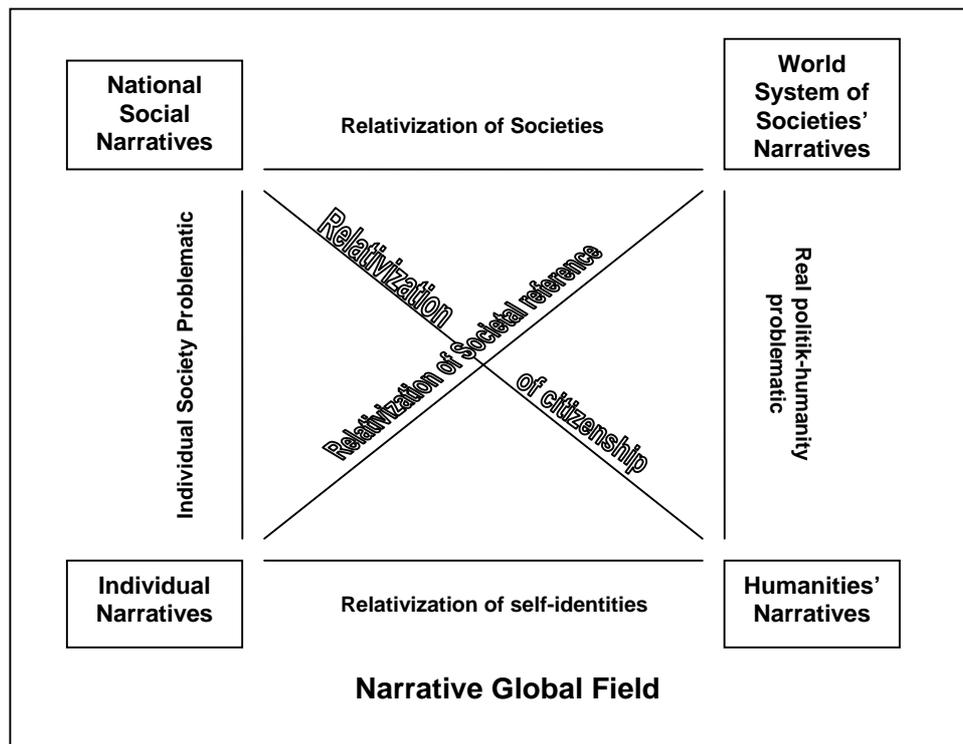
The average citizen of the globe is forced to think of the world as a whole or more specifically he/she has to relate to the global economy (Robertson 1992:26). Therefore it is important that I bring in the global field in which the individual needs to interpret his or her experiences. Robertson used this model mainly in an analytical sense for interpreting the experiences of individuals and collective communities. Below is Robertson’s model (Robertson 1992:27):



“This model gives the basic outline of what I here call the global field, but which for other purposes I call the global-human condition. The figure indicates the four major components, or reference points, of the conception of globality, the basic way in which we are able as empirically informed analysts to ‘make sense’ of globality, as well as the form in terms of which globalization has in the past few centuries actually proceeded” (Robertson 1992:27).

This model of the global field is a useful tool as it allows for the complexity of globalization and does not confine globalization to one single aspect. It creates space to describe globalization from a cultural perspective. This cultural perspective can also be understood as the narrative perspective as it is within this cultural description of globalization in which individuals and communities tell their stories, in other words where they find the resources to understand and interpret themselves as well as order their world as villagers of a global village.

I will not use Robertson’s model as an analytical tool, but will adapt his model as a possible metaphoric tool to be used to describe and understand the narrative setting in which individuals and communities makes sense of their lives within the global village. My adapted version of the **Narrative global field**:



Summary: The global narrative field of experience is a very useful tool with which to describe globalization as it does not reduce globalization to a single aspect, but understands it within various different relationships and on various levels.

15. NARRATIVE GLOBAL FIELD OF EXPERIENCE

The stories which I reflected on in Chapter Three as well as the stories reflected upon in this chapter are all stories which are consciously or unconsciously set within the global field of experience. Globalization is a reality which cannot be denied and thus needs to be taken into consideration when seeking to understand the stories that are told.

The stories I have reflected upon in this chapter are stories of individuals and of groups (companies) who are trying to interpret their reality and their lives within the global setting. The globalization process, taken from the point of view of economics and technology, can be described as a unifying story which cumulates in the global village. Yet the stories are not stories of unity, but stories of division, fragmentation and homelessness. One only needs to follow the news to become aware of rising competition in the global labour market, escalating ethnic violence in various parts of the world, an increase in fundamental groupings, an increase in far right groups and conservatives and an escalation in religious conflicts. The dominant characteristic of the

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stories told by individuals in the global village are stories of 'homelessness', which is in contrast to the dominant story of the global village itself which is a story of unity and connectedness.

I have unpacked the possible dominant themes and discourses of these fragmented and marginalised stories and I will now place these stories within a global narrative setting.

If I look at Robertson's Global field of experience I see the four main reference points (national societies, world system of societies, selves, humankind). Between these reference points I see processes of relativization which takes place as the world is brought closer together. The national society is relativised by the world systems as I have reflected on in this chapter – how the nation state is relativised by the economic world system. The individual self is relativised by having to discover him/herself within not just one culture, but the various cultures of the globe.

When Thomas Kuhn was working on his theory of paradigm shifts within scientific revolutions, Talcott Parsons (1961) was working on a similar theory with regards to cultural reorganisation. Parson's model can be described in the following way: from time to time societies are confronted with disparities between cultural models and the reality they are living in. This situation then calls for cultural reorganisation and this can be understood as a cultural paradigm shift.

If I take Parson's theory and place it into the global field of experience I can only imagine the amount of cultural reorganisation that takes place. In the global village realities do not only change at a tremendous speed because of technological development, but localised interpretations of realities are continually being confronted with other localised interpretations of realities. Each individual is born into a certain narrative setting (cultural setting) and from this setting he/she receives the narrative tools (symbols, metaphors and beliefs) by which to order, interpret and understand reality. Within the global village these local narrative settings are placed into the context of the global narrative setting, which continually challenge the local narratives with regards to the ordering, interpretation and understanding of reality.

This is a characteristic consequence of globalisation and it affects the individual living in the global village.

A possible result of this process can be that the individual no longer feels connected and at home, but rather disconnected and 'homeless' as his or her narrative setting is continually being challenged and thus relativized.

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“Insofar as [present realities] have brought us a global present without a common past [they] threaten to render all traditions and all particular past histories irrelevant” (Arendt 1957:541).

The global village is experienced not as a unity or a connected world, but as a disembedded world (Altvater & Mahnkopf 1997:306).

Therefore the story of globalisation, which essentially had economics as its main theme, has in the process affected every aspect of human life.

In the previous section of this chapter the study described the development of the economic story as the main theme of globalisation, therefore one can argue that the economic story was the dominant story (discourse) from which individuals/societies received their symbols, metaphors and beliefs by which to order their reality and justify their actions (Robertson 1992:45).

“...the idea of a self-adjusting market implied a stark utopia. Such an institution could not exist for any length of time without annihilating the human condition and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness. Inevitably, society took measures to protect itself, but whatever measures it took impaired the self-regulation of the market, disorganized industrial life, and thus endangered society in yet another way. It was this dilemma which forced the development of the market system into a definite groove and finally disrupted the social organization based upon it” (Polanyi 1957:3-4).

It is this story of disembeddedness that I will reflect on within the context of the global narrative setting.

This disembeddedness has its roots and origins in the economy, but filtrates into all the areas of human and social life. The economic story with the technological development brought the world together into the global village with its finance markets and global markets playing the dominant and central role. It is the development of the global and finance market that brought about this “*great transformation*” and the disembedding not only of the economy, but of all social relations

“Thus the historical process of ‘disembedding’ is indeed a ‘great transformation’ from traditional to modern relations. In place of the exchange of products, which has a very long history, all areas of human communication are taken over by forms of commodity exchange. ‘Market economization’ [Vermarktwirtschaftung] means the domination of commodity production and circulation (‘commodification’) and the subordination of all relationships to its logic” (Altvater

& Mahnkopf 1997:307).

Humanity has created this economic global village, yet this village has power over its creators. Humanity does not live as the creators of the economic system, but rather as its victim as if the current world system is understood as inevitable and everyone is forced into its mechanisms.

“These disembedded relations are human creations which, however, exercise an ‘objective compulsion’ [*Sachzwang*] over their creators” (Altvater & Mahnkopf 1997:307).

I will be reflecting on the development of these disembedded relations according to the narrative global field of experience.

15.1 The disembedded narratives of national societies

In the previous section of this chapter I reflected on the demise of the nation state as part of the story of the global village. In this section I will shortly reflect again on this demise, but from a sociological point of view as a process of disembedding within the adapted understanding of Robertson’s Global Field.

Within the global context the national society plays less and less of an important role in the social understanding of human existence. In the past the national society played a central role in traditional modern sociology, which concerned itself with the movement from *Gemeinschaft* (community) to *Gesellschaft* (Society) (Robertson 1992:11). Within the global village there now is a movement from society to globality as individuals need to understand themselves within the global context.

15.1.1 Relativisation of societies (Robertson 1992:27)

Polanyi describes the first stage of disembedding as the separation of the economy from the society (Altvater & Mahnkopf 1997:309). I have discussed this in the previous section of this chapter - the demise of the nation state, where the global markets as well as the global finance markets forced the national economies to separate from national politics. The world economic system thus relativizes the influence and power of the nation state (national societies). The nation state is disembedded within the global world order.

The nation state which in the past gave the individual a feeling of security, order and

national identity is being eroded away. The nation state within the world system of societies can no longer guarantee employment opportunities, can no longer guarantee a national identity and the global labour market has opened itself to such an extent that individuals have become global citizens. If one thinks of the many South Africans living in London, the world has opened itself up as people seek employment throughout the globe. The narratives that they brought with from South Africa for interpreting their reality are being challenged by the new narrative setting (of a new country) in which they find themselves.

15.1.2 Individual-society problematic

The implication is that the global economy is also beyond the control of democracy, thus society can no longer be held together by politics and national states, but is determined by the global market processes. Society is controlled by the dictates of the market and therefore there is no longer any strong form of cohesion which had a unifying effect on a society.

The individual and his or her democratic power is diminished by the dictates of the market and the only way that the individual can influence society is indirectly through ownership of capital. "Social participation is then possible through commodity ownership or better still through monetary wealth" (Altvater & Mahnkopf 1997:312). People feel that they are powerless and cannot do anything to change their situation or the situation of the world. Thus individuals feel disembedded from politics and the future of the world, bringing about a certain sense of hopeless and powerlessness.

Individuals are also disembedded from society as competition for employment is increased through the labour market of the global village and money creates distance between people. As the labour market gets tighter so also the feeling increases that everybody else is a possible threat as they (the other) might take the job. One very often hears, both here in South Africa and in Germany, that the foreigners are taking away our jobs and this leads to a heightened xenophobia.

15.1.3 Relativisation of citizenship

"Mass production and mass consumption, which entail rendering cultural patterns of social communication uniform, have in time created a rich cultural soil for disembedding yielding a paradox: disembedding results in a renewed embedding; the 'disenchanted world' (Max Weber) acquires a new enchantment. All this clearly does not mean a reversal of disembedding and disenchantment. On the contrary, it creates a cultural buffer which enables the effects of the

‘mechanisms of disembedding’ and the processes which they bring about to have a ‘soft landing’” (Altvater & Mahnkopf 1997:312).

Where does an individual belong to? To which cultural group and to which national society does he/she belong to? Many have become global citizens and the new ‘enchantment’ of the global village buffers this loss of citizenship or this relativization of citizenship.

15.2 The disembedded narratives of the world system of societies

The world system of societies can also be described as the economic global village. The economic global village is the system to which the world and her societies are connected to each other in a single economic system, namely the global market and the finance markets.

Money and markets have developed over the last few centuries. The story of this development has been reflected upon in the previous section of this chapter. Money has developed from a medium of communication or circulation, which obeys the laws of commodity exchange, to a medium which has a life of its own. A stage in the development of money has been reached where it has its own momentum and own life, with the only goal not to exchange, but to accumulate more money. Aristotle already made us aware of this danger where money disregards “the good of the society” and is only interested in accumulation of more money (Chapter Four: 2.1 The early beginnings of the story).

The individual self is characterised according to debt and credit.

I have described how money has been disembedded from the real economy with the financial global markets. With these financial markets there was created a hierarchy of markets: “the money market directs the goods market whose development directs the labour market, i.e. the system (and the level) of employment” (Altvater & Mahnkopf 1997:316).

“Market economies are, as the ‘monetary Keynesians’ emphasise, money economies, and money decodes their laws of movement. Thus distantiation between persons through money becomes possible, thus the economy disembeds itself from society, and thus money becomes decoupled from the real economy in order to impose its logic on the economy which in turn forces society to obey it as ‘Sachzwang’” (Altvater & Mahnkopf 1997:316).

15.3 The disembedded narratives of selves

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The self (personal identity) in the global village is created through various narratives: the narratives of experience, the narratives of the social context with the aid of the narrative tools of our culture and the sacred stories into which the individual is born which can be described as the narrative setting. The narrative setting is the culture into which the individual is born, or find him/herself.

“Culture is a repository of symbolic forms and social and individual experiences. It is the medium for personal, interpersonal and group exchange, expression and reception of ideas. Its mesh ties together personal ambitions and desires to a legitimate moral order and political action, authority and the economic system. Through culture, people create moral and epistemic parameters to control, yes, but also enhance their social and personal lives, in a way they can come close to and accept them as their own. It is a medium for the construction of meaning in those lives and a channel for transmitting and exchanging that meaning and knowledge - it is a ‘form of life’, yes, but also a process for creating new lives and meanings and cultures” (Gurnah 1997:126).

The narrative setting of personal identity in the global village needs to take global setting into consideration.

The global setting influences the narrative setting of the individual. This setting then forms the basis from which she/he develops his/her identity /story of self.

The narratives of this narrative setting are no longer the traditional narratives of the family or cultural group, but all the stories with which we are bombarded with over the radio, television and media in general. Regional narratives and cultural stories are exported via the communications network throughout the world, so that which once was part of the individual cultural group’s narrative setting, now becomes part of the global setting. For example “... the commercialization and therefore internationalization of regional music through radio- calypso or rhythm and blues or Congo jazz -” (Gurnah 1997:123) and thus it all becomes part of a global complex of culture. The 1960s in the USA did not, only have an influence on the USA, but had an effect throughout the global village.

Daily the individual who is exposed to the global culture complex has to re-write his/her story within this context. Images and symbols from once different worlds are brought into the living room and these symbols, images and stories challenge our stories and narrative setting and they relativize them.

Gurnah describes this challenge in the following way: “Metaphorically speaking, these

processes act through the concepts and cultural icons in such a way that later they may act rather like charged electrons in a chemical reaction. The 'charge' then enables exchange between two or more fairly 'stable' cultures when they make contact or 'touch' each other" (Gurnah 1997:128).

15.4 The disembedded narratives of humanity

"The persuasiveness of popular culture, its apparently universal appeal, stands for the existence of a global culture, one that transcends or erodes national cultures. Indeed, popular culture is held to represent more than just the spread of particular stars or products. It also symbolizes the establishment of an accompanying infrastructure. The key networks of global communication (and the industries organized around them) are those of the entertainment business" (Street 1997:75).

It is as if humanity does no longer live for itself, but lives in the lives of those that the entertainment world provides. The overwhelming response to Big Brother and all the other reality shows might be signs of this disembedded nature of humanity. We live in others and no longer in ourselves. The life of the global villager is prescribed via the entertainment world.

Summary: The narrative global field of experience is a metaphoric tool that helps us understand and interpret globalization. Globalization can be described by interpreting the various processes of relativization and disembedding between the different levels of the narrative global field of experience.

16. GLOBALISATION AND HOMELESSNESS (NOSTALGIA)

The problem of nostalgia or homelessness needs to be brought into consideration as it describes the "*lostness*" of individuals and communities in the global village. Robertson understands the relationship between Nostalgia and globalization to be: "Theorization of nostalgia is the 'flip side' of the theorization of globalization" (Robertson 1992:146).

Nostalgia as a condition can also be described as homesickness or homelessness (Robertson 1992:155). In the previous section the study reflected on the disembedding processes which are at work within the Global setting. It is exactly these disembedding processes which produce this feeling of homelessness.

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This feeling of homelessness stands in direct contrast to the ideology of the unity and small quaint homely global village. The dominant discourse of the global village is the story of unity, yet this story is a problematic story as it does not give sufficient interpretation to the experienced reality of the global village and thus clouds the story of the future. The story of the future is characterised by a feeling of *lostness* and *homelessness*. The past is no longer connected to the future. “The past no longer carries us to the future, it simply leaves us worried, without any promise that things will be different” (Nouwen 2002:15). The past and the future are for many in the global village no longer connected and this is where the problem story comes in, as communities and individual search for new meaning and interpretation that can connect the past to a future filled with hope and not a future without any hope.

Henri Nouwen describes this condition within the global village in the following way: “boredom, resentment and depression are all sentiments of disconnectedness”(Nouwen 2002:14). This disconnectedness is part of the disembedding that was described in the previous section. Nouwen continues and says that “Loneliness is without doubt one of the most widespread diseases of our time. It affects not only retired life but also family life, neighbourhood life, school life, and business life. It causes suffering not only in elderly people but also in children, teenagers and adults” (Nouwen 2002:14). The everyday practices and actions are within this context of fragmentation, of disembedding and disconnectedness, yet the dramatic resources of the global village tell a story of unity.

“The deep and seemingly unshakable melancholia that holds sway over large segments of our global village has led many in popular culture as well as the academy to talk about the world entering a postmodern era” (Harvey 1999:6).

In conclusion: it can be said that although the dominant story (discourse) in the global village is one of unity and connectedness the most common story of individuals and communities (both villagers and marginalised) living in the global village is one of disembeddedness and ‘homelessness’.

17. SUMMARY OF CHAPTER FOUR

Chapter 4: Describing and unpacking – the story of the past and the clouded story of the future.

Description of the terms: “Globalization”	“Globalization as a concept refers both to the compression of the world and the intensification of consciousness of the world as a whole” (Robertson 1992:8).
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and “Global Village”.	
Unpacking the story of the global village – globalization	The story of the global village will be unpacked from two complementary perspectives: A. The first perspective: the story of the development of the global village B. The second perspective: unpacking the global village as narrative setting
<u>The first perspective: The story of the development of the global village</u>	
Unpacking the story of the development of the global village – the world capitalist order.	After the fall of the Berlin wall and the demise of socialism there has been one dominant world economic system namely the capitalist system which can be seen as the dominant theme of the story of the development of the global village.
The early beginnings of the story	The first interpretations and descriptions of the economy and economics as well as the role of money and markets.
The early beginnings of the markets up to the middle ages.	The early markets were embedded in the communities and were part of the community life with the sole purpose to serve the community.
Mercantile markets	Mercantile markets were the first markets to be disembeeded from the community as they were national markets. These markets no longer served the needs of the community.
The capitalist market	The capitalist market developed and for the first time in history there was the process of commoditisation (land, labour, and capital). This opened the door for exploitation of these three.
The final stage in the development of the world capitalist order - the market of the global	In the world capitalist order of the global village there are two main actors, namely the global market and the global finance market. This final stage’s development can be described in three stages.

village.	
Unpacking the story of the global village – the demise of the nation state	The global market and the global finance market developed to such an extent that the nation state could no longer control these global economic processes. These global processes then started dictating to the nation states with regards to various economic policies. The relationship between economics and politics has its own story as the two battled for power. In the global village the nation state no longer has any control over the global economy and therefore the need for international institutions arose who could facilitate and regulate the global markets.
Unpacking the story of the global village – the division of labour.	The global village has opened the labour market to such an extent that labourers compete globally for wages and labour conditions. Yet in a world with such discrepancies between rich and poor this creates opportunities for absolute exploitation of the global labour market. The dictating power of the finance markets places tremendous pressure on the local companies to increase the profits. The companies in turn can only place the pressure on the weakest link in the production process, namely the labourer, thus forcing wages to the absolute minimum.
Unpacking the story of the global village – the world military order.	Not only do the global markets need protection, but also the dominant ideological discourse of the capitalist market needs to expand globally thus bringing about the global military order. This military power is not only kept in place by military weapons, but also other subtle weapons such as food and development aid.
Unpacking the story of the global village – the ideological media of the global village.	Can one speak of cultural imperialism within the global village? Ironically globalisation has brought the world into contact with the diversity of cultures, religions and world views yet one cannot ignore the role that technology plays in the interpretation of different cultures and religions. The domination of the global media, communications and information market by those who have the technology and the infrastructure in place.
Unpacking the story of the fragmented and marginalised from the global village.	There have been alternative stories to the dominant story of the global village. A story of those who have been marginalised from the global village. It is a story of fragmentation and of further marginalisation to such an extent that the global village is globally marginalising more and more communities and is bringing about greater fragmentation.

The second perspective: The global village as narrative setting.	
The global village as a narrative setting – a social and cultural phenomenon	The global village can certainly be seen as a narrative setting in which the individuals have to understand and interpret his/her identity and reality. There are various global realities which makes it impossible not to take globalisation into consideration, namely: 1) global economic reality, 2) global military order, 3) global environmental factors and 4) global pluralism.
Global field of experience/ Global narrative setting	The global narrative field of experience is a very useful tool with which to describe globalization as it does not reduce globalization to a single aspect, but understands it within various different relationships and on various levels.
Narrative global field of experience	The narrative global field of experience is a metaphoric tool that helps us to understand and interpret globalization. Globalization can be described by interpreting the various processes of relativization and disembedding between the different levels of the narrative global field of experience.
Globalization and Nostalgia	In conclusion it can be said that although the dominant story (discourse) in the global village is one of unity and connectedness the most common story of individuals and communities (both villagers and marginalised) living in the global village is one of disembeddedness and ' <i>homelessness</i> '.

18. IN CONCLUSION: DESCRIBING THE PROBLEM STORY OF THE GLOBAL VILLAGE.

I began this chapter with a description of every day life in the global village. From this description dominant characteristics were identified, although this description is only one view of the global village and the process of globalisation is a lot more complex. Through the process of unpacking the story of the development of globalisation I gained a deeper understanding of the story of globalisation or the story of the global village. One's experience of life within the global village is that the world can be seen to be connected via the economic markets and communications technology. This experience is a very dominant experience as it nearly affects most areas of life. This can be seen as the ideological visual dimension of life in the global village. Yet there is another dominant experience and that is the experience of fragmentation and homelessness. This fragmentation is experienced in various differing forms:

- The division of the world into rich and poor communities and the ever widening gap between rich and poor.
- The rise in cultural religious conflict. Most of the conflicts of the last decades have been either religious/ideological or cultural.
- The rise in genocide.
- The rise in fundamentalism
- The environmental impact on the planet.
- A general feeling of nostalgia
- A loss of values and standards.

Life in the global village is characterised by both of these experiences, fragmentation as well as unification into the global village. Yet these are conflicting experiences I sought to unpack the story of the global village to gain a deeper understanding of these conflicting experiences. One of the characterising experiences in the global village is that of fragmentation and nostalgia or homelessness. To get a better understanding of these experiences, or to get a deeper understanding of the problem story, I needed to unpack the story of the global village. In this chapter I tried to develop a fuller understanding of the global village and I did this by looking at the development of globalization from two perspectives: the one, a more modern perspective looking at the development of the global village; the other a postmodern perspective looking at the global condition, the global setting in which individuals and societies find themselves.

The story of the development of the global village looked at the driving mechanisms behind the development of a global village. The dominant story in this development was the world economic order which acted as a driving force bringing the world economically and technologically closer and closer together. The economic story thus provided the global village with the necessary symbols, metaphors and narrative resources by which to justify the unity and connectedness of the global village. So, economically the world is connected and united into a global village, yet the daily experience is not that of connection or of unity, but rather of fragmentation and homelessness.

I also discovered that the story of fragmentation, especially economic fragmentation (division into rich and poor), is a direct consequence of the economic story of the global village and that in a certain sense the economic story of unity and connectedness is an ideological story (discourse) which offers insufficient narrative tools with which to make sense of perceived reality in the 'global village'. In Chapter One of the study I reflected upon the villagers and the marginalised and that these two groups have differing challenges. After unpacking the story of the global village these two are brought closer together, as the villagers (being those who directly economically benefit from the global

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village) and the marginalised (those excluded from the economic benefits of the global village) are both experiencing a sense of homelessness – the villager's experience an emotional/spiritual homelessness and the marginalised, a physical homelessness.

The second perspective then placed this experience of homelessness into a global narrative setting thereby giving a fuller description to the story of homelessness within the global village.

“Rather, I am insisting that both the economics and the culture of the global scene should be analytically connected to the general structural and actional features of the global field” (Robertson 1992:51).

I will bring the problem story, which has its root in the clash between the experienced reality and the visional level of the global village to the classic texts of the Christian tradition and seek new creative resources to interpret the practices and the reality of the context of the faith community.

In the next chapter I will seek alternative narratives and narrative resources (symbols, metaphors) within which the challenges of the global village can be faced. I will look at certain ‘*unique outcomes*’ by looking at communities that have created space for individuals to find alternative narrative resources with which to re-interpret their problem story of fragmentation and homelessness as a story of hope and belonging. These ‘*unique outcomes*’ are based on the redemptive outcome of the story of Christ and therefore they become ‘*redemptive outcomes*.’