

## INTRODUCTION

# Church and Economic Justice

A THEOLOGICAL CONCEPT of the church's mission and its ethical responsibility cannot be properly understood and practiced apart from God's justice for those who suffer in the world. The God who forgives is the One who demands justice. The church is a community of witness to the universality of the gospel, especially in regard to the fragile, the voiceless, and the vulnerable. Economic justice is an indispensable part of the church's responsibility for society. An integration of theology with the study of economics takes on a new and major significance given the reality of devastation that economic globalization has brought.

In the American context, Herman Daly and John Cobb have emphasized the communitarian concerns of Thomas Jefferson, Alexis de Tocqueville, and early Americans in general. This is in contrast to the idea of America as built on individualism and entrepreneurialism. Emphasizing the importance of community in American life, Daly and Cobb take issue with the chief feature of *homo economicus* built on extreme individualism and the divinely implanted force of egoism; in this tradition, God is portrayed as the one who implanted self-interest in the human being as the motive force of progress.<sup>1</sup>

For their communal ethic of economic justice, Daly and Cobb are convinced of the importance of Aristotle's distinction between *oikonomia* and *chrematistics*. The former (from which our word economics derives) is the management of the household; its purpose is to increase the use-value to all members of the household over the long run (including the

1. Daly and Cobb, *For Common Good*, 89.

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larger community of the land, of shared values, resources, institutions, language, and history). Aristotle views the market from the perspective of the community; it utilizes the market as an excellent instrument for the management of the community in terms of increasing use-value while minimizing its harmful effects. However, the latter term, *chrematistics*, is defined as the branch of political economy related to the manipulation of property and wealth; its purpose is to maximize short-term monetary exchange-value to the owner. It seeks unlimited growth, and continues to work for the growth of the market measured by exchange-value.<sup>2</sup>

Daly and Cobb take over Aristotle's concept of *oikonomia* to develop their definition of economics for community in connection to ecology. Economics is directed to the promotion of the life of community and ecological sustainability.<sup>3</sup>

In the Catholic framework, scholars attend to socially concerned, community-building aspects of human activity. The work of Heinrich Pesch, a Roman Catholic economist, was informed by papal encyclicals. He understood economics as the study of the process of providing the material goods of a people, which is bound to the political and social life of the community.<sup>4</sup> Pesch's solidarity model of economics incorporated the idea of community and proposed an economic order and a moral-organic unity that embrace many independent private economic units.

An economic view of the person in community was sharpened in Latin American contexts. Liberation theologians articulated the significance of the poor for Christian theology and its practical mission. They contributed to the field of socio-political liberation, pedagogical liberation (e.g., Paulo Freire's *Pedagogy of the Oppressed*), and the biblical praxis of the base Christian communities. Gutiérrez in his groundbreaking work *A Theology of Liberation* (1971)<sup>5</sup> aptly defined his theology as a critical reflection on Christian praxis in light of God's Word. At Puebla, the phrase "preferential option for the poor" was coined in dealing with God's concern about the poor.<sup>6</sup> In this light the poor are not merely the object of the church's mission, but bearers of God's mission. They are interlocutors of theology, its ethical criteria, and mission. Liberation theology takes seriously the human rights of the poor in stating that "to know God is to do

2. Ibid., 138–58.

3. Ibid., 190–206.

4. Mulcahey, *Economics*, 13–14.

5. Gutiérrez, *Theology of Liberation*.

6. Ibid., xxv–xxvi.

justice.”<sup>7</sup> The mission of the church involves self-repentance by criticizing the prevailing system, which sacralizes the oppressive structures to which the church is tied. Prophetic denunciation is directed against “every dehumanizing situation that is contrary to fellowship, justice, and liberty.”<sup>8</sup>

Against the Western model of colonialism, postcolonial theologians share the concern for liberation. They endeavor to write and work against colonial assumptions, representations, and ideologies in the practice of a resistant discourse.<sup>9</sup> In light of the colonized other, postcolonial theology retrieves the place of victims of the old imperialism and victims of globalization with emphasis on resistance, hybridized identity, and discursive practice. Accordingly, scholars discuss and explore the complex relations between Christian theology, church, and Empire. Insofar as Empire as massive concentrations of power permeates and influences all aspects of life, Christianity cannot avoid the reality of Empire any longer. As Rieger asserts, “Empire seeks to extend its control as far as possible, beyond the commonly recognized geographical, political, and economic spheres, to include the intellectual, emotional, psychological, spiritual, cultural, and religious arenas.”<sup>10</sup>

A study of Europe in the World System of 1492–1992 was undertaken in the “Conciliar Process for Justice, Peace and the Integrity of Creation” (launched in Basel in 1989). This study demonstrates the changing shape of the capitalist world system from the Spanish epoch of the sixteenth century to capitalism in history and the present. It is one of the major guidebooks for us in understanding the contemporary upheavals and crises brought by the economic globalization.<sup>11</sup>

Ulrich Duchrow maintains that meeting the basic needs of concrete human beings and ecological sustainability must become the point of departure for a new economic approach and system.<sup>12</sup> Sharing Duchrow’s concern, Daly and Cobb also attempt to redefine *homo economicus* in terms of person-in-community, moving toward a paradigm shift in economics. Rethinking economics from the view point of person-in-community,

7. Ibid., 110.

8. Ibid., 152.

9. Sugirtharajah, *Asian Hermeneutics*, ix–x.

10. Kwok Pui-lan et al., eds., *Empire*, 3.

11. Duchrow, *Europe*.

12. Duchrow, *Global Economy*, 158–62.

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they are convinced that economy should be embedded in social relations, rather than social relations being embedded in the economic system.<sup>13</sup>

In the recent ecumenical context, we observe serious attempts to improve the church's commitment to economic justice. The WCC document of the 9th Assembly of the World Council of Churches (held in Porto Alegre, Brazil, 2006)—“God, in your grace, transform the world”—discerned the sign of the times tied to the civilization of globalization. It emphasized that human dignity, human rights, and social justice are basic values and the yardstick by which to measure economic activity on a global scale. The economic reality of globalization should be shaped in accordance with promotion of dignity of life, service to human freedom, enabling the expression of cultural diversity. Every Christian must be part of a globalization of justice and solidarity, and appropriate political conditions must create social equality and promote social cohesion.

In the WCC documents we read that global inequality is denounced and a worry is expressed about ecological devastation tied to the process of globalization. An ideology of neo-liberalism is critiqued as a myth—in analogy to Procrustes who waylaid travelers and chopped short their legs to fit into “one size fits all.” In this context the neo-liberal economists are called the Procrustean economists of our time, chopping the legs of poor nations to conform them to the economic program of rich countries.<sup>14</sup>

### THEORETICAL FRAMEWORK: ECONOMIC SYSTEM AND INTELLECTUAL SPHERE

Clodovis Boff develops a liberative–ethical epistemology. According to him, the concepts, notions and facts which are given historically are raw materials to be transformed in accordance with theoretical models. However, the theoretical practice in Boff's sense tends to be disconnected from the social and cultural reality of the “raw materials.” Boff does not acknowledge that human intellectual practice is conditioned by society and history, not independent of them.

According to Boff, a science of interpretation works on existing, given concepts. The theoretical practice or interpretation transforms the raw materials into another concrete knowledge system and the result is knowledge achieved, mediated, and mutated through interpretation of theoretical practice. Because there is no direct identity between the initial

13. Polanyi, *Transformation*, 57; cf. Daly and Cobb, *For Common Good*, 8.

14. *God, in Your Grace...*, 214.

state and the final state, a real transformation, or paradigm shift takes place through the mediation of theoretical practice. Boff calls such reconstruction an epistemological break. Although Boff considers the final state to have been arrived at through the theoretical process, actually it is an abstract principle (dialectic materialism) that drives the interpretive process, including the understanding of social material life that he takes as “raw material.” The whole process, social givens → transformation (analysis, understanding, and interpretation;) → theory (reconstruction) makes a reference to an external, independent reality (the concrete-real). Therefore, it should be noted that this epistemological process is undertaken without experiencing the independent social reality outside of human cognition.

In contrast to Boff, I contend that in the scientific theory of interpretation, it is important to distinguish the concrete-in-thought from the concrete in social reality. The concrete-in-thought provides analogical knowledge of the concrete-real in the social location. As such it is directly driven by the concrete-real, with no epistemological break.

This perspective prevents a literal application of a ready-made knowledge to the society. Without mediation with social concreteness, theoretical practices remain abstract, because they would take place in a vacuum. A hermeneutical engagement with social life connection and theoretical practice challenges any abstract notion of the results of theoretical practice, because hermeneutical logic is undertaken in an open-ended manner in terms of appreciation, critical distance, and reconstruction.

According to Boff the relationship between socio-critical analysis and interpretation of praxis is grounded in correspondence of relations:

Jesus of Nazareth is to his context  
as  
Christ and the church is to the context of the church  
as  
Church tradition is to historical context  
as  
Our theology is to our context.

Boff’s model of correspondence of relations takes into account a dialectical encounter between the text and context in regard to the scripture and our horizon.<sup>15</sup>

Nevertheless, social scientific research and method does not take place in a vacuum, but within life relations between interpreter and empirical data (object of social givenness). A scientific process (raw materials →

15. Boff, *Theology and Praxis*, 147.

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transformation by human labor → product) must not be disengaged from the structure of social relations, in which the scientific process of production takes place. This perspective implies that knowledge is a historically constituted system. Thus socio-historical relations must be included in the production of knowledge systems to sharpen epistemological dynamism in interaction with the social life context.

Furthermore, such a perspective considers historical mediation in regard to the biblical text via Jesus' context to our church and contemporary context; it denotes hermeneutical mediation of the historical influence of Jesus' praxis of the gospel with our church. It integrates our socio-critical knowledge with social reality, and undertakes critical analysis of the interpreter's social existential life connection. It acknowledges the fraction of human imagination, socio-cultural infrastructure concerned, and human awareness and expression of life reality. The theory incorporates a critique of ideology into itself, and in this regard history of effect influencing human understanding becomes efficacy only at a moment of critical distance and also in recognition of the place of human interest in emancipation. The historically conditioned documentations and social connections influence and shape the interpretation of economic reality and cultural forms of rationality in the history and development of capitalism.

One has critical distance from the limitations of capitalism, but we live in the cultural heritage and economic relations of capitalism. We are free to reinterpret values and limitations from the past and engage in transformation of the historically and socially given capitalism in a projection of our future autonomy, freedom, and emancipation. Analyzing the value of the past and the social reality as historically and socially given, we reinvision and reevaluate the socio-historical givenness and reconstruct our interpretative practice for a better future. The continuous effort for recognition of cultural value and heritage, discovery of such for our present reality, and their reevaluation in encounter with social location characterize our interest in freedom, justice, and solidarity with those voiceless and vulnerable. This perspective becomes significant in our discussion of a transition from the bondage of capital fetishism toward exodus in real freedom and justice.

Theory of freedom and emancipation is to be approached with eschatological reservation. It remains fragmentary and open-ended, calling for further clarification and renewal in interaction with empirical reality in different situations. Socio-historical and cultural complexities and differences guide interpretative mediation and theoretical practices anew

in the direction of self-renewal and approximation to the empirical reality in social cultural location. The critical–dialectical science uncovers the economic foundation of modern society in a step by step fashion and open-ended manner.<sup>16</sup>

Socio-economic life cannot be understood properly without considering its connection with institutional, religious, and cultural discourse. The capitalist mode of production has developed within a specific socio-economic framework in different times and places, fully connected with an institutional, cultural, and intellectual sphere. In the analysis of empirically given circumstances, we must consider natural environment, racial relations, and external, historical influences. Colonial and semi-colonial countries which are “backwards” countries have become an integral part of a world dominated by imperialism. Here, an analysis of international relationships of exchange between metropolis and colonial country becomes an indispensable part in the discussion of the reality of the world-economy.

Such a perspective can correct a tendency of economic reductionism and also uphold renewal of an interpretive, non-participatory attitude toward the political-economic sphere. An interpretation of economic reality becomes meaningful when it clarifies the crisis of world-economy. It holds truth when it is grounded in the concrete life and in solidarity with those who are “the outcast, the suspects, the maltreated, the powerless, the oppressed, the reviled, in short . . . those who suffer.”<sup>17</sup>

## CAPITALISM AND CIVILIZATION: DIVERSE DEFINITIONS AND APPROACHES

### Capitalism and Cultural-Economic Ethos

In exploring the origin of capitalism, human ethical and cultural behavior comes into relationship with the existence of economic forms and the modern world. The capitalist amasses capital as the dominant motive of economic activity and adopts an attitude of sober rationality and precise calculation to which the capitalist subordinates everything in life.

Accordingly, Weber states that the spirit of capitalism seeks profit in terms of rational and systematic enterprise. Capitalism is identified by Weber as “the pursuit of profit, and forever renewed profit, by means of

16. Sweezy, *Theory of Development*, 11.

17. Bonhoeffer, *Letters & Papers*, 17.

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continuous, rational, capitalistic enterprise,” in the “expectation of profit by the utilization of opportunities for exchange.”<sup>18</sup> Weber’s concept of capitalism in general implies rationally conducted exchange for profit. The competitive struggle under the power of competing national states in peace or war produced the opportunities for modern Western capitalism. Through commercialization of economic life, capitalistic methods were pursued, using economic means such as bonds, shares, finance, banking, and stock markets. These developments enabled capital to be more mobile and allowed owners of capital to pursue maximum profits in any commercialized area. The competition for mobile capital amounted to an alliance between the rising states and the sought-after and privileged capitalist powers. This alliance was a major factor in creating modern capitalism.

The concentration of political power in the hands of governmental and business agencies has also been essential to the recurrent material expansions of the capitalist world-economy. In the prodigious expansion of the capitalist world-economy over the last five hundred years, inner state competition was in association with an ever-increasing concentration of capitalist power; this perspective had been central in the world-system at large.<sup>19</sup>

Differing from Weber’s perspective, Karl Marx sought a definition of capitalism in terms of a particular mode of production. His theory of the capitalist mode of production emphasizes the interaction between productive forces and production relations in critical view of the superstructure of a spirit of enterprise. Capitalism is a system under which labor-power becomes a commodity. The labor-power as commodity is bought and sold on the market like any other object of exchange. Marx emphasizes the emergence of class differentiation between the capitalist and the worker which undergirds the capitalist’s endless profit as the motive of economic activity.<sup>20</sup> However, today the term capitalist is often used to refer to an ideological supporter of the capitalist system, leading to workers considering themselves capitalists, which would be incoherent under Marx’s use of the terms.

18. Weber, *Protestant Ethic*, 17.

19. Arrighi, *Twentieth Century*, 12–13.

20. Dobb, *Studies*, 7, 10, 17.

## Capitalism and the System of Capital Accumulation

In light of systemic capital accumulation Arrighi utilizes Fernand Braudel's notion of the *longue durée* of historical capitalism in the study of the general history of capitalism. The *longue durée* refers to the cycle of ups and downs occurring within the framework of a given structural time. In contrast to Marx's priority on the dominant role of the economic sphere, a model of *longue durée* emphasizes the dominant role of political sovereignty in the global scale of world-economy. This logic of the top layer (government) remains relatively autonomous from the logic of the lower layers (economics).<sup>21</sup>

For the reconstruction of capitalist history, Arrighi's focus is on that top layer while offering an integrative view of the middle layer of market economy and the bottom layer of material life.<sup>22</sup> In this top domain the possessor of money meets the possessor of political power rather than the possessor of labor-power. Here we decipher the secret of making the large and regular profits enabling capitalism to prosper and expand over the last five to six hundred years.

For the framework of financial expansion, Arrighi incorporates Marx's general theory of capital: M (money capital: liquidity, flexibility, freedom of choice) → C (commodity capital) → M' (expanded liquidity, flexibility, and freedom of choice) gives Arrighi an historical account of a recurrent pattern of historical capitalism as a world system. A full systematic cycle of accumulation (MCM') is identified by a fundamental unity of the primary agency and structure of world-scale processes of capital accumulation in the fourfold sense. This cycle is divided by 1) a Genoese cycle (from the fifteenth to the early seventeenth centuries), 2) a Dutch cycle (from the late sixteenth century through most of the eighteenth century), 3) a British cycle (from the latter half of the eighteenth century through the early twentieth century), and 4) a U.S. cycle (beginning in the late nineteenth century continuing into the current phase of financial expansion). Arrighi, in the analysis of world-scale processes of capital accumulation, uses a notion of "long century" as the basic temporal unit,<sup>23</sup> accounting for the development of the modern world-system through long cycles of accumulation from the thirteenth century to today.

21. Arrighi, *Twentieth Century*, 25–26.

22. *Ibid.*, 24.

23. *Ibid.*, 6.

### Bio-politics and Capitalism

Foucault remains one of the major figures influencing the model of Empire (Hardt and Negri) and postcolonial theology. At issue for Foucault is an emphasis on the technological rationality of disciplining the human body as the prerequisite for the rise of capitalism. Foucault argues that insofar as the capitalist mode of production alienates human labor in the system of commodity production, it is necessary to reexamine the capitalist mode of production in light of the discipline of docile bodies. In the seventeenth and eighteenth centuries the technique of discipline on human bodies made possible “the meticulous control of the operations of the body” imposing upon a relation of docility-utility in which the disciplines became general formulas of domination.<sup>24</sup> Thus discipline increases the forces of the body in terms of economic utility. To the extent that economic exploitation separates the productive force and the product of labor, disciplinary coercion invents a new political anatomy. It establishes in the body a linkage of an increased aptitude of the forces of the body to an increased obedience of the body under political domination. Such new micro-physics of power constantly penetrated to ever broader spheres, as if covering the entire body of society.<sup>25</sup>

Accordingly, labor is under the control of capital, and one of the functions of capital is directing, superintending, and adjusting the labor. It requires special characteristics of controlling the human body.<sup>26</sup> Foucault reinterprets Marx in terms of an integrative system of surveillance and disciplinary power. The accumulation of people cannot be separated from the accumulation of capital. In this connection the growth of a capitalist economy engenders the specific modality of disciplinary power.<sup>27</sup> This perspective offers a counter-weight to Marx’s tendency toward economic reductionism.

The disciplinary power of human life centers on the body, disciplining and optimizing its capabilities, and consequently extorting its force. It increases its usefulness and docility, integrating it into systems of efficient and economic controls. Foucault characterizes the disciplines in terms of an anatopolitics of the human body, or bio-power.<sup>28</sup> The organization of

24. Foucault, *Discipline and Punish*, 137.

25. *Ibid.*, 139.

26. *Ibid.*, 175; cf. Marx, *Capital*, I, 313.

27. *Ibid.*, 221.

28. Foucault, *History of Sexuality* 1, 139.

power over life was deployed around the disciplines of the body and the regulations of the population. The subjugation of bodies and the control of population marked the beginning of bio-power that was an indispensable element in the historical development of capitalism.

The implementation of bio-power results in the codification of structures of domination. The development of capitalism becomes possible through the controlled insertion of bodies into the machinery of production and the adjustment of the phenomena of population to economic processes. The exercise of bio-power partly adjusts the accumulation of people to that of capital, joins the growth of human groups to the expansion of productive forces and the differential allocation of profit. There is an intimate connection between bio-power and the development of capitalism.<sup>29</sup> Thus, Foucault's view finds its influence in the circle of theoreticians of empire and post-colonial theology.

## Capitalism and World-System

Within the Third World perspective on world-economy there are scholars who attempt to see the reality of global capitalism from the perspective of those colonized in the Third World. Karl Polanyi remains influential in the world-system analysis, especially in the work of Immanuel Wallerstein. Polanyi takes a critical stance toward the view that the market society is a natural phenomenon.

Polanyi focused on the institution of the market and its change in historical development. The market is not a universal social phenomenon. This perspective contradicts the liberal and neo-classical economic theories, according to which the self-regulating market emerged by making all production for sale on the market. Polanyi critiques the liberal and neo-classical theory as a commodity fiction.<sup>30</sup>

There were no market relations,—not to mention trade and a division of labor over long distances—before the “Great Transformation” took place in Europe during the nineteenth century. In this light, Polanyi states that people in different cultures could organize and coordinate their economies and economic relations in terms of non-economic social relations of reciprocity and redistribution with the help of symmetry and centrality. Even when the capitalist nation developed uniform domestic markets,

29. *Ibid.*, 141.

30. Polanyi, *Transformation*, 73.

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local markets and long-distance trade markets were not integrated into a capitalist world market over a long period.<sup>31</sup>

Influenced by Polanyi, Wallerstein develops three forms of world economy: mini-system (reciprocity), world-empire redistribution, and world-economies market exchanges.<sup>32</sup> Proposing the Third World perspective, Wallerstein asserts that the correct unit of social economic analysis is the world-system, within which sovereign states are to be seen as one kind of organizational structure. For his social scientific method, this emphasis on a global framework is of special significance.<sup>33</sup> For the sake of the world-system Wallerstein develops a socio-critical method of totality which says that the isolated facts of social life are to be seen as aspects of the historical process. In this connection aspects of the historical process can be integrated in a totality of the world-system.

In Wallerstein's view, a European world-economy came into existence in the sixteenth century on the basis of the capitalist mode of production. For the European world-economy as a whole he considers 1450–1640 the most important time period. In this period a capitalist world-economy was created in a vast but weak sense.<sup>34</sup> The world-system was consolidated between 1640 and 1815. Between 1815 and 1917 world-economy was conducted into a global enterprise, enabled by the technological transformation of modern industrialism. The final analysis is the period from 1917 to the present in which he deals with the consolidation of the capitalist world-economy.<sup>35</sup>

Historical capitalism has operated within the framework of a world-economy. The state power as the second element in the operation of historical capitalism established the legal right to determine the rules which govern the social relations of production within the nation-state. Within the framework of the capitalist world-economy, the struggle for benefits and the imperative of accumulation have operated throughout the system. The state decision was taken in direct reference to the economic implication for the accumulation of capital.<sup>36</sup> Political decisions are oriented to the smaller structures of the states (nation-states, city-states, empires) within the world-economy, and those states cannot be understood outside the context of the development of the world-system.

31. *Ibid.*, 47–48.

32. Wallerstein, *World-Systems*, 17.

33. Wallerstein, *Modern World-System I*, 8.

34. Wallerstein, *Capitalist World-Economy* 68.

35. *Ibid.*, 10–11.

36. Wallerstein, *Historical Capitalism*, 51.

Utilizing Wallerstein's model of world-system perspective, Frank is more interested in proposing a concept of the development of underdevelopment. According to the model of underdevelopment, the economic structures of contemporary underdeveloped countries are the result of involvement in the world-economy. If Wallerstein focuses more on the relation between core/semi-periphery/periphery within the structure of the world-system, Frank recognizes it in terms of metropolis-satellite in the colonial context. According to Frank, the socio-economic complexities of Latin America have been capitalist since the Conquest Period. Extra-economic coercion to maximize various systems of labor service was intensified in the plantations of the West Indies. This economy was based on a mode of production that was constituted by slave labor. In the mining areas slavery and other types of forced labor were intensified.

According to Frank, Marx's concept of historical, "primitive accumulation" of capital is limited because Marx did not consider the connection between the colonized mode of accumulation and the industrial revolution. For Marx a primitive accumulation constitutes the point of departure for his study of capitalism rather than being regarded as the result of the capitalist mode of production in the context of colonialism.

Frank's major concern is to analyze the exchange relations between the metropolis and the satellites in the world process of capital accumulation. He attempts to undertake a dialectical analysis of the worldwide historical process of capital accumulation between the development of metropolis and peripheral underdevelopment in light of a single process.<sup>37</sup> A historical and primitive accumulation of capital was a consequence of this single process of world economy. Developing his perspective of the world-system, Frank argues that capitalism has generated the creation of underdevelopment in Latin America. The capitalist world-system was born when Columbus discovered America.

Third World economists focus on colonialism in the sixteenth century as a consequence of world-economy system and insist that triangle trade brought major contributions to the industrial development of capital in Europe which was the primary driving force to the industrial revolution. In this argument, capitalist European world-economy emerged in the sixteenth century, from the creation of a world-embracing commerce and market. The Christian mission played a formative role. This perspective requires a study of Christian mission and colonialism in the sixteenth century in the next chapter.

37. Frank, *Accumulation*, xii.