

Preface

IN THE POST-SOCIALIST ERA, neoliberal economic globalization has appeared as the meta-ideology. A metaphor of “disenchantment of the world” (Max Weber) is replaced by “colonization of the lifeworld” (Jürgen Habermas). This theory of late-capitalist reification comes to terms with state-controlled organizational structures of mass-media agencies, underlying cultural impoverishment and fragmentation of everyday consciousness.¹

Since 1970, many experts have observed functional changes (locally and globally) to the world-economy. Fordist mass production was based on systems of specialized machines for higher production and rationalization of the production line with relatively high wages for the workforce. Such a Fordist system operates within the organizational domains of giant corporations. It is vertically integrated and bureaucratically managed. The central feature of organized capitalism in the sense of Fordism-Keynesianism is the administration and conscious regulation of national economies by managerial hierarchies and government officials. However, organized capitalism is jeopardized by an increasing spatial and functional deconstruction and decentralization of corporate powers.

Capitalism is considered to be in the midst of a historical transition from Fordism-Keynesianism to a new regime of accumulation, called flexible accumulation. The breakdown of Fordism-Keynesianism implies a move toward the empowerment of finance capital on the basis of the nation-state. This is the end of organized capitalism and the beginning of a discourse of disorganized capitalism.

Economic globalization has surfaced as the only viable option in the world economic system. The capitalist economy is driven by the need for more growth and more profit. Driven in this economic surplus, capitalism is inclined to destroy the fountains of wealth and embody the alienation

1. Habermas, *Theory of Action*, 2:332–45.

Preface

and reification in the expression of people's lives by misusing natural resources (ecological crisis) and colonizing the lives of working people. In the 1990s talks began in the United Nations, Bretton Woods institutions, and the WTO, resulting in a facilitation of globalization. The world market should work as efficiently as possible so that the market provides guidance and facilitates the working of the market mechanism.²

Recently, global capitalism associated with disorganized capitalism has undergone a profound crisis. Its very legitimacy and rationality as a world system have been shaken to the core. Against the trend of neocolonialism, postcolonial or liberative struggle in people's social movements aims at promoting global solidarity in terms of critique and resistance to neoliberal economic globalization. In fact, the capitalist relationship as a whole is dynamic and contradictory in terms of accumulation, competition, and monopoly. The socialization of labor by capital makes social-cultural formation confront people in the form of capital and "reification." Hence, human labor is subsumed under the dominion of capital as a whole, that is, global dominion of the capitalist mode of production.³

In the phase of the empire of economic globalization, the owners of capital have created a bubble in the financial markets by various kinds of speculation in order to drive up the desire for profit through so-called casino capitalism. In light of this dangerous direction, it behooves us to reject TINA ("There Is No Alternative") syndrome.⁴ According to TINA, the nation-states have retreated, and in their place the international economic system (codified by the IMF and the World Bank, which are associated with institutions such as the Trilateral Commission and the G-7/8 countries, or G-20, and financial markets) appears to be in command and control.

Along with the ideology of economic globalization, "the end of ideologies" has changed into "the end of history,"⁵ underscoring the resurgence of pessimism, exclusion, and deconstructive relativism in personal and social values. According to Fukuyama, liberal democracy has constituted the end point of humankind's ideological evolution and the final form of human government; in effect, liberal democracy created the end of history. Fukuyama's troubled sense of pessimism is born of two destructive world wars, totalitarian ideologies, and threatened annihilation in the

2. Brubaker and Mshana, *Justice Not Greed*, 22.

3. Mandel, *Late Capitalism*, 571.

4. Amin, *Capitalism*, 151.

5. Fukuyama, *End of History and Last Man*.

form of nuclear weapons and the environmental crisis. This pessimism led Fukuyama to praise liberal democracies and liberal principles of the free market as the only coherent political aspiration around the globe. The principle of the free market has brought unprecedented levels of material prosperity both in the developed countries and the Third World.⁶

In the theory of the end of history, however, there is vulnerability to unprecedented levels of injustice, inequality, and violence generated by the free market principle. Such an irrationality led to war at the international level, and regression to superstition, spiritual occultism, and misanthropy in domestic society. In the Latin American context, the sweeping effect of globalization submits the dualistic concept of dependency/independency to the logic of the world market. However, in the process of globalization tied to jobless growth, dependency theory has again acquired significance.⁷

An ideology of technological rationalism in the globalization of late capitalism appears to be a specific example of reification; it has the function of the mystifying concealment of social conflict, contradiction, and war. In Habermas' fashion, a lifeworld is violated, reified, and colonized by political power, capital dominion, and mass media.⁸ For Habermas the term *late capitalism* implies that social development involves contradictions or crises. He thematizes social integration in relation to the systems of institutions that integrate individuals socially. Here social systems are viewed as lifeworld symbolically, culturally, and linguistically structured and framed. Crises occur as disturbances of lifeworld and social integration.⁹

From an ecological perspective, the growth of the economy has meant the exponential increase of raw material inputs from, and waste outputs into, the environment. The exhaustion of resources or pollution is worsening the reification of our lifeworld. For the common good, scholars such as Daly and Cobb claim that the economy should be redirected toward community, the environment, and a sustainable future. Economics can be approached and undertaken for the common good of community. Such a proposal challenges the absolutizing side of individualism tied to the market economy.¹⁰

6. Ibid., xiii.

7. Duchrow and Hinkelammert, *Property*, 142–43.

8. Habermas, *Theory of Action*, 2:332–45.

9. Habermas, *Legitimation*, 4–5.

10. Daly and Cobb, *For the Common Good*, 18.

Preface

In the study of capitalism, the capitalist mode of production tends to be narrowed down to an economic system in which labor power becomes a commodity sold to the buyer. However, the study of capitalism must take into account social relations of production in dealing with productive forces and economic expansion to the foreign market. Capitalism is conditioned upon a certain stage of social productivity and upon the historically developed form of the productive forces. From this historical prerequisite a new mode of production takes its departure. An integration of social relations of production (rationalization for profit and surplus value) with productive forces (organization of labor power) is also to be seen in connection with the intellectual, political, legal, and cultural spheres. In the historical genesis and development of capitalism, it is important to take into account extra-economic (especially colonial) elements. The external factor of colonialism must be analyzed in the historical development of capitalism. A definition of capitalism built on the global analysis of a world-economy system distinguishes diverse forms of capitalism in terms of mercantile, industrial, and late capitalism (including monopoly-imperialistic and neoliberal capitalism in a neocolonial phase). Early capitalism generally refers to the mercantile and industrial eras of colonialism, while late capitalism denotes the monopoly-imperialistic phase of capitalism (including the global capitalism of empire in the neoliberal fashion).

In examination of the economic world-system in social and historical development, it is decisive to analyze a long century of capitalist development in the dialectical interaction between economic reality and political, rational, and civilizational factors. These interactions have guided and strengthened economic expansion. For instance, in the formation of the capitalist mode of production, the world-economy system assumed a colonial form: conquest, enslavement, robbery, murder—in short, political and military forces—played the greatest part. The first sporadic traces of capitalist production can be found in the early fourteenth or fifteenth centuries in certain towns of the Mediterranean. The capitalist era dates from the sixteenth century, and England is a classic form.

In the capitalist expansion of the West we pay attention to the “Christian character” of capitalist development and civilization in the international trade and exchange with colonized countries. Political, philosophical, legal, and ideological systems and infrastructure were involved in justifying and promoting European colonialism in the New World by sanctioning it in a religious garment. In the study of historical capitalism, it is important to include a history of the church’s mission and its ethical responsibility in regard to greed, poverty, dominion, and justice.

ORGANIZATIONAL THEMES

In discussion of diverse approaches to and interpretations of capitalism, colonialism, and their attending civilization, our interest lies in understanding the interplay between capitalist development and its rationale that is based on religious discourse, disciplinary power, self-regulating markets, and metropolis-peripheral relations in social, economic, historical, and cultural complexities. This dialectical interplay occupies the sought-after and privileged locus in the study of capitalism as an integrated political economic culture. In the introduction we will deal with the church's endeavor to promote human rights and ecological sustainability in the midst of economic globalization. A theory of interpretation in historical and sociocritical framework is to be re-envisioned in the study of capitalism and its civilization.

World capital accumulation, capitalist development, and underdevelopment were dominated by a marked increase of European commercial or mercantilist activity and the growth of colonial production for export. This colonial expansion remarkably shapes and promotes an economic attitude toward accumulation of capital and pursuit for profit in the colonizing countries. Therefore, chapter 1 begins by analyzing an era of European colonialism—tied to Christian mission and its ethical failure—as the point of departure of industrial capitalism. The technological advantages of sixteenth-century Europeans were combined with their adventurous outlook. External appropriation of surplus value was, in turn, stimulated, controlled, and exploited by European metropolitan commerce. Military force is the midwife of all important changes at the stage of capital accumulation. Christianity sanctioned this in the name of God. This phase of the history of capitalism belongs to the first (Genoese) systemic cycle of accumulation. Analyzing capitalist development in its initiating state, we shall deal with Bartolomé de Las Casas' legacy of ethical critique as prophetic mission.

Chapter 2 reviews Weber's thesis of Calvinism and capitalist spirit regarding the ethics of the reformers, Martin Luther and John Calvin, contemporaries of Las Casas. It is essential to examine Weber's sociological perspective on Western civilization in terms of disenchantment of the world and its final consequence ending with an "iron cage." Economic ideas evolved in correlation with institutional development and advanced structures of culture. In dialogue with Weber's sociology, we are interested in emphasizing economic justice in the analysis of the legacy of the Reformation.

Preface

Chapter 3 deals with the political ideas of social contract and civil society (Hobbes, Locke, Rousseau, and Hegel), relating them to the economic theory of capitalism. The theory of social contract associated with civil society is closely connected with possessive individualism. A notion of possessive individualism tied with Hobbes and Locke comes into dialogue with Rousseau and Hegel, whose views articulate a civil society in connection with economic democracy and moral responsibility.

In chapter 4 industrial capitalism and the self-regulating market is examined in regard to enclosure and the milling machine in its historical connection with the industrial revolution. Colonial trade and military force is reiterated in British mission and the Opium Wars. Like the previous Spanish colonial mission in the New World, Christian mission in nineteenth-century India and China constitutes an unfortunate chapter of imperial mission. Marx's idea of the Asiatic mode of production is relevant within the framework of the capitalist world-economy and colonialism. As for the representative of the self-regulating market, the economic theories of Adam Smith and David Ricardo should be examined to relate free competition and foreign trade to the economy of the British colonies.

Chapter 5 is an attempt to deal with Hegel's idea of alienation and labor and Marx's critical method of capitalism in social-historical perspective. Human action or praxis is influenced and shaped by circumstances transmitted from the tradition as well as social location of human life. As humans make their own history, they do not make it under these circumstances. This perspective overcomes the limitations of Marx's materialist inquiry of social history. For Marx, commodity production is a historically conditioned form, becoming the valid subject of sociohistorical investigation. Nonetheless, Marx's optimism does not adequately consider the influence of historical, sociocultural knowledge systems on human critical reason.

Marx's concept of labor and alienation needs to be discussed in Hegel's logic of the master and the slave focusing on the struggle for recognition, freedom, interaction, and language—Marx sidestepped these. This view complements Marx's notion of human praxis over against human interpretation and recognition. Hegel's concept of the struggle for recognition is to be viewed in two contradictory perspectives: for the sake of neoliberal market democracy or for the sake of emancipation in anti-colonial context.

Chapter 6 presents a study of the dynamics and limitations of Marx's economic thought in view of capitalist development in colonies and the

world-economy. Marx as an economic thinker is called one of the masters of suspicion (Paul Ricoeur); his theory retains an explanatory power in the analysis of civil society and capitalist civilization. Society is changing and can be changed in accordance with human critical acceptance of history's influence. The logic of capital and the accumulation process brings human society to crises. Human life and consciousness in social location stand under historically mediated circumstances. Critical-dialectical method accounts for how to interpret human life in both intellectual and material events in regard to sociohistorical context and world-historical connection. However, the economic interpretation of capitalist history remains incomplete, because the human being is not simply an economic animal. Human beings as critical-dialectical beings are on the way to overcoming the crises of capitalist society. This hermeneutical-eschatological reframing of civil society corrects Marx's optimism about the transition from the realm of necessity toward the realm of freedom.

Chapter 7 investigates the political and economic reality of late capitalism. Monopoly capitalism marks a new and different phase of industrial capitalism and challenges the limitations of Marx's own idea about the world market. A political form of imperialism can be defined as a stage of finance capital in the development of the world-economy. As "monopoly capital" became the major form of wealth, capital export became the outstanding feature in economic relations at the international level. The rival superpowers collaborated for their economic interests through multinational economic corporations and international systems. In that context, the centralized country monopolized the peripheral country by controlling capital investment and also by dividing unoccupied territories of the world into their satellites. The focus is on the relation between monopoly and competition in the context of monopoly capitalism.

Ernest Mandel continues to incorporate this model into his analysis of late capitalism. Habermas, however, attempts to renew the theory of late capitalism by analyzing colonization of lifeworld and projecting a civil society built on deliberate democracy and social justice. For explanation of the long wave of the capitalist system and its legitimacy, Kondratieff cycles come into focus. This model of the long wave of capitalism makes the breakdown theory of capitalism obsolete and bridges with the theory of world-system perspective on capitalism as world-economy.

Chapter 8 introduces a relation between capitalism and the world-system. It includes a discussion of perspectives from the peripheral world-system by way of correcting a metropolis-centered idea of imperialism. A Eurocentric theory of imperialism is modified and corrected by scholars

Preface

who are more interested in analyzing the phenomenon of the creation of underdevelopment in Latin America. A shift is made from Marx's notion of the rate of profit on the domestic level to the international transfer of surplus value which can be seen in relation between the peripheral countries and the metropolis. This is what is represented by Baran and Sweezy's theory of international transfer of surplus value, Frank's dependency theory of underdevelopment, and Wallerstein's world-systems analysis. Within the framework of world-economy system, unequal exchange marks a field of debate and interest.

Chapter 9 engages with neoliberalism and empire in economic globalization. Neoliberalism expresses its faith in the self-regulating market and free and unlimited flow of capital transcending geographical barriers. According to the principles of neoliberal globalization, the economy should dictate its rules to society, not the other way around. Foreign investors in central countries are snapping up companies and banks in peripheral countries. These purchases are expected to result in heavy layoffs. The results of years of work by thousands of people in peripheral countries are transferred into foreign corporate hands, leaving laborers on the streets. This economic inequality stands under the principles of competition and maximization of shareholder value. The fetishism of economic growth and profit prevails. Global capitalism appears to be the guarantor of individual freedom for central countries at the expense of people in peripheral countries. A theory of neoliberalism represented by Hayek and Friedman comes into critical focus. This chapter further examines a theory of Empire in regard to globalization. Against neoliberal globalization and imperialism, proponents of the theory of Empire insist on a postmodern paradigm from imperialism to empire. A bio-political approach (*a la* Foucault) to the reality of Empire articulates the interplay of cultural knowledge and political-economic power at the world scale. This theory of Empire finds its echo in postcolonial theologians. We shall review postcolonial critique of economic globalization according to this theory of Empire.

Finally, Chapter 10 presents the theological-ethical response to the economic reality of globalization. For alternatives to global capitalism in ecumenical debate, a theology of economic justice and ethical responsibility (proposed by Helmut Gollwitzer and Ulrich Duchrow) deserves special attention. The ecumenical study of economic justice and ethical responsibility broadens our theological construction of a prophetic theology of life. It is decisive to incorporate the WCC and LWF studies of economic justice in the context of globalization for our project of the church's

prophetic commitment to justice and emancipation in confrontation with greed and dominion. In the epilogue we shall outline our interpretation of historical capitalism from the sixteenth century to the twenty-first century of neoliberal capitalism, including its crisis and future prospects. The church's responsibility in the field of world-economy will be emphasized.

SAMPLE