

Globalisation and Wholeness: Symphony or Cacophony?

by Jyoti Banerjee



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I want to start with an African proverb:

Every morning in Africa, a gazelle wakes up.

It knows it must run faster than the fastest lion or it will be killed.

Every morning a lion wakes up.

It knows it must outrun the slowest gazelle or it will starve to death.

It doesn't matter whether you are a lion or a gazelle.

When the sun comes up, you better start running.

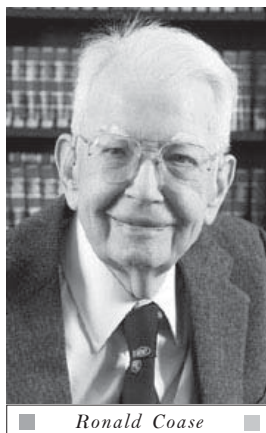
That is the way many people experience globalisation. It creates a sense of having to run faster; otherwise you get left behind. We are all having to learn new ways of working, of engaging with other cultures, and of learning more about who we are.

Ford Motor Company used to be one of *the* great companies in the world. Back in the 1950s it owned its own shipping company (on Lake Michigan) to transport

components, its own rubber plantation (in Malaysia) to make tyres, and its own mahogany forest (in Latin America) to produce the wood trim for its cars. Ford owned everything it needed to fulfil its purpose. Fifty years later, its way of operating is very different. Ford no longer owns these things. In many cases, it doesn't even do its own design work; it puts work out to other people. Nowadays Ford is not so much a manufacturing company, more of a brand. Something fundamental has

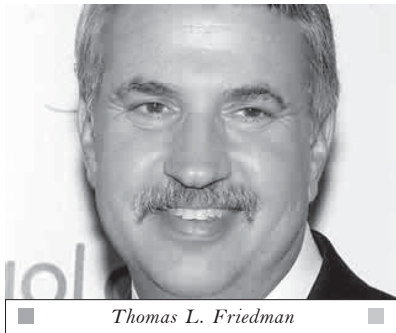
changed. This raises the question: why do firms exist?

The answer is found in the phenomenon of transaction costs. Economists talk about three kinds of transaction costs: search costs, contracting costs and co-ordination costs. At certain times and in certain places it makes financial sense for a company to employ the people who work for it – whether that be in design, marketing, or any other function. But not always. It may make more sense to hire them on a contract basis. Ronald Coase, winner of the Nobel Prize for Economics, made his name with what became known as Coase's Law: 'A firm will tend to expand until the costs of organising an extra transaction become equal to the costs of carrying out the transaction in the open market...'¹ In the era we are now living, the corporate model of growing bigger has changed. Transaction costs have lowered so as to reduce the incentive to swell the work-force. A combination of



Ronald Coase

forces, including the internet, have combined to create what some people call a flat world – not to be confused with a flat earth! Prominent among them is Thomas L. Friedman, author of *The World is Flat*.² His may be a rose-tinted view of globalisation but it is one with which Christians need to engage. It is a world in which the different parts are much more joined together, and this is having positive globalisation effects.



Thomas L. Friedman

Over the last 15 years, there have been opportunities for people from India, China, Brazil and Russia to take part in a global economy that used to be dominated by Western countries and companies. The benefit has often accrued to individuals, and this reflects the way globalisation is developing. Friedman posits three different periods of globalisation. In Globalisation 1.0, starting in 1492 (with Christopher Columbus) and lasting till around 1800, countries realised that they could become bigger and more powerful if they went international. In Globalisation 2.0, spanning the two centuries from 1800 to 2000, companies learnt to go global with the mushrooming of multi-nationals, wielding huge influence

across the globe. In Globalisation 3.0, starting around 2000, people are increasingly participating in a global economy as individuals. I know a European software company that uses programmers in Bangalore, has its help files drawn up in Chennai, takes advice on Microsoft's .NET framework from an expert in England and gets marketing input from California. Because transaction costs have fallen, coordinating these different activities is not too difficult.

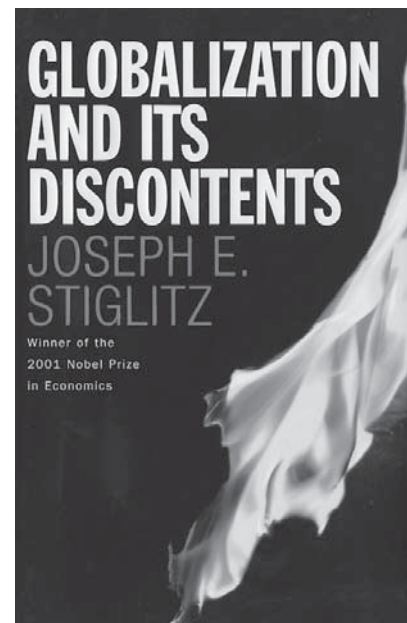
Charles Handy has said that whereas the world used to be dominated by elephants (multi-national companies) it is now dominated by fleas – lots of little people like you and me learning to do globalisation.³ As individuals we have learned and are learning how to participate in this world. – in our own right. We have become more mobile and trained in the skills of constant access. Some companies are still struggling to adapt to this.

Globalisation: winners and losers

If we ask who are the winners and losers from globalisation, the answers are striking. The top ten billionaires in the world now include four Indians; the USA has four billionaires in the top twenty. I grew up in an India where the rich were rich only in rupees, but now some are absolutely rich – sufficient to buy British Steel, Jaguar, Land Rover and so on. Russia is now the country which has the second highest number of billionaires in the world. New billionaires even include two from Africa, one from South Africa and

one from Nigeria.⁴ The creation of wealth is happening in countries where it didn't happen before. In India and China more people have come out of poverty in the last ten years than in the hundred years before that. The growth rate in China is verging on 10% per annum and that in India is 9%. India is now the third largest economy in the world. A middle class has developed which simply wasn't there before.

However, there is a negative aspect to globalisation. A leading exponent of the downside is



Joseph Stiglitz, the economist who used to work at the World Bank and the author of *Globalization and its Discontents*.⁵ Christians should read that too. The problem is that the distribution of income has become more skewed. The billionaires are doing well, but for people at the bottom of the pyramid, life is even tougher.



Children from the Kuapa Kokoo cooperative in Ghana holding a bar of fair trade (not blood!) chocolate

People in deep poverty are worse off. So questions are being asked about what sort of policies help the genuinely poor. Three years ago in India, at a time of remarkable economic growth, the opposition party won power largely on a pro-poor agenda. A challenge for us Christians is this: what does it mean to participate in the global economy in a way that enables growth to happen in these countries – growth specifically targeted at those who are most in need of help? Does our involvement actually accentuate inequalities rather than reduce them? That is certainly a challenge for me, as I am more likely to work with those in India who are prospering, the middle classes now driving Honda cars and living in air-conditioned homes.

A major challenge in this context concerns the place of children. For example, the chocolate industry employs lots of children globally. Chocolate companies in the West may have decided not to employ children, but they don't actually run the plantations or harvest the beans; along the way many kids are involved. As we sit back and enjoy our chocolate we need to be mindful of the children who chop down the cocoa plants with a machete. Some call it blood chocolate – there is a price that is

being paid. The worst impact of poverty is upon children. Put all the kids on the poverty line together holding hands and the line would go round the equator 25 times. Children in poverty are innocent victims.

They are born into it, it is not of their making, and it is repeated from generation to generation. Many different problems – malnutrition, poor water supply, lack of medicine, urban squalor – are interconnected, and children are the hardest hit.

As a family we recently enjoyed a holiday in a friend's cottage in mid-Wales. Initially there was consternation amongst my children when they discovered that the cottage didn't have a shower. We decided to do what I did as a child in India – have bucket baths. After they had experienced this for the first time my children thought it was fantastic. It was a good way of introducing them to what life is like for many in the developing world. Similarly, we twice had a simple meal of rice and lentils on holiday, and have resolved to make a regular habit of this, as a way of remembering the poor and motivating ourselves to help them.

The Archbishop of Canterbury has said this about wholeness and poverty. It is 'about resources not easy to quantify – the stability of a domestic or an educational environment, access to unpolluted natural space, familiarity with the practices and languages that offer access to human meaning.'⁶ These are things that it is very easy to

take for granted in the West. Some point out: 'The Chinese and the Indians simply want the same standard of living as in the West. What's wrong with that?' Nothing wrong at all, except unfortunately there is not enough to go round: physical space, mineral resources, and eventually even oxygen.

Even in the West, there is a slowly growing recognition that the old order is changing because of globalisation. Carly Fiorina, former chair and CEO of Hewlett Packard, told American workers that 'There is no job that is America's God-given right anymore. We have to compete for jobs as a nation.'⁷ She was right,



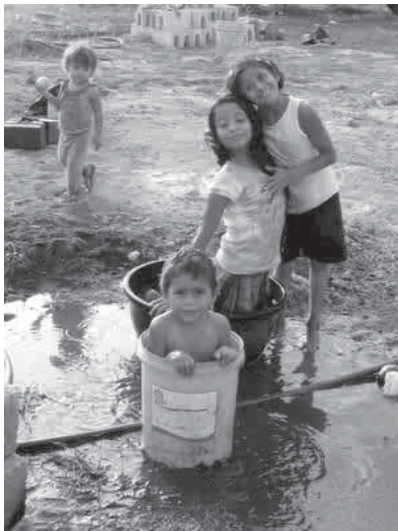
Carly Fiorina

but what she didn't realise was that she didn't have a God-given right to a job either; the time came when she was sacked. We belong to a global workforce, where everything has a price, including the cost of labour. Sadly, this includes child labour, human trafficking, the selling of people into slavery from one country to another, restrictive policies in

western agriculture, and unfair terms of trade – just a small selection of the issues that globalisation brings into focus in the world's labour market.

Globalisation: a personal response

Let me press on to a personal response. What does it mean for



■ Bucket bath ■

me, a Christian who grew up in India and now lives in England, to engage with these issues of globalisation? Two verses from the Bible influence me in a big way. The first is Psalm 24:1: 'The earth is the Lord's and everything in it.' Everyone – from billionaires to kids in poverty – belongs to God. God has a deep and immense interest in what is happening in the world. I think that God is excited by globalisation. It is creating new opportunities for people to work in new ways and engage with people from different cultures. But God must also mourn the way that globalisation is

exacerbating the world's problems and creating new ones.

It is tempting to take the response that the problems are too large and there is nothing that I can do about them. I prefer to heed the words of Mahatma Gandhi: 'Become the change you want to see in the world'.⁸ My daughter's attitude to the bucket bath exemplified this response: keen to conserve water, she is becoming the change she'd like to see elsewhere. My own response is to become one of Charles Handy's 'fleas', taking part in various activities around the world that are seeking to make a positive impact. Since 2001, along with a number of others, I have been involved in an investment fund which has so far put money into 14 businesses run by Christians in 9 different countries. What unites these companies is that they are operating according to high standards of ethical behaviour, often in difficult circumstances, and that they are creating sustainable communities. We are trying to help businesspeople realise that God has called them to be involved in transforming societies in a way that will last – what I call a 'kingdom business'. I am also involved in an international mission whose strapline is to see lives and communities transformed by encounter with Jesus Christ.

The second key verse for me is John 1:14: 'The Word was made flesh and dwelt among us, full of grace and truth'. This is a supreme challenge. I believe that the combination of grace and truth in Jesus Christ is the secret

to wholeness. When I am truthful (especially about others rather than myself) I am often ungracious; when I am gracious I am often untruthful in the sense of being rather mealy-mouthed. I need to be truthful about the bad things that are happening in this world, and about myself when I see my purchasing acts or my government's policies contributing to this. I also need to be gracious, seeing where other people are coming from, understanding their cultural situations, and welcoming the opportunities that could become available for them. Jesus, as ever, is a tough role model to follow. But in globalisation, that is our challenge: to imitate him in being truth-filled and grace-filled at the same time. ■

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Notes

- ¹ He expressed this as long ago as 1937 in an essay entitled 'The Nature of the Firm', published in *Economica*.
- ² Published by Farrar, Straus & Giroux in 2005.
- ³ See Charles Handy, *The Elephant and the Flea*, Hutchinson, 2001.
- ⁴ For statistics see Luisa Kroll, 'The World's Billionaires 2008', www.forbes.com.
- ⁵ Published by W.W.Norton & Co. in 2002.
- ⁶ In a speech entitled 'Christianity, Islam and the Challenge of Poverty' at the Bosniak Institute in Sarajevo, given on May 20 2005.
- ⁷ In a speech to members of Congress on January 7 2004.
- ⁸ Said to his aides by Gandhi in 1947, when he went on a hunger strike after deadly clashes between India's Hindu and Muslim communities.