

## **Christian Perspectives on Employment Changes during the Globalization Period**

**Abstract:** Selected employment changes occurring during the globalization period in developing and developed countries are assessed against a background of Christian principle. The employment features relate to how developing nations meet their food requirements, and the effects manufacturing growth in these countries might be having on this orientation. For developed countries, only one employment change is examined, plant closures and relocation. It is acknowledged for both developing and developed countries that the changes discussed neither originated during globalization nor are due to it alone. They reflect the ordinary operation of the market, but occurred in the period often described by the term, “globalization.” On the basis of the Christian principles, a perspective is developed regarding the employment features analyzed. This viewpoint takes into account selected Christian writing on employment change during the globalization period. The conclusion is that the employment changes considered do not measure up well to the given Christian principles. Some socio-economic alternatives are posed conforming more to the principles.

## **1 Introduction**

In the light of given Christian principles, perspectives are developed toward selected employment changes in developing and developed countries concomitant with the globalization period. These perspectives are constructed against a background of some recent Christian discussions on globalization, but the paper is not an assessment of globalization. This introduction specifies meanings attributed to the term, globalization. These understandings cover a wide range of issues, but only particular work and employment features are canvassed, including the role of work in assisting people out of poverty. Section 2 briefly highlights six normative principles applicable to the contemporary world that have been derived by given Christians from Biblical thought affecting work and the distribution of income and wealth results from work. The principles are accepted as given by the sources, and no Biblical analysis is made to establish their veracity.

Christian commentaries on employment changes during globalization made by the likes of Pope Benedict XVI (2009), Hicks and Valeri (2008), Claar and Klay (2007), and Gregg (2001) are introduced in section 3. Other Christian comment on globalization has occurred, such as Griffiths (2003) and Krueger et al. (1997), but the decision here is to confine the discussion only to

a finite selection of four sources. Since their treatment of globalization varies in scope, the authors are not reviewed equally. Nevertheless, the sources serve as a backdrop from which to formulate the Christian perspectives here. Section 3 also assesses how given employment changes and associated effects occurring during the globalization period in developing countries line up with the section 2 principles, while section 4 engages similarly for developed countries (using the United States as the example). Section 5 reviews how the distribution of the proceeds from work (income and wealth) might have changed in the globalization period. The conclusion is that the employment changes do not jell well with the Christian principles, for both developed and developing countries.

Identifying the socio-economic background against which the employment changes occurred is a first step. This background is often described by the term, “globalization,” “the increased movement of goods, money and people across national borders” (Claar and Klay, 2007, p. 144), phenomena regarded as qualitatively different from previous history, although this contention has been disputed. Gregg (2001, p. 3), holds that the “term only really assumed common usage in the 1990s,” for its processes began to bite only from the 1980s (Bhalla, 2002, p. 4).

Gregg (2001, pp. 1-2) defines globalization more finely, specifying at least six dimensions. These include “the proliferation of transnational organizations and movements both of a ‘private’ (e.g., multinational corporations) and ‘public’ (e.g., international judicial bodies) nature,” and “the diminution of many hitherto common political and economic barriers such as tariffs.” These definitions by Christians comport with secular renditions of globalization. This is the process by which the countries of the world “become increasingly integrated,” with an “increased openness of economies to international trade, financial flows, and direct foreign investment” (Todaro and Smith, 2006, p. 578; and Thirlwall, 2006, p. 13). Only particular employment and distributional characteristics of the globalization era are reviewed here, emphasizing that the aim is not to attribute the features to globalization. Rather, the features are those occurring during the globalization period and thereby associated with it.

## **2 Christian Principles for Work**

This section proposes six normative principles affecting the organization of work and employment (and effects of them) derived from the named Christian sources, recognizing them as just a selection of Christian principles concerning work. A mix of Protestant and Catholic sources is chosen deliberately. No

discussion is offered how each principle is deduced by the source specified. For the purposes of the argument, each principle is taken to represent a legitimate and orthodox hermeneutical interpretation from Scripture. In the case of the papal encyclicals, the interpretations are as mediated by Catholic social thought. This approach of determining principles from Scripture is widely accepted within various strains of theology and without. For instance, evangelical economist, Griffiths, a long-time supporter of the method, holds that “certain absolute standards are set out clearly [in the Bible], and held to be universally valid” (2003, p. 161). Within theology, Klein et al. (2004, p. 483), claim that “recent evangelical analysis has come to a consensus that the key to legitimate application involves what many writers call ‘principalizing’”, the “attempt to discover in a narrative [i.e., a text] the spiritual, moral, or theological principles that have relevance for the contemporary believer.”

The six principles specified here are:

1. Workers should share their work-lives with God, and seek direction from Him (Heatley, 2008).
2. Workers and farmers should own and control the capital with which they work (Pope John Paul II, 1981, n. 12-14, 18; Beed and Beed, 2002, 2005).

3. Glaring inequalities in the distribution of wealth and income are to be mitigated (Pope Benedict XVI, 2009, n. 22, 31).
4. Preservation of strong, intact families is sought (Mason, 1992, pp. 8, 19; 1996, p. 173; Pope Benedict XVI, 2009, n. 25, 44).
5. Production and consumption should have a more decentralized and localized bias than presently (Mason, 1992, 1996).
6. Access to steady employment for everyone is prioritized (Pope Benedict XVI, 2009, n. 32).

The principles probably have wider credence in Christian circles than indicated just by the sources named above. Number 1 is usually accepted by Christians, and no further comment is made on it subsequently. This is a principle that Christians should practice in all aspects of their lives. Number 2 occurs in Pope John Paul's advocacy (1981, n. 14) that labour should be associated with the ownership of capital, as far as possible. John Paul is advocating much more than just workers needing more voice in their work situation to improve their working conditions. He is quite explicit that changes in the ownership of the means of production are required. Other Christians have advocated similar outcomes as the principle implies. For instance, Griffiths (1984, p. 57), a long-standing proponent of ethical values contained in the Mosaic Law, suggests that the Law was designed to give the majority of Israelite

population ownership of land (capital). If the precept of widespread capital ownership had been followed throughout history it “would have been impossible for ‘labour’ to be in conflict with ‘capital,’” contrary to the situation Marx assailed.

Item 5 is probably less well-known and may require clarification. Item 5 suggests that production and consumption should have a more decentralized and localized orientation than occurs presently. The Catholic concept of subsidiarity also points in this direction. To Alford and Naughton (2001, p. 103), “the principle of subsidiarity requires that power rest at the most basic level of production.” Economic and social decision making should be constituted by units most closely associated with production and by those affected by such decisions, here taken to be encapsulated by a localized and decentralized bias (although arguably also relevant to principle 2). Protestant, Mason, provides a Biblical rationalization for this orientation. He (1992, p. 19) argues that “a social environment populated with decentralized political and economic institutions may well allow far greater opportunity for the development and testing of strong moral character.” As Mason explains it from the Mosaic Law, this is much more important to God than devising outside-God structures to optimize economic growth. However, it can also be inferred from the Mosaic Law

detail that its decentralization *would* optimize economic growth. Accordingly, “God’s preference [is] for deconcentrated political power (accompanied by deconcentrations in property ownership and in economic life generally)” (Mason, 1996, p. 164). By practising these precepts, markets would be more geared to meeting local, regional and intra-national needs than currently (more self-sufficient and self-reliant), while trade would be less but not eliminated.

Christian support for localization emerges later than Mason from a variety of sources. Milbank (2003, p. 39) understands the Parable of the Good Samaritan to mean “precisely a preferential love for those nearest to us, those with the most inherited, realized and developed affinity with us,” involving the “specificity of proximity.” This can be interpreted as supporting the nearness of contact inherent to localization. If markets etc. functioned on a more localized basis than presently, empathic contact (e.g., helping the poor) would operate more effectively than if the same parties were far distant from each other. Following this orientation, Todd Peters (2008, pp. 104-105) asserts that “the further production becomes removed from consumption of any product, the less likely our moral sentiments and empathy will be engaged.” She (and Johnston, 1998, pp. 14-15) interprets Adam Smith to mean that:



economic development models that promote export-oriented growth and trade before a country is capable of feeding and caring for its own citizens is antithetical to Smith's vision of growth and trade. He advocated that nations should begin their development with domestic agriculture and then move on to domestic manufacturing for domestic consumption (p. 105).

Finally, Schneider's concept of moral proximity (2002, p. 88-89) can also be enlisted to support localization. Moral proximity means that our moral perspective should have its "primary focus on our immediate human networks and communities, and it inherently weakens the claim that our focus ought rather to be on the most remote ones." A focus on proximate networks comports with an orientation to localized communities and markets, and tells against those more distant. Schneider suggests that the principle operated in the ethics of ancient Israel, a rationalization provided previously by Mason. Schneider is also specific that the principle relates to "the morality of economic life" (p. 212) in the present day.

Consider how aspects of localization might apply to the developing world. Pope Benedict XVI (2009, n. 27) expresses

one, that rural infrastructure investment “can make best use of the human, natural and socio-economic resources that are more readily available at the local level.” Local people and communities would also be the decision makers affecting the use of agricultural land. These views are sympathetic to those held by secular writers on Third World development. Thirlwall (2006, pp. 113-114) contends that self-sufficient agriculture “in the early stages of development cannot be overemphasized, together with the provision of infrastructure and political stability.” Todaro and Smith (2006, p. 434) support this direction, adding on items 2 and 3 from the list above. They propose a “redistribution of these large unused arable lands to family and medium-sized farms” as probably the way to increase self-sufficient food production, as long as support services were available. They assert (p. 455) “ample empirical evidence that land redistribution not only increases rural employment and raises rural incomes, but also leads to greater agricultural production.” Indeed, to them (p. 456), “the burgeoning problems of urban unemployment and population congestion must find their ultimate solution in the improvement of the rural environment,” but not with a cash crop orientation. Introducing cash crops onto subsistence farms has “often resulted in the peasants’ loss of land to moneylenders or landlords” (Todaro and Smith, 2006, p. 449). This comports with the Christian assessment by Graafland (2008,

p. 16) that “specialization in the export of primary products by poor countries has been more harmful than beneficial to these countries.”

Finally for Todaro and Smith (2006, pp. 348, 554-556, 497), authority needs to be decentralized to cities and neighborhoods, with programs to improve environmental conditions working in tandem with community networks. Aiming to become self-sufficient in food seeks to increase indigenous and localized employment. It does not rely on trade barriers to achieve this end, particularly as they are very imperfect instruments for enhancing local production (Irwin, 2009, p. 116). This preceding discussion indicates how localization/self-sufficiency might relate to the developing world, and suggests it has secular support. However, the concept need not be confined to the Third World. Within developed countries, Japan and the U. S. have high degrees of international self-sufficiency, with low reliance on international trade by world standards (Smith, 2003, p. 382; Williams, 2007, p. 92; Doogan, 2009, p. 82).

### **3 Employment Changes during Globalization in the Developing World**

Christian evaluations of employment changes occurring during globalization vary. A case for maintaining the present nature of globalization as it affects the developing world is made by Claar and Klay (2007), that “the only practical way out of poverty includes *more* globalization, not less.” Their case (pp. 144-145) is worth following to its developing world employment implications. They argue that globalization extends to the extra-national case, the economic changes that occur within the nation state. In this process, “markets induce the movement of resources into places and activities where they can do the most to increase output and raise incomes.” Output, incomes and employment may increase in the places *to* which resources move, but what happens to the places *from* which they move requires assessment. Claar and Klay believe (2007, p. 38) that (U.S.) manufacturing workers who have lost jobs in these ways can start “considering new opportunities.” Their optimistic view (2007, p. 152) is that “for the region (or country) ‘losing’ certain industries, this is usually evidence of social and economic progress, because new industries... simultaneously are attracted to that region.”

To substantiate their argument for employment benefits occurring during globalization, Claar and Klay (2007, pp. 145-146) pose the example of discovering oil. If oil is discovered on land I

have inherited, and is sold outside my home state, the proceeds from the sale of the oil accrue locally. It then becomes available as potential capital for development in my home state. Alternatively, I might invest the capital outside my home state. Claar and Klay (2007, pp. 145-146; original emphasis) do not discuss what might be done with the oil revenue. Instead, they pose the issue in terms of less oil being available in the future in my home state as more of it is sold outside the state. Groups outside my state might then “organize a campaign against the *exploitation*” and “unfairness” of this outcome. More probable is that groups within my state would protest if the oil revenues were siphoned out of my state. The issue for people in and outside my home state is more likely not “to ban all sale” of oil outside my state, or “to require that gas refined” from my state’s oil “be clearly labeled” (Claar and Klay, 2007, p. 146). Local people would probably be happy to see my state’s oil sold outside my state, as long as the proceeds were used for further development in my state, helping to stimulate employment. This might be all the more likely if my state had significantly lower average living standards than the markets to which the oil was sold (as Claar and Klay pose in their example). In this alternative scenario to Claar and Klay’s, the oil producer in my state does not have to confine its operations to my state, it does not have to operate exclusively within the state. It can sell elsewhere, but the

desirable consequences are that oil sales' proceeds accrue within my state.

As per Claar and Klay (2007, p. 146), their scenario is then extended to engage employment effects in developing countries. Suppose oil was discovered in a developing country, and proposed to be extracted by a multinational corporation (MNC) based in a developed country. Claar and Klay hold that this developing country aiming to sell to world markets would be dismayed at antiglobalization protests on the developed world. The protests are assumed to be about protecting poor nations "from First World greed." What this greed means could have various dimensions. If it meant siphoning the proceeds of developing country oil sales etc. back to developed countries, the protests might have merit. Putting "money to work" in "foreign stocks, investment funds, or bank accounts" (Claar and Klay, 2007, p. 148) might not necessarily generate commensurate benefits for producers and residents in the country where the oil existed.

Other Christians have emphasized these dangers. Thus, Pope Benedict XVI (2009, n. 40) stressed "the damage that can be caused to one's home country by the transfer abroad of capital purely for personal advantage." Suppose further that the free flow

of oil was a globalizing component of trade liberalization. One Christian view about the effects of such processes on the developing world is that “material resources available for rescuing people from poverty... have ended up largely in the hands of people from developed countries who have benefited more from the liberalization that has occurred in the mobility of capital and labour.” (Pope Benedict XVI, 2009, n. 42). A widely-used secular source makes a similar point about the globalization period. This is that “the principal benefits of world trade have accrued disproportionately to rich nations and, within poor nations, disproportionately to foreign residents and wealthy nationals” so that trade liberalization is not “an unambiguously desirable strategy for economic and social development” (Todaro and Smith, 2006, p. 604).

These effects can be produced even though increased manufacturing/mining employment helps increase real per capita incomes in less developed countries. Claar and Klay (2007, p. 147) point to China where consumption per capita increased dramatically over recent decades in this way. But what the distribution within China of the enhanced living standards has been is not specified. Proxying living standard distribution, the Gini income index increased in China by 37% in the 1980-2000

globalization period, having remained stationary in pre-globalization 1960-1980 (Bhalla, 2002, p. 218). A widening gap between rural and coastal China might be developing (Todaro and Smith, 2006, p. 579), generating social dislocation and unrest (Florida, 2008, p. 36). We do not know either how much of the gain was due to foreigners investing in China. Suppose foreign firms took out more than they put in. Perhaps consumption per capita might have increased faster if more sales' proceeds had been retained in China.

MNCs not only mine/manufacture in developing countries. They also sell goods made in the developed world to the developing world, that likely has employment effects in these countries. It may be that the prices at which these products are sold "could not be matched by local producers" (Claar and Klay, 2007, p. 151), and this is assumed to be acceptable. But are lower prices always the best strategy? Perhaps in selling at lower prices in the Third World, these foreign products drive out local producers and harm local employment. For example, to the extent that less developed countries import "wheat needed to bake bread" (Claar and Klay, 2007, p. 151) at lower prices than it can be produced within the recipient nation, local farmers are put out of business. This might extend to subsistence farmers who formerly might have produced



some surplus wheat for sale. The whole agricultural (non-cash crop) sector would be dislocated. Local food-farming employment and expertise decline, perhaps family life is dislocated as displaced farmers seek work in cities or outside their country.

Consider the case of Mexico affected by these processes. Oxfam America (Araghi, 2009, p. 138) argued that the three-fold increase in U. S. corn exports to Mexico since the early 1990s led to a 70% fall in the price of Mexican produced corn. Three million peasant corn producers were adversely affected, generating greater poverty in the corn-producing regions. Another estimate is that 2.7 million Mexican farmers lost their employment over the globalization period (Parker, 2008, p. 150), due not only to cheap food imports, but also to the privatization of *ejidos*. So parlous are these processes that over 300, 000 displaced Mexicans reputedly move to the United States every year seeking economic improvement (Araghi, 2009, p. 138).

Without adequate localized employment opportunities, families become more fractured, some permanently, some temporarily (as per outsourcing and guest workers), both contradicting item 4 in our list above, seeking to preserve intact families. That fractured families suffer dislocation is illustrated for Mexico, given that of

the 11 million Mexicans living in U.S., 38% of fathers and 15% of mothers have children living in Mexico. In the view of a Mexican Child Protective Service official commenting on the fractured family syndrome, “the moment that there is a migrant father or migrant mother, the family is disintegrated.” Dreby documents aspects of this disintegration, such as children refusing to talk to their parents by phone, performing poorly in school, becoming undisciplined, and feeling in limbo in their new artificial families (e.g., under grandparental care) (Dreby, 2010, pp. 6, 202, 204-205, 223).

A Mexican peasant summarized the dysfunction within Mexico generated by outward migration:

In order to have televisions and stereos and other things of that kind, men leave their wives, their sons and daughters. They abandon their aging parents. They leave their friends, their barrio, their village, and their soccer team, to live among strangers and make money and buy things (Hellman, 2008, p. 19).

The employment effects are reflected by a Mexican nurse, that “so many people have left that it becomes difficult for those who

remain behind to sustain any kind of activity” (Hellman, 2008, p. 24). Perhaps this helps explain the enormity of the informal employment sector in Mexico, dwarfing the formal sector (Williams, 2007, pp. 58-60).

These processes occur even while overseas family sends monetary support home. So great is this to Mexico that “remittances (wages sent home) from Mexicans working in the United States exceed the total value of foreign direct investment in that country and far exceed total aid to Mexico” (Claar and Klay, 2007, p, 157). Beneficial as the employment effects of these might be in the short-term, their long-term value is questionable. Already, signs of financial decline are apparent, as per the experience of remittances elsewhere. On a different tack, the U. S. Ambassador to Mexico in 2005 declared that “reliance on remittances is not a viable economic policy. This only increases dependence on the United States.” Or, as the Inter-American Development Bank put it in 2006, that Mexico receives the world’s highest level of remittances, “signifies that the national economy isn’t generating enough jobs” (Contreras, 2009, p. 181).

How jobs should be generated in Mexico is a contentious question. Job-wise, the effects of NAFTA are still in dispute, with

the Carnegie Endowment for International Peace reporting (2004) that “the rural poor have borne the brunt of adjustment to NAFTA and have been forced to adapt without government support.” Manufacturing employment growth has not taken up the slack, for it too has been hit during the globalization period. Thus, employment in the *maquiladoras* declined from 700,000 in 2001 to 400,000 in 2004, as “scores of American companies shuttered their Mexican operations and relocated to China and other countries with even lower wage scales” (Contreras, 2009, pp. 96, 94). Yet, in direct contrast, instances of hopeful local self-managed job creation emerge. Thus, in the state of Oaxaca, an NGO worked with the 70,000 indigenes in Bahias de Huatulco to reconstitute native forests, planting 15 million trees, achieving an unprecedented 98% survival rate for new seedlings. Manufactured products are made from the timber, including chairs and signed baseball bats, in the process rehabilitating the local landscape and rivers (Gibson-Graham, 2006, pp. 191-192).

Large-scale mining and manufacturing in the developing world produce a different set of employment effects. Since Third World countries do not possess the capital to generate these activities, they depend on foreign investment. As above, effects of this investment depend on what happens to sales revenue and profits. If

they mainly return to the home country, the host country has lost out, but not completely, for employment is eagerly sought after in these sectors, and has grown rapidly. This employment growth is often made up of displaced rural workers who earn higher incomes than in farming. Frequently, wages may be higher in these industries than in domestic sectors, especially if they are export oriented (Claar and Klay, 2007, p. 151). How much better off the new manufacturing workers are than in their former agricultural work is moot when all costs of city living are factored in. Income differentials do not tell the whole story. In mining and city manufacturing generally, workers may be removed from their families, costs of living may be greater (e.g., higher housing costs), and workplace conditions more stressful (longer hours, lax safety safeguards, restricted workers' rights). Foxcomm provided an example of this in China, but the noxious nature of worker conditions elsewhere in China is well monitored by the China Labour Bulletin, and formerly by the Hong Kong Christian Industrial Committee. Self-employment does not exist in these sectors, workers have little control over their jobs, city environments are air and water polluted. Some of these deleterious environmental features will be ameliorated as living standards rise (Claar and Klay, 2007, pp. 148-149), but the issue is the best way to raise standards.

A defense of employment conditions in MNCs in developing nations is that they “are at least providing employment opportunities and incomes that might not otherwise exist, enabling the poor to support their families” (Irwin, 2009, p. 210). However, MNCs meet few of the six Christian principles of section 2. If the principles *were* followed, employment opportunities and incomes would be superior. This contention cannot be demonstrated, but stems from the assumption that God requires adherence to the principles as the means to encourage economic and social development of optimal quality. Practicing principle 1 ensures that God will show believers the trade-offs necessary to pursue the six-principle package. With God’s plan, it is not a question of whether to erect trade barriers or not, of trying to assess whether free trade is superior to protectionism, of trying to build worker and child protection safeguards into trade agreements, but of ensuring that the six principles are followed. It can be recognized that young women in China leave their family homes, earning “seven to eight times what their fathers earned working in rural agriculture in their home village,” leaving behind “a patriarchal order” (Irwin, 2009, p. 210). However, that this process occurs shows both the lack of localized employment opportunities, and a failure to abide by Christian family values that do not support patriarchal mores. Part

of the six-principle Christian package is conceded by Irwin (2009, p. 211), that “the fundamental problem facing workers in developing countries” is not sweatshops but “the lack of good alternative employment opportunities.” Sweatshops *are* a problem, but they exist because good employment principles, such as the six Christian ones here, are not followed.

Providentially, employment changes in the developing world conforming to the Christian principles above have been, and are being, achieved. An early one was the postwar land reforms in Japan, Taiwan and South Korea. In Japan, for instance, the American military government enabled tenancy to decline from 49% of land ownership holdings in 1945 to 9% in 1950, with a rise in peasant land ownership to 70% (Araghi, 2009, p. 127), associated with increases in food production. Land reform in China and Vietnam has produced similar benefits. At the other extreme, and contemporaneously, land reform is being undertaken in Latin America by localized grassroots organizations, often assisted by the Christian church. Two examples are the Landless Workers Movement (MST) in Brazil (Wolford, 2010), and the Zapatista EZLN in Chiapas, Mexico (Ramirez, 2008), both emphasizing self-sufficient indigenous food production and subsidiarity. This orientation toward developing world “food sovereignty” is

encouraged by the international confederation, La Via Campesina (McMichael, 2009, pp. 294, 302). In general, these developments accord with the approach favoured by Todaro and Smith that “the consensus of most economists” includes “expansion of small-scale, labor intensive industries” in both rural and urban areas. In rural areas, this is because “small farms are more efficient (lower-cost) producers of most agricultural commodities” (2006, pp. 347, 433). With greater job security and stability for farmers in the developing world, economic change could still be made, but more of it could be consensual, while encouraging innovation.

#### **4 Employment Changes during Globalization in the Developed World**

Diverse qualities of employment change in the developed world characterize the globalization period, but only one is highlighted here. This is plant closure and relocation, not necessarily to developing countries, and well underway before globalization. This process can be viewed in the light of the Christian principles of section 2. For example, Kraft LifeSaver executives closed Holland, Michigan’s, LifeSaver plant, the third largest taxpayer in Holland, in 2003, to move to cheaper sugar in Canada (Claar and Klay, 2007, p. 38). (The American Sugar Alliance disputes that



cheaper sugar in Canada was the main reason, citing plant underutilization, as well as labour and medical costs). It can hardly be claimed, as per Claar and Klay, that this plant closure was an example of a market process “overwhelmingly democratic in [its] response to personal choices.” What happened to the 600 workers laid off, and their families, does not appear to have been documented. According to the Christian principles here (item 2 above), and supported by the principle of subsidiarity, it should have been all workers who collectively made the decision (and who had collective ownership/management of the plant). The issue confronting them would have been whether they were prepared to continue production with the prevailing higher U.S. sugar price, and the effects this might have on sales. Would Americans have been prepared to continue buying LifeSavers if prices had to rise? There is no evidence that LifeSaver prices fell once they were made in Canada using half-price sugar. LifeSaver stockholders were probably the main beneficiaries of the relocation, as well as Canadians gaining new manufacturing jobs. That positive anecdotal stories can be told of what happened to particular, former LifeSaver workers has to be put against the effects of the relocation on the bulk of former employees, their families and community.

An overall picture of effects of industrial closure/relocation on workers in the U.S. occurring during the globalization period does not seem to have been documented. It is debatable whether “middle-age [manufacturing LifeSaver] workers may be able to successfully relocate to regions where their skills are still in relatively high demand” (Claar and Klay, 2007, p. 182). These are the very workers who are likely to have valued stable, secure jobs and family lives in their local communities. Also, these are workers whose skills are in declining demand with the transition to a services-based economy. More likely, middle-aged workers would go the way of “older workers” who “are hurt the most by labor market changes that leave them without jobs they had for most of their lives” (p. 183). Case studies of effects of manufacturing plant closures and relocation suggest these possibilities. Closures are not all attributable to globalization, but the claim is common that globalization has exacerbated closures and deindustrialization (e.g., Friedman, 2003, p. 42), even though trade-induced closures themselves are minor (Irwin, 2009, pp. 108-109). Off-shoring might not be a major influence on closures either, for among the world’s 100 largest MNCs, their average “transnationality index” was only 52.6 out of 100 (Williams, 2007, pp. 93-96). This is in line with the varied views among economists about whether closures will have significant employment effects in

the future, evidenced by the disagreements in Bhagwati and Blinder (2009).

Case studies of closure effects were more common before globalization (1980 onwards). One concerned the closure of the Youngstown steel mills from 1977, due in part to cheaper foreign steel imports (Buss and Redburn, 1983, p. 19), a precursor of globalization processes. An Ecumenical Coalition tried unsuccessfully to raise funds to enable the workers to buy and run the plant. One year after the closure, from a survey of 146 terminated workers (out of the 4000 formerly employed), 66% were either unemployed or had retired. The 35% forced into early retirement received pensions less than half their previous salary. Two years on, most of the unemployed had found jobs, often in less skilled work, with lower pay, poorer working conditions, longer commutes, higher job rate change (Buss and Redburn, 1983, pp. 92-94), and experiencing depletion of family assets. Relocation subsidies held little attraction because jobs in other communities were not on offer. Terminated workers devised strategies to cushion some of these effects. One was to keep hold of localized qualities, “the informal social support network composed of families and friends in often predominantly ethnic neighborhoods” to lessen the burden of unemployment. Whether hard hit areas

recover by diversifying into new service industries, showing “evidence of social and economic progress” (Claar and Klay, 2007, p. 152), is moot. One opinion on Youngstown 26 years after the closure (Russo and Linkon, 2003, p. 208) was that it “had come to be seen as a site of desperation, a community so hard up for jobs that it would accept any form of economic development, even prisons.” According to this source, Youngstown was by the early 2000s a national leader in high rates of unemployment, poverty, population decline, devaluation of housing stock, foreclosures, bankruptcies, arsons, crime and prison population per head. Replacement jobs did not emerge in Youngstown. In the U. S. overall, 11% more jobs were generated between 1995 and 2003, but Youngstown lost 5% (Bluestone et al., 2008, p. 486). Of course, one case proves nothing. The question is how widespread are the experiences of Youngstown? In general, of U. S. manufacturing workers displaced from full-time jobs between 2005 and 2007, nearly two thirds were reemployed full-time by 2008, with one third either unemployed or not in the labour force (retired). Of those reemployed, around half earned a lower wage, and half the same or higher wage (Irwin, 2009, p. 130).

A generalized contrast between the possibly stagnating or slow growing Frostbelt northern cities and the dynamic Sunbelt southern cities is well known (e.g., Bluestone et al., 2008, p. 486). But this

still does not tell what happened to former manufacturing steel and auto workers in Detroit, Cleveland and Pittsburgh. Diverse effects might have occurred. For instance, it may be no coincidence that neurotic disorders are clustered disproportionately in this Midwest industrial region. Perhaps this helps explain why these workers did not apply themselves to upgrading their educational skills, for while the percentage of Americans gaining a college degree doubled over the last three decades, to 24% by 2004, the figures hardly changed for Detroit (11%) and Cleveland (4%). In any case, whatever their education, people did not see their communities as providing adequate job opportunities. One pessimistic assessment of their future is that “the Clevelands and Pittsburghs of the world will find themselves increasingly squeezed between two pincers as top business functions gravitate to larger regions like Chicago, while production shifts to centers like Shanghai” (Florida, 2008, pp. 197, 94, 171, 74). This conforms to Blinder’s view (2009, p. 28) that “millions of individuals and hundreds of communities paid substantial costs — almost always without compensation — so the rest of us could reap the benefits.”

From the Christian principles in the list above, an issue is the role of workers in closure decisions. Typically, in plant closure/relocations, the workers in the plant have no voice in the

decision, even though they are now given advance notice.

Christian principle 2 in the list above presupposes a different form of work organization where workers would be the decision makers (Pope John Paul II, 1981, n. 12-14, 18). In these contexts, workers' preferences would be to the fore, meeting what they actually want. For as Freeman and Rogers (2006, pp. 1, 2) have shown, 85-90% of U. S. workers desire a more collective voice in the workplace, they prefer "cooperative relations with management to adversarial ones," and are "open to different paths for increasing their representation and participation at their workplace." Were the six Christian principles to be followed, a different geography and structure of production would emerge, a different worker remuneration scale, a different community base for employment, but one that could adjust to technological change and changing consumer tastes. No longer would it be possible to dismiss deindustrialization as "simply the natural outcome of successful economic development and [is] generally associated with rising living standards" (Rowthorn and Ramaswamy, 1997, p. 3).

If the population of a developed country could choose, would they prefer to pay higher prices for a locally-produced product while maintaining stable ways of life? Claar and Klay (2007, p. 40) suggest not, that "most Americans would not choose to live in a

society that routinely gave preference to a safe status quo over chances for people to realize big dreams by undertaking risky challenges.” Some evidence indicates the contrary, that a safe status quo and security are just what most people *do* prefer, and they hold on to them if they can so attain (e.g., Layard, 2005, pp. 7, 170-184). Thus, in the U. S., job stability and security has remained high despite effects of sub-contracting, casualization, part-time work, deindustrialization and globalization, with the typical worker remaining in a job for fifteen years (different estimates exist). Employees rank job security highly. 85% of workers in a 2005 survey rated job security as essential or very important in a job, even more important to low income workers (Freeman and Rogers, 2006, pp. 38, 10, 50). Employers may have responded to these preferences, for “the fast growing sectors [of the U. S. economy] increasingly prioritize labour retention” (Doogan, 2009, p. 184), although probably applying more to high skill than low skill jobs. One skilled instance of this priority is the U. S. software corporation, SAS Institute, whose working conditions are so favourable that the company has little labour turnover (Florida, 2008, p. 257). Low skill/wage retail and service jobs that “accounted for 70 percent of all new job growth between 1989 and 2000,” mostly filled by women (Collins and Mayer, 2010, p. 6), are unlikely to constitute stable or secure employment.

This tendency is perhaps reflected in the rising trend to earnings instability in the U. S.

Family dislocation in the U. S. inherent to the labour mobility occurring during the globalization period is analogous to, but of lesser severity than in the Third World. For the high skilled, the deleterious process (such as less time with family, less church involvement, less recreation) is well described by Christian, Goettler's hypothetical case study (2008, pp. xi-xvii), based on his "stories of engineers working for Long Island corporations." This sort of labour mobility "when it becomes endemic, tends to create new forms of psychological instability, giving rise to difficulty in forming coherent life plans, including that of marriage" (Pope Benedict XVI, 2009, n. 25). The decline in marriage rates, where they are occurring, may well be a partial by-product of heightened labour mobility during globalization (contradicting item 4 in our list above).

### **5 Changes in Equality during the Globalization Period**

Another defense of current globalization trends is that they increase employment in Third World manufacturing. Worker incomes could rise because wages are higher in MNCs and domestic manufacturing in poor countries than in the farm sectors



from which manufacturing/mining workers are drawn.

Globalization could then be narrowing income gaps between rich and poor countries, according with Christian principle 3 above. So much so, that Claar and Klay (2007, p. 157) report “stunning evidence of shrinking income gaps between First and Third World peoples” on the basis of Bhalla’s data (2002). However, the evidence is less clear-cut than this conclusion suggests. Anand and Segal (2008, p. 90), who examined a number of earlier studies, including Bhalla’s, dispute the judgement, contending “that it is not possible to reach a definitive conclusion regarding the direction of change in global inequality over the last three decades of the twentieth century. The differing studies arrive at widely varying estimates of both the level of, and changes in, global interpersonal inequality.” Thirlwall (2006, pp. 29-30, 59) cites six studies (2000-2004) indicating that inter-nation Gini income coefficients have remained virtually stable or increased slightly in the last few decades. He reports no “tendency for the international distribution of income to narrow,” or for convergence to occur. This conclusion is echoed by Todaro and Smith (2006, pp. 53-54, 80-81), of an “enormous developing imbalance in world income distribution” (p. 56). Another way of looking at this is via trade liberalisation that can be regarded as a component of globalization. A 2004 study reported that “the evidence on trade liberalisations which have

been implemented in the last two decades... suggest a positive relationship between trade liberalisation and wage inequality. This finding is clearly contrary to the predictions of the traditional theory of international trade” (Arbache et al., 2004, F77). Bhalla’s other evidence on narrowing gaps is mixed (p. 199). He defines a pre-globalization period as 1960-80, and globalization as 1980-2000. Three of Bhalla’s indicators of living standards for the developing world (a political and civil liberties index, infant mortality, and life expectancy) improved more during pre-globalization, with three improving more during globalization (illiteracy, middle schooling completed, and average educational attainment). This evidence does not suggest dramatic improvements caused by, or occurring during, the globalization era.

Whether Bhalla is correct on shrinking income gaps between the developed and the less developed world or not, both he and other commentators report “overwhelming evidence that intracountry inequality worsened” in the last few decades of the twentieth century (Bhalla, 2002, p. 3). In the developing world, for example, the richest 20% of households “probably owns and controls well over 90% of the productive and financial resources, especially physical capital and land but also financial capital (stocks and

bonds) and human capital in the form of better education and health” (Todaro and Smith, 2006, p. 235). Goldberg and Pavcnik (2007, pp. 76, 77) suggest “a contemporaneous increase in globalization and inequality in most developing countries.” They “find no evidence that any measure of inequality decreased over this entire period [1980s and 1990s] when compared to earlier periods characterized by less globalization for developing countries.” This process is unwelcome to Christians, such as Pope Benedict XVI (2009, n. 32, 22) who wants “economic choices... not [to] cause disparities in wealth to increase in an excessive and morally unacceptable manner.” In his view, this is happening, for “inequalities are on the increase,” and “the scandal of glaring inequalities’ continues.” Whether they are caused by globalization or not, wealth and income disparities within countries, including those in the developed world, *do* seem to be increasing excessively and immorally with consequent social ill-effects in the countries concerned (Wilkinson and Pickett, 2009). None of this accords with Christian principle 3 above.

It is also uncertain whether a positive relationship exists between globalization, higher equality within a country and its rate of economic growth. World Bank evidence reported by Thirlwall (2006, p. 91) is that the higher the degree of intra-country equality,

the greater the GDP per capita growth (but qualified by Todaro and Smith 2006, pp. 216-218). This is consistent with Thirlwall's opinion that "unequal societies impair growth through inefficiency and political instability" (p. 43). A similar view is Graafland's (2008, p. 12) of "a growing consensus that countries with an initial egalitarian distribution of assets and income tend to grow faster than countries with initial high inequality." Sources of inequality growth inefficiency are noted by Todaro and Smith (2006, pp. 208-209). These include the inability of the poor to obtain credit for economic improvement, lower savings rates by the rich, conspicuous consumption and capital flight by the rich, disproportionate access to higher education by the rich, rent seeking, and corruption. They also suggest that "most developing countries are ruled directly or indirectly by small and powerful elites" who become richer at the expense of "less powerful masses of poor people" (Todaro and Smith 2006, pp. 49, 71). This mutual interrelationship between unequal wealth/income distributions, and those of power, consolidates the impairment of economic development. Wealth/income distributions and power are only two aspects of equality. Equally important are means to generate greater equality in gender tasks and rewards, workplace democracy, educational opportunities, job satisfaction, status, and prestige.

Consistently with the data above suggesting increasing intra-country inequality during globalization, Florida (2008, p. 24) argues that globalization is producing a “spikey” world, not a flatter one. Economic development is generated in a few agglomerations, with relatively low multiplier effects outside their environs, as per the case of China above. This is part of the “epochal transformation” affecting developed, and to a yet lesser extent, some developing economies like China and India. Manufacturing jobs are being lost (deindustrialization), with growth in low/skilled-paid service jobs, and high skilled/paid-creative sector jobs. As Florida (2008, p. 103) notes, this transformation is “especially tragic for the scores of people who have lost good, high-paying jobs in manufacturing over the past several decades.” If their post-manufacturing condition is as dire as some commentators suggest (such as Florida), the process does not accord with the Christian principles in our list above. For instance, growing wage inequality is a probable outcome between the two growth sectors, disconforming with principle 3. Nor does it seem to be the case for the world that employment in the “creative sector” is going to reverse this situation in the short-term. Only 6% of world population has logged onto the Internet, and half has not made a phone call (Williams, 2007, p. 127).

## 6 Conclusion

It might still be unclear whether employment changes during the globalization period have been net-wise beneficial to the majority of Third World population. If a priority for Third World nations should have been for them to feed their populations, maintaining self-sufficient agricultural employment, as per the Christian principles here, and as authorities such as Todaro and Smith suggest, this orientation does not seem to have been well-achieved. Rural employment has been undermined, with remaining subsistence farmers producing insufficient to feed themselves, let alone their nation. The movement of peasants to city manufacturing has generated higher incomes for them, but on balance their socio-economic advantage is probably less than the income gap suggests. In the developed world, plant closures and relocation have proceeded without workers having a say in the decisions. Former manufacturing workers do not appear to be making the transition to comparably-paid work easily. Growth of the creative service sector is not providing job opportunities for inappropriately-skilled terminated manufacturing workers.

If Pope Benedict XVI (2009, n. 19) is correct that “the causes of underdevelopment are not primarily of the material order,” Christian input can assist to flesh out its primary causes. This

observation comports with Gregg's (2001, p. 8) that "the true meaning of something that may qualify as a sign of the times, such as globalization, can only be discerned in light of all the general principles contained in the Gospel." The argument here is that six Christian principles need to be at the fore to foster development conducive to human betterment. However, some exceptions aside, it does not appear that they are being encouraged during the present globalization era. The concern about globalization, therefore, pursuing a path guided by ex-Christian influences, is that it could "cause unprecedented damage and create new divisions within the human family" (Pope Benedict XVI, 2009, n. 33). Or, as conservative evangelical economist, Griffiths, expresses it, "unless specific initiatives are taken by NGOs, governments, and international institutions, the extremely poor of the world will remain barely touched by global capitalism" (2003, p. 179).

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