

A Christian Community Meeting

A successful community meeting depends on the members' ability and willingness to love and trust one another, to share as truthfully as they can and to listen deeply. As you progressed from step to step in the program, you will have noticed your own growing facility in doing these things. Thus you have already learned most of what goes to make up a good community meeting.

By having taken the time to hear one another deeply over twelve steps you have gradually minimised the amount of hidden agenda (cf. Step 8 page 4) and made it possible to have good meetings from now on.



COMMUNICATION IS A BAROMETER OF COMMUNITY

A community meeting is a structured and intensified exercise in communication. The purpose of communication in any group is to facilitate the members in achieving their individual and common goals together. The quality of their communication is a good barometer of how they are doing this.

When a group of people with common goals increases the quality of their communication, then mutual trust, warm caring, a sense of belonging, sharing decision making, happiness in work, apostolic effectiveness and joy in living grow accordingly.

COMMUNITY
COMMUNICATION

Really Experienced:

mutual trust
warm caring
sense of belonging
SHARED DECISION MAKING
MUTUAL CO-OPERATION
happiness in work
APOSTOLIC EFFECTIVENESS
JOY IN LIVING

Lessening of:

mutual trust
warm caring
sense of belonging
SHARED DECISION MAKING
MUTUAL CO-OPERATION
happiness in work
APOSTOLIC EFFECTIVENESS
JOY IN LIVING

COMMUNITY
COMMUNICATION

In the same way, when a group of people even with the same goals neglect the quality of their communication, then mutual trust, warm caring, the sense of belonging, smooth shared decision-making, mutual cooperation, happiness in work, apostolic effectiveness and joy in living lessen accordingly. Some form of disintegration usually results.

And of course, if the individuals in a group do not share the same goals or do not really love one another, clear communication is the quickest way to discover it. This is why some groups prefer to keep their communication at a shallow level.

OUR EXPERIENCE

In our community we found all this to be simply true. As we improved the quality of our communication principally through our meetings, three things happened:

- a) The quality of our individual human experience improved and we thus grew in personal happiness, relaxation and freedom together. Most of all we grew in acceptance, respect and love for the uniqueness of one another.
- b) The quality of our christian experience likewise improved as was most noticeable in our communal and private prayer life. The shared testimony of one another's lives built us up more and more into Christ.
- c) The apostolic effectiveness of our ministry increased too. As we spoke to others of the christian experience — which of course is always in community — we knew that it was a growing experience for us in our own home.

A PRIORITY

Community meetings must be given top priority. Because of the speed and demands of modern life and apostolates, we realized that time together in the way we needed it, would not be available unless we decided to make it available. We decided to meet on definite foreseen days and that no one would accept any apostolic or other work at those times. This was and remains the most challenging aspect of our commitment to community meetings because our apostolic work demands so much of our time and so much time away from home. When we find it clearly impossible for all of us to meet in one month's time, then we plan a longer meeting — usually an entire day — away from home (but nearby) when next we meet. We share these details with you merely to stress that our community meeting is a non-negotiable and essential element of our christian lives together.

A STRUCTURED PRIORITY

Because people today have so little time in one another's company, it will be necessary to structure meetings carefully in order to gain most from them. We learned that for christian community, it is not the amount of time we spend together as the quality of the time which matters. Similarly it is not the amount of meeting-time that matters so much as the quality of the meeting. Each community must find its own best structure for maximum use of the time spent at community meetings.

A SUGGESTED STRUCTURE FOR A COMMUNITY MEETING

Working on the assumption that the purpose of a community meeting is to build one another up as christian persons, also to improve the environment for greater growth and freedom and finally to review our apostolic effectiveness, we found a five step program useful.

1. **PRAYER:** Naturally a christian community meeting commences with prayer for the guidance of the Holy Spirit so that "through perfect wisdom and spiritual understanding you should reach the fullest knowledge of his will" (Col. 1:9)

As far as possible this ought to be a spontaneous prayer by each one — it does not have to be long — rather than a formal prayer because, apart from the efficacy of all prayer, its spontaneity generates and expresses an element of trust in one another right from the beginning. The Word of God reminds us:

"At all your meetings, let everyone be ready with a psalm or a sermon or a revelation, or ready to use his gift of tongues or to give an interpretation; but it must always be for the common good" (1 Cor. 14:26)

2. LEADERSHIP: The community leader should then minister the Word to all by way of exhortation and encouragement. Christian leadership is fundamentally a vocation to authorise, encourage and provide for the growth of others and this is best done by ministering God's lifegiving Word to them. This is not difficult as it is merely sharing an insight received in prayer on the subject of the Christian life together. Paul reminds us that this is an important element of christian leadership:

"Be an example to all the believers in the way you speak and behave, and in your love, your faith and your purity . . . Take care about what you do and what you teach; always do this, and in this way you will save both yourself and those who listen to you" (1 Tim. 4:12,16)

Individuals in the community may feel called to develop the Word of scripture opened by the leader. Paul expected the Roman community to do this:

"For I am longing to see you either to strengthen you by sharing a spiritual gift with you, or what is better, to find encouragement among you from our common faith" (Rom. 1:11,12)

3. COMMUNICATION OF EXPERIENCE: The next stage of the meeting is the sharing of personally and inter-personally experienced truth in love. The Word tells us how the first christians did this and invites our obedience to it:

**"If one part is hurt, all parts are hurt with it.
If one part is given special honour, all parts enjoy it" (1 Cor. 12:26)**

**"Rejoice with those who rejoice and
be sad with those in sorrow" (Rom. 12:14)**

"You must carry each other's troubles" (Gal. 6:2)

**"Warn the idlers.
Give courage to those who are apprehensive;
Care for the weak" (1 Th. 5:14)**

**"Give encouragement to each other and
keep strengthening one another" (1 Th. 5:11)**

"Teach each other, and advise each other, in all wisdom" (Col. 3:16)

**"When someone has doubts, reassure them;
when there are some to be saved from the fire, pull them out" (Jude 23)**

**"Brothers, if one of you misbehaves, the more spiritual of you
who set him right should do so in a spirit of gentleness" (Gal. 6:1)**

So that the community can obey those words of God, each of us should be willing to say when he is hurt, to tell why he is rejoicing or sad, to share his troubles, to say how he is apprehensive or weak, to ask for encouragement or strength, to seek teaching, advice, reassurance or fraternal correction. How also can the Risen Lord in the community heal our hurts, rejoice with us when we rejoice, be sad with us in sorrow, share our troubles, give us courage when we are apprehensive, strengthen us when we are weak, offer us fraternal correction or teach, advise and reassure us in our doubts? But in all this let us "never say or do anything except in the name of the Lord Jesus" (Col. 3:17) and "all think of what is best for each other and for the community" (1 Th. 5:15)

A simple structure for this ministry to one another is that each in turn shares his human and christian experiences since the last meeting with stress on feelings as mentioned on page 4 of Step 1 of the program. He could then tell each member of the community in turn how they helped him. Finally he should ask each of them how he might help them more. This is a profound gesture of love and trust in both persons as they speak to each other in obedience to the Word:

"So from now on, there must be no more lies;
you must speak the truth to one another,
since we are all parts of one another" (Eph. 4:25)

as Paul did with the Corinthian community:

"We have spoken to you very frankly;
our mind has been opened in front of you . . .
as a fair exchange, open your minds in the same way" (2 Cor. 6:11,13)

Prayer for individual needs as they come up could be said at this time. The Word as given in Steps 6 and 7 will be of help to understand this part of the meeting.

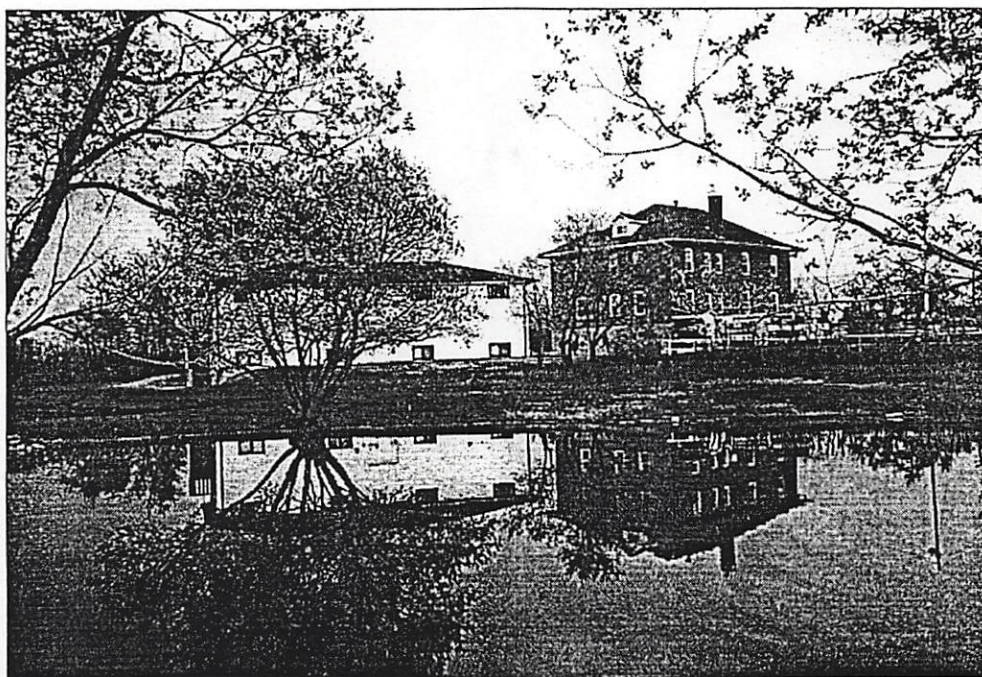
4. COMMUNITY STRUCTURES: We now come to the more functional aspects of the community meeting. At this stage each member suggests ways in which community structures could be improved for personal growth and freedom. Such practicalities as time schedules, form of liturgy, work rosters, building alterations, meals etc., could be discussed. What you learned in Step 12 can be put in practice regarding improvement, removal or erection of better structures for community living and so you can "adopt any custom that leads to peace and mutual improvement" (Rom. 14:19)

The agenda for this part of the meeting could easily be drawn from points noted in writing on the community notice board as they occurred to the members during the month and also by reference to the previous meeting's agenda.

5. REVIEW OF APOSTOLATE: The final stage of the community meeting is a review of the apostolate both individual and communal. Care may have to be taken if the community conducts an institution, not to turn this into a staff meeting which is another reality. This is meant to be a general assessment of the apostolate and how each person feels it might be improved by him individually or by the community. It is a matter of discernment in the real sense of the word. It is a prayerful dialogue to discover what God is saying to the community and to the members about their apostolate. 'Missioning' as explained in Step 9 could be carried out at this time and the opening of new apostolates or the gradual phasing out of old ones should be discussed at this time.

This five step structure will ensure that each meeting is new and a continual source of personal growth for the members.

John Paul II Bible School



Bible School property. The new building on the left, the former hospital building on the right

BRIEF HISTORICAL OVERVIEW

In 1984 Bishop Raymond Roy of St. Paul Diocese, Alberta, gave the *Alberta Service Committee* for the Catholic Charismatic Renewal permission to open up a Bible School in a former hospital building donated to the diocese for this purpose. Permission was given to name this Bible School after the Holy Father, Pope John Paul II.

From its inception the enthusiasm, dedication and devotion to the gospel were apparent, and Bishop Roy made a point of informing the Pope of his high regard for the school during the *ad limina* visits to Rome over the years.

In the second year of the school, a modern building with classroom and dormitory accommodation was added to ease the overcrowding. The facilities have been adapted, renovated and equipped over the years as funding became available.

The school was founded out of a grass-roots desire to see a school that provided a sound Catholic formation in Holy Scripture and community prayer. . . a school that would equip people to be informed and holy witnesses of the Gospel. The school has now granted its *Diploma in Sacred Studies* to some 350 of its students over the past fourteen years of its existence.

This last year the school expanded its scope to offer a second-year program, for those with leadership potential, with a hands-on approach to ministry formation as well as further spiritual formation.

The *John Paul II Bible School* is unique in many respects, and offers a new model in evangelization. Its dynamics of prayer, study and community, with the interactive dimensions, are effective in educating adults, and in providing an environment for experiencing and nurturing a personal relationship with God. This environment is established by a staff who work, as volunteers or for very little pay, out of a sincere desire to serve God, and have a sense of vocation to be here and to give of themselves.

The spiritual hunger of our society for solid basic spirituality, to offset the cultural atheism of our times, is apparent. We have difficulty in providing for the number of people wishing to come here, and the number of people requesting us to send teams to visit their communities on outreach.

The Bible School works closely with Bishop Thomas Collins, to serve the needs of the Church, particularly in Western Canada.

MEMO:

TO: Chris and Brad Taylor, Prairie Spirit Community
FROM: Provincial and Council, Missionary Oblates of St. Mary's Province
DATE: 98-12-01
RE: Renewing the Covenant: A Proposal for Provincial and Council



1. Backdrop:

In November 1996, Ron Rolheiser, OMI, as provincial superior, provided a memo which reflected and formalized a relationship between Prairie Spirit Community and the Oblates of St. Mary's Province. The memo spelled out how the Oblates understood their relationship, described as a **covenant**, with the Community. From the content of the memo, both parties came to accept this as a two year covenant.

During the course of this past year, both Prairie Spirit Community and the Oblates have given some thought to renewing this covenant. With this in mind, we present our understanding of a renewed covenant.

2. Covenant Relationship:

We understand our relationship as a covenant as opposed to a strict legal contract. Like a marriage, the covenant continues to be open-ended, and in ways more demanding and encompassing than a contract.

In principle, the terms of the covenant are not listed in an exhaustive manner. We continue to believe that it is impossible and unwise to attempt to specify precisely all that is encompassed. This covenant relationship brings about a mutual association, between laity and the Oblates, for which no precise canonical or legal categories exist at this time. We feel that this "vagueness" is healthy and apt at this time since it allows for precisely the kind of development that the Spirit can bring.

It is a covenant of life. The experience of our covenant as lived in the past two years helps shape the future of this covenant of life. It will grow from the give and take of the expectations we have of each other within the term of the covenant.

It is more a thing of the heart, of the spirit, and of a mutual support within life and Oblate charism, than it is a thing of specific obligations. Through this covenant we desire to share with each other from a common source, the charism of St. Eugene de Mazenod. This covenant will draw from the resources that Oblates have from their life experience, their charism, in response to the call of St. Eugene to evangelize the poor. It welcomes those resources that Prairie Spirit Community draws from that same charism.

This covenant contains some concrete commitments to each other, while maintaining and supporting the independence and uniqueness of the charism of each.

3. Oblate Covenant Commitments:

We, the Oblates of St. Mary's Province, would like to state publicly that, at this time, we are proud of our association with **Prairie Spirit Community**. Its specific charism, its present concrete life-style, its efforts to walk prophetically within the heart of the local and universal church, and its concrete locus (among the poorest of the poor) make it "Oblate" in the real sense of that term. In its presence among the poor, we, the Oblates are present.

We commit ourselves to Prairie Spirit Community in this covenant in three major areas: mentoring, some shared community life, and some financial assistance.

- 3.1. Mentoring is a constantly evolving reality which focuses on charism support. This mentoring we support by:
 - a) Some investment in the spiritual and intellectual training of the leaders of the Prairie Spirit Community.
 - b) Having an Oblate serve on the board of directors of the community.
 - c) Periodic dialogue between the provincial of St. Mary's Province and the leadership of the Community.
 - d) Assuring a "place at the table" for the leaders of Prairie Spirit Community in the ongoing development of Oblate lay association within the Province, the Region and the Congregation.
 - e) An involvement with Prairie Spirit Community to assure an ecclesial wholeness, both as it relates to the local diocese and to the universal church.

3.2. Sharing Community Life:

Since covenant means a certain sharing of life, we, the Oblates of St. Mary's Province commit ourselves to share some of our community life with you. While specifics evolve, we are open to your participation in:

- a) our annual retreat
- b) our study days
- c) our annual congress
- d) some of our provincial and district celebrations
- e) an ongoing mutual hospitality, fraternal support, and celebration
- f) a recognition that you are "one with us" in community and mission (albeit not full community members);

3.3. Financial Assistance:

As Oblates who have received financial assistance from benefactors, we are willing to enter into some financial sharing with Prairie Spirit Community. We know that the precise form of sharing does change from time to time, requiring renegotiation. For the present, we commit ourselves to:

- a) Prairie Spirit Community's use of the Oblate house at 117 Avenue P. South, Saskatoon, rent free, for the period of four years (January 1999-December 2002). The Oblates undertake to pay property taxes and approved Capital costs. This arrangement will be reviewed after that period. Any review prior to that, will be by mutual agreement.
- b) Dialogue about essential living expenses. For the years 1999 to 2002, the Oblates will provide a subsidy of \$20,000.00 per year.
- c) Continued assistance in financial accounting and planning.

3.4. We propose that the term of this covenant be from 1999 to 2002, subject to annual review.

4. Prairie Spirit Community Commitments: [To be completed by Prairie Spirit Community]

With pride and confidence, we renew this covenant.

"A new reality is becoming evident: families, married couples, single people and young people wish to be more closely united with us and manifest a special commitment to our charism...we are not the owners of the charism; it belongs to the Church." (From the Oblates of Mary Immaculate General Chapter, 1992

Who are Oblate Missionary Partners ?

Lay Catholics of any age, single or married, who desire to become more closely affiliated with the charism of the Oblates of Mary Immaculate.

What do they do ?

Meet monthly with local Oblates for reflection on how to live the new commandment of love and how to be Christ in the world in the context of their own individual lives.

Enter into a covenant with the Oblates to commit themselves for at least one year to live the spirituality of the Oblates of Mary Immaculate according to the charism of St.Eugene.

Make an annual retreat with the Oblates.

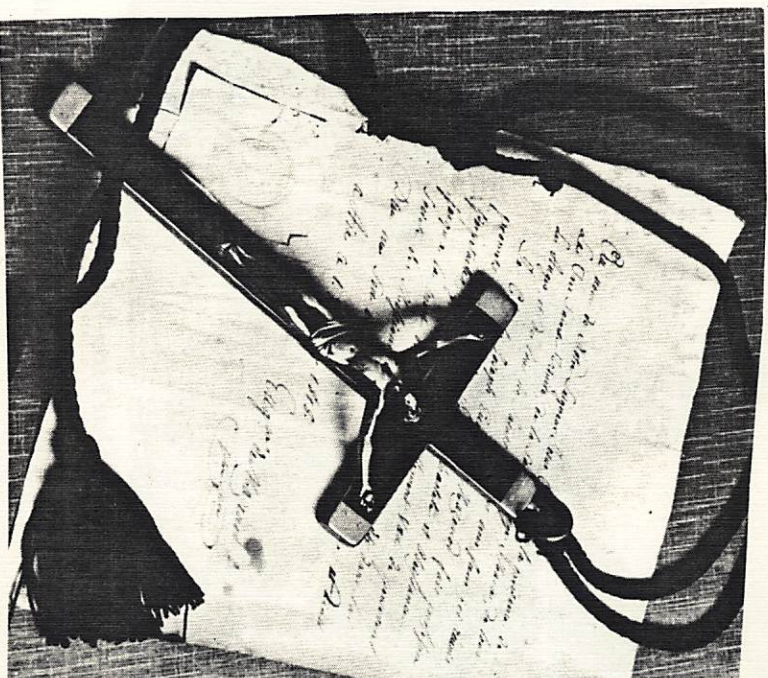
How do I become an Oblate Missionary Partner ?

If you live in an Oblate parish, contact your pastor for information about Oblate Missionary Partner's gatherings in your area. If you live outside an Oblate parish contact the Oblate Lay Associates Director, 2343 Avenida de las Brisas, Santa Rosa, CA 95404 or call toll free 1-800-266-8155 ext. 64



Oblate Missionary Partners

Living the Gospel



In your everyday life

Oblate Missionary Partners are lay Catholics who want a deeper affiliation with the spirituality of St. Eugene de Mazenod, founder of the Oblates of Mary Immaculate. Missionary Partners make a one year covenant to live the Gospel and the spirituality of St. Eugene in their own lives.



Missionary Oblate Partners in Lowell, MA

The calling of an Oblate Missionary Partner is not necessarily to any one form of ministry but to nurture his or her own spiritual growth as a Christian. It is to grow in holiness and, in the spirit of St. Eugene, to share the good news of the gospel with the poor and most abandoned.

To be an Oblate Missionary Partner is to join a community of over 5,000 Oblate priests and brothers, working together to manifest the love and compassion of Christ to the world.



To be an Oblate is to see the face of God in our brothers and sisters, to serve the poor and marginalized of our society, to be willing to give of ourselves to those in need. It is to love deeply, to forgive those who have hurt us and to bind the wounds of those who have been hurt by others. It is to honor the image of God in our fellow human beings. To be an Oblate of Mary Immaculate is to live the gospel of Jesus Christ in our own lives, whether we be lay people or professed religious, and it is to do all this with joy supported in a community of fellow Oblates.



Oblate Lay Missionaries

*Co-workers with the
Missionary Oblates of Mary Immaculate*



REQUIREMENTS

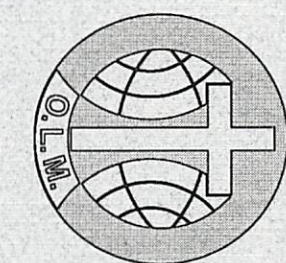
- ✓ Catholics motivated by the love of God and the desire to live out that love in the service of the poor.
- ✓ 21 years of age or older, men and women, single or married. Couples with children are welcome.
- ✓ Two year commitment (renewable by mutual agreement..
- ✓ Good physical and mental health.
- ✓ Willingness to live in community and to work with a team spirit.

BENEFITS

- The opportunity to respond to the call to mission and to make a difference in our world.
- Monthly stipend
- Room and board
- Health insurance
- Americorps affiliation
- Retreats and vacation time

If you want more information about becoming an
Oblate Lay Missionary, please write:

Oblate Lay Associates Director
2343 Avenida de las Brisas
Santa Rosa, CA 95405
1-800-266-8155 (code 64)



Oblate Lay Missionaries

*Co-workers with the Missionary
Oblates of Mary Immaculate*

"A new reality is becoming evident: families, married couples, single people, and young people wish to be more closely united with us and manifest a special commitment to our charism. ...We are not the owners of our charism; it belongs to the Church. And so we are happy to see that lay persons who are called by God want to share it."

Witnessing as Apostolic Community, 32nd General Chapter, 1992



The first Oblate Lay Missionary Project was launched in the sprawling San Fernando Valley area of Los Angeles. Working mostly with youth, the Lay Missionaries have started a reading readiness program for pre-school Hispanic children, worked hand in hand with kids on numerous neighborhood improvement projects and have assisted the Oblates in forming a dynamic youth organization.

In a rural area of Northern Florida, an Oblate Lay Missionary is spending most of his time visiting, counseling and ministering to the spiritual needs of hundreds of inmates incarcerated in a number of state prisons located in the area. He is also conducting religious education classes.

Additional Projects Planned in Near Future

Oblate Lay Missionaries will soon be working with a group of Oblates in a predominately low income area of the City of Lowell, MA (near Boston) and in a depressed area of Miami, FL. In both areas, the Lay Missionary goal will be to live in community and to serve Christ in the poor.

There are those who say it is too much to expect of people to interrupt their careers to give two years of their lives to the Lord's work. We know differently. Just ask the people who have already come forward.

"There was a moment at the 7 o'clock Mass when there was no priest. Because I was an Oblate Lay Missionary, they asked me to lead the service. These people had great faith in me... I knew at that moment that I had become a new found energy in the community."

Harold Cohn is an Oblate Lay Missionary from Chicago. He is currently working with the Oblates in a rural area in North Florida.



"Here I am exposed to people who have had a very different life experience than me. I hear a lot about the bad and I see a lot of the good. My hope is that I can be a small light helping to make San Fernando a better place."

Mary Wier, Oblate Lay Missionary from Austin, TX, who with her husband Andy and two small children, is working with the Oblates in a poor, predominately Latino area of L.A.

Covenant of the Oblate Missionary Partner



Profoundly aware of my desire to respond to the call of Jesus in my life, I

promise to collaborate in Jesus'
mission of salvation as an Oblate Missionary Partner for the coming year.

*Taking account of my primary duties and responsibilities and the particular
circumstances of my life, I promise to live the spirituality of the Missionary
Oblates of Mary Immaculate according to the charism of Saint Eugene. I will
strive to reproduce in my life the distinctive values of Christ the Savior, being
compassionate toward others with the same love that Jesus Himself shows
toward all peoples.*

*I also promise, in the context of my own state of life as well as within the
environment in which I live, to make Jesus and His Reign known to those in
need, especially to the most abandoned. My apostolic service will be in
harmony with the orientations of the Regional and Worldwide Oblate Mission.*

*Inspired by Mary's example, I ask God for grace to make Christ present in
our world.*



Name

Place

Date

In the presence of the Lowell Oblate Missionary Partners Community

Signed

OBOLATE LAY ASSOCIATES
1730 4th St. #210
Santa Rosa, CA 95404



The Missionary Oblates of Mary Immaculate who serve your parish would like to invite you to join with them on a spiritual journey. We are looking for a few good laymen and laywomen who, in partnership with the Oblates, commit to live more fully the Gospel and Christ's new commandment of love.

The men and women we seek are those who understand that if God is to live in the world, it is through priests and laity working together to make it happen. The Oblate Partners is a prayer group but much more. It is a part of the parish but its purpose is not primarily to "help out" in the parish but to transform the lives of its members from within. It is a "support group" for sanctity.

Drawn to the spirituality that characterizes the Missionary Oblates of Mary Immaculate, the Partners gather themselves into small groups for prayer and mutual support. They continue in their own homes, keep their own employment, but their lives take on new meaning.

The Oblate Partners is for those who want more from life, more goodness, more kindness, more love and a greater closeness to God. There are no dues to pay, no membership requirements, no policies and procedures...only the firm commitment to get closer to God and to make their lives holier.

Do you feel called to become an Oblate Partner? If you live in an Oblate parish, contact your pastor for information about Oblate Partner's gatherings in your area. If you live outside an Oblate Parish but are interested in becoming part of this call to holiness, contact Hank Mattimore, Oblate Lay Coordinator,



OBLATE LAY ASSOCIATES
1130 4th St. #210
Santa Rosa, CA 95404

*Oblates of Mary Immaculate Associates
(OMLA)*

Vision and Mission Statement

November 16, 1997 marked the turning point of our spiritual pilgrimage – the realization of our call to be associated with the Missionary Oblates of Mary Immaculate. And thus we call ourselves Oblates of Mary Immaculate Associates.

For years we had been meeting monthly as a Cursillo Group Reunion. Those meetings were deeply enriching for us. But we felt that we were called to a closer union with God. We found the answer to our longing in the charism of St. Eugene De Mazenod and the Oblates of Mary Immaculate.

We are convinced that embracing the charism of St. Eugene will help us to attain a more meaningful life, to grow in goodness, in kindness, in faith and love and a greater closeness to God, and to bring His love to others.

St. Eugene's charism calls us to become missionaries of God's forgiving love for poor sinners like us. We desire to be a part of the Oblate's spiritual and apostolic way of life.

We are inspired by the Oblate charism of working together as a community to share the "Good News" of faith, hope and love and the message of salvation to our most abandoned brothers and sisters. We would like to share in that call.

Like St. Eugene de Mazenod, we have a special love for the youth. We hope and pray that our group will have an opportunity to help bring them closer to God.

We are specially attracted by the Oblates' devotion to Mary Immaculate. With them we would like to grow closer to God through our Blessed Mother.

We hope that our association with the Oblates of Mary Immaculate will provide us with the regular guidance of a spiritual director and the support of a religious community.

Through our association we would like to pray together, to evangelize one another, and to pray for the missions and for vocations.

Our present commitments do not allow us to offer ourselves as volunteer missionaries, but we are hopeful that someday, by God's grace and Our blessed Mother's help, we will also be able to commit ourselves to a specific missionary work.

We place our vision and mission as Oblates of Mary Immaculate Associates in the hands of our Mary, our blessed Mother.

Bebs de los Santos
Nemia Nicer

Lillie Villaluna
Tem Villena

Ellen Peralta
Eugenia Vallarta

Rose Jardin
Carol Bautista

STATEMENT OF COVENANT
Between
The Missionary Oblates of Mary Immaculate
and

_____, *Missionary*

PREAMBLE

The Missionary Oblates of Mary Immaculate ("the Oblates") recognize that there are both single and married lay people who wish to dedicate themselves formally for a period of time as Missionaries to the cause of missionary activity in the Church. Some of them wish to do so through the Oblates. The Oblates welcome this development and see it as the working of the Spirit inviting the People of God to take up the mandate to preach the Gospel to the poor and to make Christ more known in all lands.

Among the Oblates, the term Lay Missionary ("the Missionary") signifies a person who, motivated by the desire to respond to Christ's call to be a witness to His love, wishes to express his or her response at this time by service with the Oblates for a minimum period of two (2) years.

This agreement is meant to formalize the character and details of the lay missionary's response. The covenant is entered into between the Oblates and the Missionary whose service has been requested and accepted by the Oblates.

It is mutually understood that the association of the lay person with the Oblates will be as an Oblate Lay Missionary and that this association in no way implies formal membership in the Missionary Oblates of Mary Immaculate.

THE OBLATES AND THE MISSIONARY AGREE AS FOLLOWS:

1. The initial term of service is two (2) years, thereafter with the approval of the Oblates, it is renewable in one year terms.
2. The Oblates will assure the following:
 - a) direct transportation to and from the site as mutually outlined: usually by air with normal baggage allowance to the Oblate location and, upon termination of the agreement, equal return transportation to the Missionary's home;
 - b) room and board during the period of this agreement;

- c) a modest personal allowance, reviewed annually by the Oblates;
- d) an allowance for an annual retreat and for annual vacation as determined by applicable policy;
- e) medical insurance during the term of service;
- f) airfare to and from the Oblate location for the funeral, in case of death of a parent, brother, sister or child.

3. The Missionary agrees to perform the following:

- a) to dedicate two (2) years as a Missionary in the Oblate location under the authority of the Director of Lay Missionaries for his/her living and his/her ministry at a particular site or sites as determined by the Director in consultation with the lay missionary and the pastoral team at the site;
- b) to perform the work assigned in a spirit of Christian service and in a manner acceptable to Oblate authorities;
- c) to cooperate with all personnel with whom the Missionaries are working with the understanding that the Missionary is not an employee of the Oblate location, but rather a full collaborator in ministry. Although not a voting member of the Oblate community, the Missionary will be consulted on issues of pastoral life in the Oblate location.

- 4. The Missionary will be accorded the privileges and responsibilities associated with a Christian who wishes to give his or her talents, skills and faith service to work with, and not merely for, the Church in the modern world.
- 5. The Oblates agree to facilitate the Missionary's response to Christ, relative to his/her skills and interests in contributing to the pastoral and parochial ministry of the Church in the Oblate location. Through this ministry, the Lay Missionary expresses his/her sharing in the Oblate missionary call to be of service to all people through the specific needs of the local Church, lived out of the faith commitment in Christ.
- 6. The Missionary shall be entitled to an annual retreat up to one week in length and an annual vacation of up to two weeks. Such vacation time shall be prorated if the Missionary fails to complete or terminate service prior to the completion of the two (2) year period of the agreement. The use of an Oblate vehicle for retreat or vacation is not presumed.

7. The Missionary is expected to participate in regularly scheduled meetings (gatherings) within the Oblate community, normally once a week.
8. The Oblate Provincial or his representative will make a yearly evaluation of the Missionary. The Oblates reserve the right to revoke this agreement. For this purpose the agreement may be terminated at any time, at the sole discretion and judgment of the Oblates. Without limiting such general power, the Oblates reserve the right to revoke this agreement for any Missionary who does not perform satisfactorily or who does not conform to the laws of the state or country where he/she serves. In such cases, the Oblates will pay the transportation to return home.
9. The Missionary may terminate this agreement at any time upon giving the Oblates at least one month of notice addressed in writing to the Director of Lay Missionaries and to the Oblate Provincial of the Western Province. If the Missionary terminates the agreement without giving such notice, the Oblates will be relieved of the obligation to pay for his/her return transportation home, and other accrued benefits.
10. The Missionary agrees to hold the Oblates in no way liable by entering into this agreement and releases the Oblates from any and all claims arising out of or in connection with it or service as a Lay Missionary.
11. This instrument and its attachment contains the entire agreement between the parties and no changes or additions shall be binding unless they are in writing and signed by the same parties of this instrument.
12. If any part of this agreement is deemed illegal or invalid, the rest of it remains in force without the part deemed illegal or invalid.
13. This agreement may be renewed beyond the two (2) year term by mutual consent in writing specifying the mutually satisfactory terms and conditions.

IGNATIAN LAY VOLUNTEER CORPS
3048 Guilford Avenue
Baltimore, Maryland 21218
(410) 366-8364

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about the Ignatian Lay Volunteer
Corps.

() Please phone me so that we can talk

Name _____
Address _____
City _____
State _____
Zip _____
Telephone _____
Best time to call _____

James R. Conroy, S.J.

Charles P. Costello, S.J.

PROFILE OF IGNATIAN LAY VOLUNTEER:

Women and men who may desire to belong to this program would have the following characteristics:

THE SPIRIT:

A lively faith which calls to action and service. A deeply felt hunger in the lives of women and men to find the Lord's presence in our world and to experience one's self, in the Spirit of St. Ignatius of Loyola, as a companion of Jesus called to service with him and others.

A desire to work with organizations that serve the materially poor. We believe that the decision to serve God's poor is grounded in a desire to heal the whole human family.

A commitment to grow spiritually through a process of reflection, prayer, and dialogue with others which deepens personal growth and commitment and builds communal support.

PRACTICAL:

Women and men on either side of 55 who are retired, early retired or semi-retired, and have sufficiently good physical and mental health.

Women and men with mature human skills and with any of a broad range of professional or trade and home skills, who can utilize their skills and life experiences to help service projects more effectively carry out their mission to the poor.

People who are willing to make a significant commitment of time and energy, i.e. 20-30 hours a week. (Commitment would occur after volunteers have had the opportunity to investigate and to work in a project.) Such a commitment is necessary if there is to be sufficient experience to reflect upon. Additionally, this amount of time committed permits more responsible work in the projects.

People who are in an adequate financial position so that they would require only a small stipend.

IGNATIAN

LAY

VOLUNTEER CORPS



WISDOM

EXPERIENCE

GRACE

AND

ACTION



WORKING FOR JUSTICE:

The call to justice is heard throughout a life time (Micah 6:8). For persons of faith this is always a deep concern. Yet they may regret that they have not done more during their work years to help others realize balanced human dignity in every aspect of their lives.

NOW there is the chance to do something about it. This is a graced time when there is leisure and freedom to volunteer in service to poor people. The experience, the skills and the information garnered through years of work may now be put to work anew.

BUILDING BRIDGES:

A bridge, indeed, is needed over troubled waters. The ravine which separates the poor from everyone else is ever wider, and needs compassionate builders to construct bridges to the poor. All of us are called to say yes to the preferential option for the poor, as John Paul II tells us. All of us are called to the land of the poor. The hope of the Ignatian Lay Volunteer Corps is to be a bridge-builder.

PRACTICING REFLECTION:

Reflection is at the heart of the Ignatian Lay Volunteer's life. Experiences which the volunteers undergo in their work will become the grist for a process of reflection. Each volunteer will try to be faithful to the time of reflection so that over time, in the mind and spirit of the volunteers, an integration will develop between their work and their spiritual life; they will become contemplatives in

the midst of their service.

The volunteers will have occasions to deepen their understanding through reflection, instruction and spiritual conversation with fellow volunteers and with directors of the Ignatian Lay Volunteer Corps. Volunteers will be guided, and will help to guide each other through reflection on their experiences to probe more deeply into the meaning of people's lives and the situations they are forced to endure. In this way they will realize a deeper sense of personal commitment, solidarity with each other and with their brothers and sisters who are poor, and the grace to discern what is the just action to take.

CHANGING CITIES:

The Ignatian Lay Volunteer Corps will initially be in three cities: Philadelphia, Baltimore, and Washington. The Corps will not initiate new projects or establish new agencies, but rather will collaborate with existing agencies involved in projects which serve people who are poor.

Our faith gives us the clear hope that, in devoting talent, skills and time to such projects, the volunteer contributes, for the good of poor persons, to local changes, which in turn contribute to changes in cities which in turn have something to do with transforming our world and healing the human family.

MISSION STATEMENT:

The Ignatian Lay Volunteer Corps is an organization of women and men of Christian faith who hope to build bridges between the people who are materially poor and themselves. Ignatian Lay Volunteers are open to new ventures, and desire to give of their talents and time. The volunteers will commit themselves to a year (at least) of substantial service to the poor and a process of communal reflection with their fellow volunteers.

Volunteers enter the program with a life of rich experience. Building on this experience, the ILVC will strive to match the desires and skills of the volunteers with the needs of various projects. A key element in the program will be a process of reflection which integrates the volunteer's work experience and faith life.

The Ignatian Lay Volunteer Corps is a summons to lay leadership. The ILVC hopes to help its volunteers to achieve a greater consciousness of persons who are poor. With a heart transformed through loving service, and through a deeper commitment to the church's mission of promoting justice in faith, the ILVC hopes to contribute to a transformation of the world.



The Church in the World



Will Rome listen to the Asian bishops?

A plea for more trust and diversity was the common thread in the interventions of many of the first 100 bishops to speak at the Synod for Asia which is meeting in the Vatican. They were calling on Rome to give the local Churches authority to take decisions on issues directly related to local situations, and to allow the Church in Asia to preach the Gospel in a truly Asian way. In counterpoint came insistence by bishops of the Roman Curia that Christian truth must never be sacrificed. On Tuesday the rapporteur, the Chinese-born cardinal from Taiwan, Paul Shan Kuo-Hsi SJ, had the formidable task of summing up the bishops' interventions in this first period of the synodal process. As *The Tablet* went to press, some Asian participants were saying that they could not recognise their views in his report.

Our correspondents write from Rome:

The Japanese bishops set the tone on the first day of the synod, when five of them spoke out. The Jesuit Archbishop of Osaka, Leo Jun Ikenaga, asked why Christianity had not taken root in Japan as Buddhism had done. The answer lay "in the human heart", he said. One way of putting it was that "in the West the paternal characteristics are dominant, while in Asia, particularly East Asia, it is the maternal traits which are operative. The fatherly figure divides and selects; the motherly figure unites and embraces all." In the East, therefore, "we need to give greater expression to the feminine aspects of God".

The Franciscan Bishop of Naha, Berard Toshio Oshikawa, told the synod fathers they did not have to go far "to find some of the reasons why Christianity does not grow in Japan". There had been frequent exhortations to root the Gospel in local cultures, but "the norm for Christian life, for church discipline, for liturgical expression and theological orthodoxy continues to be that of the Western Church". He regretted that despite valiant efforts, "the language of our theology, the rhythm and structure of our liturgies, the programme of our catechesis fail to touch the hearts of those who come searching". He hoped that the Holy See would "redefine its role" and "mediate with prudence, flexibility, trust and courage a new dialogue of all the Churches". This would mean, in particular, "moving away from a single and uniform abstract norm that stifles spirituality, Asian liturgical expression, earnest Asian theological search and real growth in maturity".

The concerns raised by the Japanese bishops were soon echoed by others. Bishop Francis Hadisumarta, a Carmelite, spoke in the name of the Indonesian bishops' conference, of which he had been president for many years. He recalled how Vatican II had set forth a vision of "the Catholic Church as a communion of Churches". The Catholic Church was not "a monolithic pyramid" and bishops were not "branch secretaries waiting for instructions from headquarters".

Hadisumarta insisted that there were "many areas where authority should be in the hands of the particular Church", includ-

The Indonesian episcopal conference had requested for 30 years the authority to ordain mature married men

ing the selection and appointment of bishops, and the education and discipline of clergy. He recalled how the Indonesian episcopal conference had "requested regularly" for 30 years the authority to ordain mature men into the priesthood. Because there were no priests in many parishes, he said, "we are becoming Protestant by default".

He had a vision of a Church where episcopal conferences "would have trust and authority to evangelise in dialogue with the poor, with cultures and with other faith-traditions". He could imagine the birth of new patriarchates, say in South Asia, South-east Asia and East Asia, which would mean "a radical decentralisation of the Latin rite".

The superior general of the Missionaries of the Holy Family, Father Wilhelmus van der Weiden, who had been a member of the Indonesian bishops' conference for 10 years, said they "had to cope with the exaggerated necessity to ask permission for almost everything in Rome, and often we don't obtain it". In his view, bishops' conferences with 20, 30 or more bishops and a number of theologians and specialists could better estimate "what, for example, in liturgical matters, is best for their flock" than Roman authorities "who often don't know the language and the culture of that country".

Archbishop Leonardo Legaspi of Caceres in the Philippines, a member of the Domini-

can Order, felt the Spirit could be leading them "to a new pluralism of theologies, liturgies, ecclesial practice and laws".

The Metropolitan Archbishop of Trivandrum of the Syro-Malankara Catholic Church in India, Cyril Mar Baselios Malancharuvil, wanted the Apostolic Oriental Churches of India – the Syro-Malabar and Syro-Malankara Churches – to be "equipped with more autonomy and structures of self-government, canonically established and confirmed", so that they could fulfil the task of evangelisation in India. Archbishop Mar Joseph Powathil of Changacherry, India, insisted that "the Catholic Eastern Churches are entitled to govern themselves" and this right of self-government "should be fostered without misunderstandings or tensions on the part of the Latin Church". He acknowledged, however, the need for "some structures of co-ordination" for the effective collaboration of Oriental Churches in the evangelisation of Asia.

From the Philippines, Bishop Francis Claver SJ felt there had been "enough blame-setting" for the failure of evangelisation in Asia. He found it "a sterile exercise, making judgements from hindsight about our forebears and the faith who were products of their age as much, I guess, as we are of ours". It was simply a fact that they had failed to put faith and culture together (inculturation). That must be the task primarily of the people – as bearers of a culture – and the Holy Spirit – as the giver and source of faith. But the bishops did not trust the laity enough, so did not entrust ministries and responsibilities to them. Did the bishops ever stop to think that this distrust "might also be distrust of the Spirit"?

Another example of this "lack of trust", he said, related to liturgical language. "Why do we have to send vernacular translations of the liturgy to Rome for approval?", he asked. Did that mean that their people were not trusted to speak the language of orthodoxy? There was a need for "internal dialogue" in the Church if the inculturation process was to be successful.

Cardinal Edward Cassidy, president of the Pontifical Council for the Promotion of Christian Unity, said that if the good news of Jesus Christ had found "a cold and even at times hostile" reception in parts of Asia, "some of the blame for this must surely be due to the deep divisions" between the Christian Churches which proclaimed that message. During his years of service in the diplomatic corps of the Holy See in India, Sri Lanka, Myanmar, Malaysia and Singapore, he had observed "with sadness and concern the hostility or at best indifference of Christians in their relations to one another". He was aware that much had changed for the better in recent years, but he still found it

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"hard to believe" that the search for greater unity among Christians "has little need of our attention during this special synod". Yet he noted "silence" about Christian unity in the working document and keynote address to the synod.

Speaker after speaker emphasised the pressing need for inter-religious dialogue. Thus Bishop Patrick D'Souza of Varanasi, India, said that when Christians approached the Hindu heritage humbly, they discovered "a continuity" between the way Hindus had been experiencing and expressing the mystery of God and the Christian way of experiencing the mystery of God in Christ.

Bishop Valerian D'Souza of Poona warned, though, that "generally in the minds of Hindus there is animosity towards Christianity. Even those friendly to us would consider it anathema for a family member to embrace Christianity".

Cardinal Peter Shirayanagi, Archbishop of Tokyo, Japan, pointed to the importance of inter-religious dialogue in attempts to promote justice and peace in the world. And the General of the Jesuits, Peter-Hans Kolvenbach, stressed that efforts at dialogue and inculturation must be made "without calculation" because they would not express Christian evangelisation if they did not radiate love. Several bishops, including Archbishop Henry D'Souza of Calcutta, India, who cited the example of Mother Teresa, maintained that "proclamation is done by deeds more than by words".

From the Roman Curia, however, came interventions that seemed to be intended as replies to the points made by those from Asia. Thus Bishop Paul Cordes, president of Cor Unum, asked the Asian Church to "inform Western pastors about possible traps in Buddhist anthropology, Buddhist methods of praying, etc." in view of the growing interest in Buddhism in the United States and Europe.

Bishop Julian Herranz, president of the Council for the Interpretation of Legislative Texts, condemned "the libertarian utopia of 'freedom without truth' which is also beginning to penetrate Asia under the influence of deleterious Western ideologies". He saw "the two great encyclicals, *Veritatis Splendor* and *Evangelium Vitae*", as "a great evangelisation instrument in Asia".

A conservative line was also taken by Bishop Malcolm Ranjith Patabendige Don of Ratnapura, Sri Lanka, who was the bishop to take up the case against the liberation theologian Tissa Balasuriya. Bishop Ranjith said that "making compromises" on the uniqueness of Christ had sent "mixed signals to our faithful and helped to weaken their missionary resolve".

Again from the Curia, Cardinal William Baum, from the Major Penitentiary, made use of the classification of the Middle East as part of Asia, telling the Asian bishops that they were historically rooted in sound doctrinal formulae on the grounds that "trinitarian Christological doctrine in the early ecumenical councils" came largely from "Asian bishops". This "must be a cause of great satisfaction" for them, he suggested, and with such a background, Asians should remember that "there must be no hesitancy in announcing with apostolic boldness that

Jesus Christ is the only Saviour".

Some had spoken of rooting the Gospel in local cultures, Baum noted, but the policy had been too successful in the United States, leading Catholics to abandon the moral teaching of the Church. Against the values of a post-Christian culture it was now time for "a renewed teaching on the Last Things: death, judgement, heaven, hell".

On Tuesday this week Cardinal Angelo Sodano, the Secretary of State, made his "modest contribution", saying that it was "curious" in a world so dominated by globalisation, that the Church should be moving away from, rather than closer to, the "rock of church unity, which is the living Peter in his successors". But "the successor of Peter cannot always intervene directly, but sometimes will do it through his collaborators in the Roman Curia".

Cardinal Joseph Ratzinger, in an elegant and interesting intervention, noted with approval the many witnesses to the vitality of the Church in Asia, but warned that faith could not be reduced to experience. Faith is rather "the criterion and the measure of experience, the guide which gives us light... the path of experience".

Many bishops referred to justice and peace and human rights in Asia. The Nobel Peace Prize winner, Bishop Carlos Belo from East Timor, said it was of "the greatest importance" that the bishops of Asia should "reaffirm" their support for the Universal Declaration of Human Rights and "also for those who require our solidarity".

Archbishop Orlando Quevedo of Nueva Segovia, Philippines, described the rise of a global economy as both "a blessing and a curse". It could encourage recognition of the universal ownership of all earthly goods and promote responsible stewardship of private property. But it could also unleash "death-dealing forces" on the lives of Asia's poor. He proposed that the Churches in Asia should appeal to sister Churches in the First World to present the case of the poor of Asia effectively before their own governments and the world's economic institutions: decision-makers, such as the International Monetary Fund, the World Bank and the World Trade Organisation.

This Synod on Asia was meeting without direct representation from the most populous and influential country on the continent, China. According to Bishop John Tong Hon, Auxiliary of Hong Kong, there are today at least 10 million Catholics in China, compared to three million in 1949, and more than 2,000 young priests and 4,000 young nuns.

Nowadays, he said, the ideology of atheism was no longer the dominant force behind the Chinese Government's religious policy. What the Government was concerned about was whether or not it could control all aspects of society. Government control was sometimes tightened and sometimes relaxed, and also depended on the attitudes of local officials towards the Church.

The Catholic Church in China needed help, particularly the promotion of reconciliation between the open and underground communities. He invited Catholics to visit the Church in China but in a prudent way.

Bishop Joseph Zen, coadjutor of Hong

Kong, said that in China the system had changed "to some extent" in the past 20 years. From September 1989 to September 1996 he spent six months each year in seven different seminaries in mainland China and the authorities "never interfered with my teaching".

From his experience he would make three suggestions. First, boldly proclaim the truth that Jesus is the only Saviour, that the Church is the sacrament of salvation, that the primacy of Peter is an integral part of the Catholic faith. "Never pretend that everything is alright and normal when it is not so. Only truthfulness earns us respect even from our persecutors."

Secondly, he would say: work for reconciliation. In China the division of the Catholic

Church was caused by external pressure. One section of the Catholic community stood firm, while another section compromised. The compromisers suffered too: they had to bear the full brunt of the Cultural Revolution, whereas those who chose the other way were in prison or labour camp, where the State protected them from the Red Guards.

Bishops and priests of the official Church today, with very few exceptions, led a poor and exemplary life, bearing the continuous harassment of government officials. The Pope had legitimised a good number of "official" bishops. Both groups were victims of the regime, and it was wrong to side with one against the other.

Lastly, he said, keep praying and dreaming.

He told the synodal assembly: "I dream of a finally unified Church in China. I see in my dream a crowd of bishops, priests, sisters, seminarians and faithful gathered at the holy shrine of Our Lady, Help of Christians, in Sheshan-Shanghai to welcome the pilgrim Pope."

■ The Chinese authorities have refused exit visas to the two Chinese bishops invited by the Pope to attend the Synod (see last week). The refusal came from the provincial government. The reasons given for the refusal were that China has no diplomatic relations with the Vatican, and that the Vatican had acted improperly in not discussing the question first with the Catholic Patriotic Association.

See *Documentation*, p.571.

Brutal murder of a brave bishop

Bishop Juan Gerardi Conedera, auxiliary bishop of Guatemala City, was brutally murdered at his home in the early hours of 27 April. He is reported to have suffered extensive blows to the head from a cement block which virtually destroyed his face, writes Ian Linden, director of the Catholic Institute for International Relations.

Just two days earlier in the Metropolitan Cathedral he and his brother bishops had launched a devastating indictment of the Guatemalan military entitled *Guatemala Nunca Más* (Guatemala Never Again). It documented in great detail some 55,000 cases of human rights abuses, of which 80 per cent were perpetrated by the army, in the context of some 200,000 disappearances, assassinations, torture, rape and kidnappings during the 36 long years of civil conflict.

Bishop Gerardi had devoted the last three years to working with the victims of human rights abuses to produce the report, while continuing in his capacity of co-ordinator of the Archbishop's Office for Human Rights.

International condemnation of the murder has been widespread. Kofi Annan, the UN secretary general, has called for a full investigation. Cardinal Basil Hume, Archbishop of Westminster, has spoken of Bishop Gerardi as a "tireless and courageous defender of human rights", and of his "distress and horror" at his murder. The Catholic Institute for International Relations, comparing his death with that of Archbishop Romero of San Salvador, has concluded that it was "almost certain" his murder was the work of a death squad, and urged the strengthening of efforts to promote peace in Guatemala.

Bishop Maurice Taylor, vice-president of CIIR and Bishop of Galloway, adds: "The murder of Bishop Gerardi fills me with horror and sadness. With horror that such crimes can still occur in that beautiful but violent country, and with sadness at the suffering and distress that the bishop's death will bring to so many people."

"He was a fearless pastor, a fearless leader and, as I am aware from knowing him personally, a man conscious of his human limita-

tions. When he was a bishop of El Quiche, his confrontations with the Guatemalan army as a result of its ruthless repression of the indigenous population led people to presume that he was under sentence of death. Indeed, there was an attempt to assassinate him in 1980 shortly after he had decided to withdraw the priests and religious from the diocese. I remember him telling me: 'I shall never know whether it was the right decision.'

"May his death, united to the death of his saviour Jesus Christ, bring justice, reconciliation and true peace nearer in Guatemala."

■ CAFOD has sent messages of condolence and solidarity to Archbishop Victor Hugo Martínez, president of the bishops' conference in Guatemala, and to President Arzú and the Guatemalan government, asking that the crime should be fully investigated and those responsible brought to justice.

Europe

Cardinal trapped in church by Serb mob. A stone-throwing Serbian crowd managed to entrap the Catholic Archbishop of Sarajevo, Cardinal Vinko Puljic, in a church in Derventa, Bosnia, and held him imprisoned there until he was released six hours later by NATO-led peacekeeping forces. The incident on 23 April ended without serious casualties, according to Franjo Marunica in Zagreb.

Cardinal Puljic and about 600 Bosnian Croat refugees had travelled to Derventa in a convoy of nearly 20 buses to celebrate the feast of St George in the local Catholic church dedicated to the saint. Derventa was previously populated by a mixture of Serbs, Croats, and Muslims, but with the Serbian

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DOCUMENTATION



Look at it our way: Asian bishops respond to Rome

The Asian bishops' conferences were severely critical of the preparatory document circulated to them in advance of the Synod for Asia. As a service to readers, we publish here a synopsis of some of their reactions to it.

THE Asian bishops criticised the outline document for being too Western in its approach. Indeed, the Japanese bishops felt that the questions it contained were so far from Asian realities that they could not even answer them. Instead the Japanese bishops drew up their own list of questions.

They also detected overtones of Roman imperialism. "From the way the questions were proposed, one feels that the holding of the synod is like an occasion for the central office to evaluate the performance of the branch offices", they said. "That kind of synod would not be worthwhile for the Church in Asia."

This awareness of their own dignity and responsibility as local Churches was echoed by the suggestion from one Indonesian diocese that the synod should explore the possibility of an East Asian Patriarchate endowed with similar autonomy to the patriarchates of the Eastern Churches in communion with Rome. "This would relativise the primacy of the 'Western' Church", they said, and would help the Asian Churches to earth themselves in the local cultures.

The Japanese bishops called on Rome to take a new look at the connection between the Churches in Asia and the Holy See. They asked the Holy See to "give more recognition to the rightful autonomy of the local Churches". As an example, they found it "strange" that approval should have to be obtained from Rome for Japanese translations of liturgical and catechetical texts already approved by the Japanese bishops' conference.

The Japanese also drew attention to the disadvantages of forcing people to work in a language not their own. "Among all the countries of Asia there is not one which has as a native language those ordinarily used by the Holy See - Italian, English, French, German, Spanish", they said. Given that it took just over three months to have the outline document translated into Japanese and distributed to the dioceses, they asked for a period of preparation of "at least six months" between publication of the subsequent working document and the convening of the synod. (In the event the working document was published in February this year and the synod met on 19 April.) "The bishops of Japan consider it most important to translate the working document, study it carefully, and prepare themselves in prayer", they said. "And for the same reason we request that, together with determining English and French as the languages to be used at the synod, provision be made for simultaneous

translation from English and French to Japanese, and other languages as requested by the other conferences."

They also had a suggestion for the working of the Asian synod itself. This was that the small discussion groups into which the bishops divide after the first two weeks should be based not on language but according to background culture - Islamic, Hindu, Hinayana Buddhist, Mahayana Buddhist or Confucian.

A number of conferences underlined the need to develop a specifically Asian theology

The Japanese bishops detected overtones of imperialism... The Indian bishops were positively scathing

or theologies. "Western, and especially scholastic, theology is not adapted to the religions of Asia because it is too rational", explained the Vietnamese bishops. "For the Asians, one cannot analyse the truth nor explain the mystery. And there is a preference for silence over words and not getting entangled in quarrels over words", they said: the word is only the finger pointing to the moon, and what matters is the moon and not the finger.

Similarly, the Korean bishops said that what was needed most of all was "a theological development based on Asian religious sentiments", while the four bishops of Laos listed among the areas calling for particular attention the formation of an Asian way of thinking and special studies of the sacred books of India.

Noting that "there is more than one theology evident in the New Testament", the Indian bishops declared that it was not possible to formulate a common method and expression for preaching the Gospel to the people of Asia. Rather, the local Churches themselves should develop their own methods according to their pastoral needs. This should be done under the guidance of a teaching authority which was "predominantly pastoral in character" (a quotation from Pope John XXIII's opening address to the Second Vatican Council).

The Philippines bishops said that "Christian life must become 'at home' in Asia", They called on the synod to assess "the develop-

ment of an Asian theology which may or may not follow the thought processes and expressions of Western, and particularly Roman, theology", while abiding "in dynamic fidelity" to the teaching authority.

The Indian bishops were positively scathing about the instruction on non-Christian forms of meditation issued by the Vatican Congregation for the Doctrine of the Faith in 1989. "Though no doubt well-intentioned, this instruction could have been much more effective if only there had been the necessary preliminary consultation among the Churches concerned", they said, citing it as an example of the way in which "much unnecessary embarrassment and pain" could be avoided by "timely dialogue" between the local Church and the universal Church.

The Sri Lankan bishops pointed to the way in which the controversy sparked by Pope John Paul II's remarks about Buddhism in his 1994 book *Crossing the Threshold of Hope* had "triggered a host of unpleasant feelings and seriously hampered the work of dialogue". They noted that the enthusiasm for dialogue which had been apparent immediately after Vatican II "seems to have faded away".

Another major theme of the Asian bishops' responses was the importance of dialogue with non-Christian religions, which are dominant in most of the countries concerned. Indeed, the Indonesian bishops stated that for them, as for the Federation of Asian Bishops' Conferences, "inter-religious dialogue is the primary mode of evangelisation". To them the outline document seemed to have as its dominant concern a fear that too much emphasis on dialogue would not place enough stress on proclaiming the faith. "Inter-religious dialogue is distinct from proclamation, but may not be opposed to it", they said, "since in dialogue Christians give witness to their faith, and in proclamation Christians respectfully encounter in the hearers of the Word the truth and goodness that comes from the God of salvation and leads to him."

A common theme was the way in which the Church had learned from non-Christian religions how to be more tolerant and the need to build on this. The bishops of Malaysia, Singapore and Brunei listed what the Church could learn from dialogue with other religions:

"From Muslims the Church can learn about prayer, fasting, and almsgiving.

"From Hindus the Church can learn about meditation and contemplation.

"From Buddhists the Church can learn about detachment from material goods and respect for life.

"From Confucianism the Church can learn about filial piety and respect for elders.

"From Taoism the Church can learn about simplicity and humility.

"From animists the Church can learn about reverence and respect for nature and gratitude for harvests.

"The Church can learn from the rich symbolism and rites existing in their diversity of worship.

"The Church can, like the Asian religions, learn to be more open, receptive, sensitive, tolerant, and forgiving in the midst of a plurality of religions."

GLOBALIZATION





CREATING THE CHURCH OF THE 21ST CENTURY

It helps now and then, to step back and take the long view. The kingdom is not only beyond our efforts, it is even beyond our vision.

We accomplish in our lifetime only a tiny fraction of the magnificent enterprise that is God's work. Nothing we do is complete, which is another way of saying that the kingdom always lies beyond us. No statement says all that could be said. No prayer fully expresses our faith. No confession brings perfection, no pastoral visit brings wholeness. No program accomplishes the church's mission. No set of goals and objectives includes everything.

This is what we are about: We plant seeds that one day will grow. We water seeds already planted, knowing that they hold future promise. We lay foundations that will need further development. We provide yeast that produces effects far beyond our capability.

We cannot do everything, and there is a sense of liberation in realizing that. This enables us to do something, and to do it very well. It may be incomplete, but it is a beginning, a step along the way, an opportunity for the Lord's grace to enter and do the rest.

We may never see the end results, but that is the difference between the master builder and the worker. We are workers, not master builders; ministers, not messiahs. We are prophets of a future not our own. Amen.

(A prayer composed by Archbishop Oscar Romero
who was martyred in San Salvador in 1980)

**Globalization in solidarity
without marginalization**
Archbishop Orlando B. Quevedo, O.M.I.
Nueva Segovia, the Philippines



This intervention relates to nn. 8, 13 and 47 of the *Instrumentum laboris*. Asian social realities must include the phenomenon of *globalization*. The Church should not ignore this phenomenon. Guided by the ideology of neoliberal capitalism, the forces of free enterprise have opened up the world's markets and have created a single integrated global market. But globalization is both a blessing and a curse. Vast increases in global income, higher rates of return on capital and increased trade go hand in hand with greater marginalization of the poor, greater inequalities between countries and between rich and poor within countries.

It is from the optic of the poor that the Churches of Asia must discern globalization in the light of the Gospel of life and the kingdom of God. Globalization has not enhanced the life of the poor. The rules of the free market are biased against them. Its benefits do not necessarily trickle down to them. In the economic arena, rich and poor cannot compete as equals. Clearly, the Spirit of the Lord is calling the Church in Asia to be a Church of the poor. Inspired by preferential love for the poor, the Church of the poor must be a prophet, denouncing inequalities resulting from globalization and announcing Gospel values of justice and love. It must embark on a "new way of being Church", concretized in basic ecclesial communities (BECs). In solidarity with one another at the micro-grassroots level, BECs are giving an effective

community faith-response to the challenge of globalization. In the light of the foregoing, I recommend: (1) that Churches in the First World be in solidarity with the poor of Asia and be their advocates, together with the Churches in Asia, for justice and equality before their own governments and the world's economic institutions (such as the World Bank, the International Monetary Fund and the World Trade Organization); (2) that this Synod reaffirm the Holy Father's 1998 World Day of Peace Message: "Globalization without marginalization; globalization in solidarity!".

UNDERSTANDING GLOBALIZATION ; TOWARD ~~AND~~ A CHURCH RESPONSE

+Orlando B. Quevedo, O.M.I.
O.M.I. Japan Spring Meeting
Fukuoka, March 22-26, 1999

NOTES: (most of the statistics come from the UNDP Report of 1997; some notes are verbatim from analysts and commentators; it is not possible for me now to identify the various references of these notes).

Presenting the question:

Globalization – an “in-word”; any talk on a social question today must have a section about it. But what does it really mean? And what should we say, as Church, about it? It is not as easy ~~as it seems~~ to define globalization or to make a moral judgement about it. Is globalization a good thing or a bad thing? Is it both good and bad?

A. THE PROCESS OF GLOBALIZATION

1. Describing globalization:

- a word of rather recent origin, roughly two decades old
- a complex factor still in rapid evolution. Much depends on how it will evolve and how it can be channelled.
- UNDP Report of 1997:

As description and prescription – “The description is the widening and deepening of international flows of trade, finance and information, in a single, integrated global market. The prescription is to liberalize national and global markets in the belief that flows of trade, finance, and information will produce the best outcome for growth and human welfare.”

But a negative view: “The term ‘globalization’ refers to the global process of agricultural modernization, industrialization, urbanization, trade liberalization, and hyper-consumerism resulting in increases of gross domestic product (GDP) per capita but at the cost of increasing social and environmental destruction around the world” (Nicanor Perlas, “Associative Economics,” p. 4).

- "the borderless market"
- expanding markets, diminishing rules (*liberalization*).

2. Strategies of globalization:

- **deregulation** – letting the markets do their work, letting the private sector take the lead in propelling the economy, under conditions of maximum competition. **Liberalize** trade and investment policies, or opening up the economy so as to maximize competition both within and from without. This involves **privatization** – getting the government's hand out of business and to provide a conducive environment with a level playing field for the private sector individual players; dismantling cartels and monopolies and maximizing competition; cutting government bureaucratic red-tape for business and trade.
- **Democratization** – the participation of civil society in all the work of development, encouraging NGO's and PO's, allowing greater freedom in the economic sphere to private entrepreneurs. E.g., cooperatives, small and medium enterprises.
- **Sustainable development** – development that ensures meeting the needs of today but also of future generations, ensuring that development does not exhaust or destroy natural resources and the environment and does not race beyond what resources can manage and maintain.

3. Some tools of globalization:

- in 1995 signing of **GATT (General Agreement on Tariffs and Trade)** by over 120 countries and the setting up of the **WTO (World Trade Organization)** – effectively serving as a new global development framework (but dominated by transnational corporations and political elites).
- Nexus between big business, national governments, and regional (APEC, ASEAN) and international institutions (WTO, IMF, WB) [to create an environment in which powerful economic interests would flourish – which is the essence of globalization].
- **SAP (Structural Adjustment Programs)** – to "help" heavily indebted countries to meet their obligations. SAP's invariably call for **import liberalization** (freer entry of imports to pressure improvement of quality of local goods, as well as orient products for exports – "export driven economy"), **investment liberalization** (freer, less regulated entry of investments), and **financial market liberalization** (deregulation in order to attract financial investors, including currency devaluation and make exports more competitive).

4. Benefits of globalization: “globalization of riches”

- economies grow faster
- more and better jobs are generated
- global competitiveness is increasing
- rising ratio of trade to gross domestic product (GDP) for the world (though declining for 44 developing countries whose populations total more than one billion people; the least developed countries, with 10% of the world's people, have only 0.3% of world trade – half their share of two decades ago (UNDP Report).
- Reduction of poverty in some of the largest and strongest economies; but a widening gap between “winners” and “losers.” The share of the poorest 20% of the world's population has shrunk from 2.3% of world income in 1960 to 1.1% today and still falling
- Liberalization and globalization have been a bonanza for some countries. China is now the largest recipient of foreign direct investment in the developing world and it has increased exports more than ten fold over the past 15 years. This has reduced income poverty there from a third to a tenth.
- Trillions of dollars of “**hot money**” or portfolio money are coursing through the global economy with the speed of electronic signals, or the speed of light. Billions of dollars can enter and move out of an economy in seconds.

But: “So powerful has this force of money become that some observers now see the hot money set becoming a sort of shadow government – one that is irretrievably eroding the concept of sovereign powers of a nation-state....” (Business Week, 1995).

“Countries don't control their own destiny. If they don't discipline themselves, the world market will do it for them” (Morris W. Offit, CEO of New York's Offitbank).

MasterCard's spending volume in Asia hit \$100 billion in 1994 (more than 25% of its total global business).

- stronger middle class because of expansion of trade and foreign investment
- rapid dissemination of knowledge, promotion of health care
- global communication made easier and cheaper
- rapid response to victims of natural calamities, man-made disasters
- good governance, rule of law, public accountability, human rights become global concerns, including rights of women

- while the centers of power in the West remain dominant, there is also a reverse flow of capital, goods, and tastes from the East to the West.
- Foreign direct investment (FDI) has helped reduce absolute poverty in countries such as Bangladesh, India, Indonesia, Malaysia, and Vietnam by creating more jobs and improving incomes.
- the feminization of poverty.

5. Fueling enormous inequalities in wealth distribution, causing the rise of global poverty: “globalization of poverty” – “the process of exclusion.”

- 358 billionaires have income of \$760 billion, equivalent to the collective income of 2.5 billion poor people
- the income disparity between the rich and the global poor has increased by 100%; instead of a 30:1(1965)disparity, it is now 60-fold (61:1) in 1995.
- 20% of rich received 82.7% of world income
- 20% of poor received 1.4% of world income
- in 1992, average salary of CEO of top 1000 corporations was \$3.8 million or 157 times more than the average worker.
- annual losses to developing countries from unequal access to trade, labor and finance are estimated at US\$500 billion, 10 times what they receive in foreign aid (UNDP Report, 1997)
- the least developed countries, with 10% of the world’s people, have only 0.3% of world trade, half their share of two decades ago.
- More than half of all developing countries have been bypassed by foreign direct investment, two-thirds of which has gone to only eight developing countries.
- Tariffs on imports to industrialized countries from the least-developed countries are 30% higher than the global average.
- Developing countries lose more than \$60 billion a year from agricultural subsidies and barriers to textile exports in the industrialized nations.
- 90% of direct investment goes to Europe, North America, Japan and to certain parts of China. Only 10% reaches those areas in which 70% of the world’s population live. A little more than 1% of foreign direct investment goes to all of Sub-Saharan Africa. Obviously, investments are needed, but equally obvious is the fact that the poor cannot attract investment.
- wide gaps between the industrializing sector and the agricultural
- social needs, food, water, electricity, sanitation, housing, health care take second place to economic growth (e.g., manufacture of cigarettes, of brand names, of breakfast cereals, proliferation of junk food –“McDonaldization” of the world).

- growing unemployment in industrialized nations due to automation, cheaper job markets
- consumerism, “mall culture,” allows other aspects of personality – spiritual, moral, intellectual – to atrophy. Worth is measured by what one has.
- Advertising shapes global tastes – massive mental manipulation. In 1994, according to the trade journal Advertising Age, the U.S. spent \$147 billion on advertising – far more than on higher education. Translated: 21,000 TV commercials, 1 million magazine advertising pages, 14 billion mail-order catalogues, 38 billion junk-mail ads, 1 billion signs, posters and billboards. Another \$100 billion in public relations, marketing design, and fashion.
- Emerging world culture – materialistic and consumerist, American pop culture.
- Education follows the market – training of marketable skills; moral education and character development neglected.
- Information, communication technology – a mixed blessing; cyberspace filled with junk, smut.
- Human rights revolution is manipulated by power centers, characterized by double standards, selective morality.
- environmental degradation due to the quest for maximum profits through increased exports, e.g., logging, fishing, mining, etc.
 - Asia-Pacific lost 1.8 million hectares of closed forest in 11 years from 1975 to 1986 and 4.7 million hectares in four years from 1986 to 1990
 - Of 3 tropical regions, Asia’s deforestation rate is the highest at 1.2% per years; 3.1 hectares annually
 - Between 17 to 50% of the land has suffered degradation in Asia-Pacific
 - Exploitation of groundwater has led to the problems of land subsidence, salt water intrusion and groundwater pollution in more than 1/3 of Asia-Pacific.

6. Global control by transnational corporations:

- “free trade” and “leveling the global playing field” are illusions. Liberalization is really nothing other than making it easier for powerful elite foreign interests to take control of a country’s economy:
 - 70-75% of world trade, or over \$2 trillion, is controlled by 100 transnational corporations
 - 40% of global trading is *intra-trading* or trading between subsidiaries of TNC’s.

- of the top 100 economies in the world, 50 are TNC's. General Electric, for example, has assets totaling \$251 billion, or more than 5 times the GNP of the Philippines in 1992
- TNC's control 25% of global wealth
- U.S. corporate foreign investments outflow increased from \$423 billion dollars in 1990 to \$548 billion in 1993. (In contrast during the same period foreign aid decreased from \$11.4 billion to \$9.7 billion).

7. U.S. domination of the world economy:

- was formalized with the creation of the Bretton Woods Institutions (BWI), including the World Bank, the International Monetary Fund, and the GATT. The American idea of an International Trade Organization (ITO) was deemed controversial by other countries. But the idea has finally evolved into the WTO.

B. TOWARD A CHURCH RESPONSE TO GLOBALIZATION

1. A **general critique** – the ideology behind globalization: **neo-liberal capitalism**
 - a sophisticated version of the old “laissez faire capitalism”, the unregulated operation of the “free market,” which believes that the rules of the market under free competition would be ultimately for the best benefit of all. Economics should not be restricted by rules except that of free competition. The idea of maximum profit works really for the common good.
 - An amoral ideology: Economics and money – the motive force for human relationships; the profit-motive – the final explanation of human behavior.
 - The ideology seems to have triumphed completely after the breakdown of communist socialism in Eastern Europe and socialist countries began to espouse capitalism.
 - The papal critique of liberal capitalism and its new form “neo-liberal capitalism” goes back to the time of Leo XIII (*Rerum Novarum*) and Pius XI (*Quadragesimo Anno*). The most recent comprehensive critique - Pope John Paul II's *Centesimus Annus*. (see CBCP Pastoral Exhortation on the Economy citing CA).
 - the bias of the global economic process against poor countries and poor peoples within countries. UNDP Report, 1997, says that the rules of international trade are biased against poor countries. They do not level the playing field. “The Uruguay Round hardly changed the picture. Developing countries, with three quarters of the world's people, will get only a quarter to a third of the income gains generated – hardly an equitable distribution – and most of that will go to a few powerful exporters in Asia and Latin America” (p. 85).

- “By now it is empirically obvious that the competitive market culture by itself is not able to ensure a consistent and plausible government of globalisation, for it creates greater distortions in the terms of trade, with power being concentrated in fewer hands and a reduction in the number of those able to compete effectively. The prevailing globalisation model seems to be hegemony – cultural, political, economic and military – with the result that besides the benefits of opening up and communication that globalisation could create there is the opposite: a closing in, the resurgence of “neo-communitarian” fundamentalism (cultural, ethic, religious and local), neo-protectionist regressions, a sort of nationalism in politics and no social conflict inside nations and among this model of globalisation, with its rationale centred on the law of the market but producing functional disorders in the general system of human relations, sustainable in the long term?.... globalisation needs to be ‘civilised’.”
- “The capacity of nations to control their own affairs has been checked by finance and eroded by free-roving commerce.”
- “What remains of its (the nation-state) purpose and power of authority over domestic social standards is yielded to disinterested market forces? If governments are reduced to bidding for the favors of multinational enterprises, what basis will citizens have for determining their own destinies?” (William Greider, *One World, Ready or Not. The Manic Logic of Global Capitalism*, 1997. Part IV, The Social Question. The author invites people to social invention and human advancement by rethinking globalization rather than retreating from it. He explores the question: If capitalism is now truly global, what are the global social obligations that accompany it?)
- UNDP Report, 1997: Unless globalization is carefully managed, poor countries and poor people will become increasingly marginalized.

2. **Basic Social Teachings of the Church:** on this see CBCP exhortation on the economy. Injecting moral and ethical considerations into dominant economic institutions and processes, civilizing, evangelizing globalization -

- **Human Dignity and Human Solidarity** – “the Family of Humankind under God” – this is the first basic premise of a Christian critique. In this sense, globalization can be positive as it creates a global village for all of humanity. Against the primacy of economics, and money, the glorification of profit.
- **Universal Destination of all Earthly Goods.** Against the control and concentration of wealth and power in the hands of the elite few. Inequitable distribution of the goods of this world.
- **The Social Dimension of Private Property.** Against the concentration of wealth in the hands of the few, the power of Transnational Corporations.

The Common Good as a goal of private property and not just self-interests. Ethical requirements of Corporate Private Property, e.g., investments in areas of poverty.

- **Social Justice and the Common Good at the International Order. Against social injustices/imbances in global power structures, trade relationships, pauperization of the many.**
- **Economics and Moral Norms. Against the lack of juridical and ethical norms in the process of globalization, the materialistic and consumerist nature of the emerging global culture brought in by globalization, greed as the root of social sin.**
- **Option for the Poor. Against the biases of the global process against the poor. The moral need to invest in world of the poor, the need for empowerment, transfer of technology, etc. – a new model of development expressive of solidarity with the poor.**
- **Integral Human Development. Against the primacy of homo oeconomicus. The need for the development of “the whole person.” The imperative of authentic cultural and spiritual development as essential to true development. The need for a development of “all persons,” especially those that are being marginalized – “excluded” - by the economic process.**
- **Integrity of Creation. Against the exploitative destruction of the environment for economic gains. The need for movements of ecology, sustainable development. More teeth to “earth summits.”**
- **A question of models of development: development with a human face?**
- **A Note on an Emerging Global Culture. The development and evangelization of cultures, the values of the Reign of God re person, family, community, mind-sets, etc. - the special arena of the Church’s educational concern.**

3. Religious Life and Globalization

- **awareness of social issues and their impact on the mission of the Church; “action for justice and participation in the transformation of our world is a constitutive dimension....”**
- **Building the Reign of God in the context of globalization – a new vision and a new mission – building a community of love and justice without marginalization and discrimination; forming a global network of people of good will at the service of a global society.**
- **religious life as prophetic– a countersign of the global village based values related to materialism and consumerism, on “wants vs. needs”; simplicity, asceticism, fellowship, community, solidarity especially with the poor and those marginalized by globalization; the ethics of the Gospel and of the Kingdom; the sense of the sacred and of Transcendence, the realm of the spirit;**

taking the side of the victims of global oppression, exploitation, marginalization, showing the possibility of global solidarity.

- **The demands of integral evangelization/liberation**— knowing the challenges of globalization today, influencing the centers where globalization is “managed”; evangelizing evangelization, creating communities of faith and solidarity, developing new criteria for judgment to distinguish what is good for the whole human community.
- **The ecumenical requirement of solidarity against the evils of globalization.**
- **Promoting a new way of being Church in Asia** – reflected in **BEC’s**.
- **Some specific issues:**
 - **Third World Debt** – action toward the Jubilee Year 2000;
 - **Ecology – and movements for the environment**
 - **the Rights of Poor Nations and of Communities (Indigenous Peoples, victims of “development aggression”)**
- **Overseas Contract Workers** – the globalization of a work opportunities, as well as a clear symptom of increasing poverty in/of poor countries.
- developing a strong ethic of restraint as a check against decadent and consumerist lifestyles; internalizing ethical values; we should do this with our own religious groups.

The Final Word: “Globalization in Solidarity; Globalization without marginalization. This is a clear duty of justice....” (World Day of Peace Message, 1997, no. 3, see also World Day of Peace Message, 1999).

NION

Japan Times Dec. 11, 1998

Economics with a conscience



WILLIAM
PFAFF

FRANKFURT, Germany — The Asian economic crisis, together with the additional damage wrought by the IMF and the U.S. Treasury in the guise of remedy, is forcing policy re-examination at some of the important international economic institutions, and even what can be called an examination of conscience.

James Wolfensohn, president of the World Bank, said in October that agencies such as the International Monetary Fund must change their policies so that mathematics does not dominate humanity.

He said that "if we do not have greater equity and social justice, there will be no political stability, and without political stability no amount of money put together in financial packages will give us financial stability." This was not a challenge to the dominant economic paradigm, but it was an admission of grave mistakes by those who make policy for the international economy.

The Organization for Economic Cooperation and Development in Paris, a center for analysis and policy recommendations for the industrial nations' governments, is also reappraising the assumptions that lie behind mainstream economic and trade policies.

A citadel of globalization orthodoxy in the past, the OECD now is conducting a series of conferences in which questions are raised about the nature of modern economic development.

Are we in a "New Economy," as many have argued, where the old rules no longer apply? Has an unprecedented "long boom" begun, to continue into the new century, producing growth of net benefit to the entire international community?

Or is it possible that this kind of sustained and dynamic growth is not desirable? The OECD's future planning group is considering not only whether the long

boom exists, and whether, if it does exist, it is environmentally sustainable, but the radical question of whether it is good for humanity.

Is it what people really want, given the social disruption and human costs of this pace of growth? Globalized growth undermines existing values and disrupts societies, distributing its rewards only selectively. "Inequality within and between nations has, from a number of perspectives, increased. No wonder some see the dynamic past a precedent to be avoided in the future." That comes from the introduction to an OECD conference in Frankfurt last week.

Needless to say, the economists, aca-

Globalized growth undermines existing values and disrupts societies, distributing its rewards only selectively. Is it what people really want, given the social disruption and human costs of this pace of growth?

demics, bankers and officials invited to such a debate are not going to condemn either growth or globalization. Their professional formation and interests lie in problem-solving. They wish to reform the current system to do away with its negative consequences. They cannot imagine its abandonment.

They also are interested in "objective" analysis, not in political and ethical argument. Yet they are often unaware of the extent to which they are prisoners of ideology, which they accept as objective discourse. This limits the scope of their analysis.

Their ideology is that of market efficiency — the ideology of the Invisible Hand. In the West in the 1970s and 1980s, this ideology replaced the then-prevailing ideology of economic planning and

government intervention, which for the sake of symmetry we can call the ideology of the Visible Hand.

Ideologies put to societies the questions the ideology can answer. What remains is what its believers would describe as exogenous factors: Questions for which the ideology is not responsible.

Take the ideology of the Visible Hand. There can be no doubt that government intervention produced great progressive reforms in industrial society. It was responsible for the postwar West European social market system and the welfare state, for U.S. President Franklin Roosevelt's New Deal and for U.S. President Lyndon Johnson's "Great Society" attack on American poverty and exclusion.

The cost of state intervention was high taxes. The ideology tended to inhibit enterprise and innovation. It did not, itself, produce inflation (global inflation in the 1970s followed from U.S. budget policy during the Vietnam War and the subsequent float of the dollar). Nonetheless the interventionist ideology came to be identified with inflation as well as with taxes.

The ideology of the Invisible Hand said that individuals and the market, not government, should solve social problems. Free markets would create growth for all. Again, there were great successes. The lucky countries live with those successes today.

The unlucky countries, now in crisis, are condemned by the ideology for "crony capitalism" and other maladies of market immaturity. Their problems, like the indications of continued social distress in the advanced countries, fall outside the paradigm. The ideology is not responsible.

The international market economy we have today is an ideological choice. It is not a product of historical inevitability or objective scientific thought. Thus it is a welcome development that the OECD and the World Bank acknowledge that the choice industrial society has made needs to be weighed against other choices that were not made.

William Pfaff is a Paris-based veteran political analyst and columnist for the International Herald Tribune.

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Reforms aimed at keeping CCP in power

By WILLY WO-LAP LAM
Special to The Japan Times

former as Premier Zhu Rongji cited the imperative of CCP's leadership over

gans such as "reviving the nation through science and technology" and

Globalization disarmed: Culture survives capitalism

MARKET CULTURES: Society and Morality in the New Asian Capitalism, edited by Robert Hehner. Boulder, Colo.: Westview Press, 1998, 328 pp.

Reviewed by
FLORIAN COULMAS

Is there one universal market culture, or are there many? Some fear the real meaning of the catchword of globalization is that the powers of the market will level all cultural differences. Others welcome it as promising liberation from traditional cultural bonds. The present collection of articles lends support to those who argue that the eradication of cultural distinctions is not a necessary consequence of market expansion.

East and Southeast Asia's emergence on the world stage as major centers of economic

activity has rekindled the debate on how capitalism and culture interact. Ever since Max Weber proposed that Protestantism was uniquely conducive to the development of capitalism, the idea that culture had a role to play in economic theory has had as many supporters as critics. However, since full-fledged capitalist economies formerly existed in Western industrialized countries only, the debate was rather theoretical. Asia's economic takeoff provided it with a specific testing ground.

It is obvious now that Weber was mistaken when he suggested that Chinese culture did not allow a capitalist market economy to unfold, but there is no agreement why and in what sense he was wrong. The debate has yet to be brought to a conclusion.

Asia's economic expansion has been interpreted in divergent ways. Some felt encouraged to seek explanations in the realm of culture. They have coined such notions as "Confucian capitalism," "corporatism," "network capitalism" and others, implying that capitalism in the East and capitalism in the West are two different animals.

Others have dismissed this idea, taking Asia's development as proof that capitalism is capitalism. They insist that the market follows its own rationality rather than being shaped by religion, morals and ideas people have about their own destiny. In this view, economic developments cannot be understood as outgrowths of cultural settings that support or hinder the accumulation of collective and

individual wealth.

"Market Cultures" provides a wealth of information about business practices as well as everyday life in a number of Chinese and Southeast Asian communities making it easier for the reader to appreciate how and to what extent economic activities are embedded in cultural settings and how, conversely, cultures are affected by expanding markets.

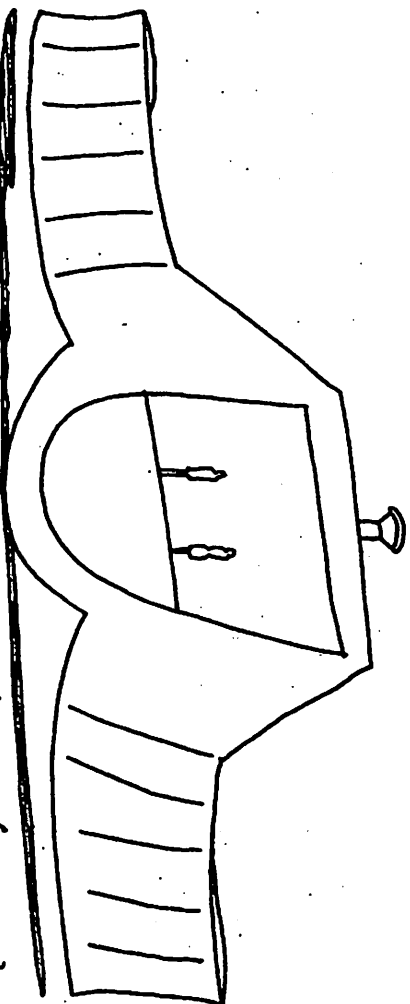
Business and religion are two disparate arenas of social life, but market expansion has consequences for both. Interestingly, therefore, religion is a major theme of this book. Far from being driven out of business by capitalism, religion is thriving under capitalism in Asia. Absorbing the crux of the market, many religions have transformed themselves into business enterprises dealing in futures for the afterlife and other spiritual goods. As the editor points out in his introduction, in Asia, rather than promoting secularization, market growth has been accompanied by religious revival. As the logic of consumer choice invades social domains, such as religion, previously separated from the market, churches and congregations undergo significant changes, but they do not disappear.

Kinship, gender roles and networks are other recurrent topics examined with regard to the varied cultures and organizations in which Asian

capitalism is embedded. Dealing with communities in China, Taiwan, Indonesia, the Philippines, Singapore and Vietnam, the case studies illuminate the cultural variety in East and Southeast Asia, demonstrating that there were complex preconditions that worked for and against market capitalism. Among them, the structures of colonial rule were not the least important.

To be sure, when freed from the fetters of colonialism and communism in China and Vietnam, capitalism evolved by leaps and bounds throughout the region. And it is tempting to conclude that, under the bottom line, market forces will prevail over cultural frills, no matter what. Yet "Market Cultures" demonstrates in great detail and with many impressive examples that "there is no capitalism without local articulation."

In the age of globalization, culture still has a role to play helping people, especially in the Third World, to cope with the breathtaking ups and downs they face while the globalized economy encroaches on their everyday lives. A place must therefore be found for culture in economic theory. This excellent book, while eschewing formal models, offers a number of thought-provoking suggestions as to what this place might be.



Asiatic Times April 14, 1998

Confronting Globalisation

More than 300 participants from the region are expected to attend this year's Asia-Pacific Peoples' Assembly (APPA) in Kuala Lumpur, Malaysia, on 10-15 November to discuss problems of globalisation and their impacts on human rights.

Since the first Asia Pacific Economic Cooperation (APEC) Leaders' Meeting in 1993, representatives of non-governmental organisations (NGOs), people's organisations and social movements have met in parallel gatherings to highlight concerns about the "free trade, free market" model of trade and investment liberalisation that APEC promotes.

WHAT IS APEC?

APEC is a regional consultative forum that includes Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand and the United States, with Peru, Russia and Vietnam as new members this year. APEC aims for regional free trade by the year 2010 for developed countries and 2020 for developing countries.

"Through APEC, we aim to get governments out of the way, opening the way for business to do business," said U.S. Assistant Secretary of State for Economic Affairs Joan Spero. However, APEC is a non-accountable body in which Heads of State meet behind closed doors as "economic leaders": representatives of economies not countries. Participation is limited to government, business and

academia, and as a result, APEC fails to address the impact of globalisation on workers, the environment, human rights, women, indigenous peoples, farmers and the poor. APPA refuses to let APEC ignore these issues.

WHY PEOPLES' ASSEMBLY?

All over the world, governments are racing to negotiating tables, eager to sign their sovereignty away for pieces of the economic miracle that globalisation promises. The supposed miracle is tempting: rapid economic growth, rapid development - a gateway to the good life. However, it is also threatening: those who do not join will surely perish in poverty, isolation and backwardness. The simplicity of its message masks the enormity of its effect: globalisation may be the most fundamental redesign of the world's economic, political and cultural systems ever to take place.

Globalisation, through modern communications, free trade blocs, multilateral agreements such as the World Trade Organisation and global financial institutions such as the World Bank and the International Monetary Fund, has produced an unprecedented integration of the world economy. Money, as those in Mexico and Southeast Asia certainly understand, can now travel the world in seconds. Proponents of globalisation argue that this integration strengthens competition and ensures the optimum distribution of resources. They claim it will bring rapid economic growth and prosperity for all.



Behind the promises of prosperity, however, there exists a grim reality: the disintegration of social order, increasing inequality and squalor, displacement and landlessness, violence and homelessness, alienation and growing fear of the future. Globalisation has also brought massive damage to the natural world as evidenced by global climate change, ozone depletion, widespread species loss, water crises and numerous forms of pollution.

Globalisation has not even managed to create the so-called level-playing field that it promises; multilateral agreements continue to reflect power imbalances between the North and the South. Few countries of the South possess the technological know-how and capital to compete within the global economy, and multilateral agreements on investments and intellectual property only exacerbate the inequalities among nations. Consequently, competition to attract capital invariably depends on the "environment" for investment; in other words, the cost of labour, the degree of environmental and safety regulations and the level of taxation. This is not development but a race to the bottom.

Proponents of globalisation look beyond the current reality; they speak about how all boats will eventually rise

with the tide of economic growth. In the meantime, they acknowledge that some people will have to suffer and shoulder the risks. These people are clearly not from transnational corporations which now control more than 60 percent of all global trade. And, they are certainly not the wealthy who can afford the imported food and the newly privatised services such as health care. They are farmers forced off their lands to make way for large-scale monoculture crops for export. They are workers who have lost jobs to machines and corporate flight. They are women forced to sell their bodies in the tourism industry. They are indigenous peoples forced off their lands for short-term mining profits. And as they wait for globalisation's unseen rewards, these people are rapidly losing any democratic space that they may have had to voice their opposition to these policies and to seek their rightful dues.

Globalisation has to be scrutinised and exposed. It is a process that concentrates capital and political control in the hands of a few, while offering nothing to those most in need. A vision of a radically reshaped international economic and financial order where economic power, wealth and income are more equitably distributed and the environment is respected should be developed. This is the challenge for APPA.

REASSERTING PEOPLES' RIGHTS

This year marks the 50th anniversary of the Universal Declaration of Human Rights. Yet, violations of these rights have increased dramatically. The current regional crisis has upset economies, communities and environments and has undermined the economic, social and cultural rights that peoples have struggled hard for. As past meetings of APPA have warned, the crisis is the logical outcome of a model of development that clearly fails to grasp what "human rights" mean.

LABOUR RIGHTS

Globalisation was supposed to bring more jobs, at least that was what was promised. Instead, workers everywhere are losing work and settling for less as employers, armed with labour-saving technologies and open markets, surf the world picking the best bid from countries desperate for investment. In the name of profit maximisation and efficiency, workers are told to compete globally, creating a vicious downward spiral as wages and benefits fall to the lowest common denominator. Any opposition to these deteriorating conditions is met by smug reminders that jobs can always go elsewhere. And indeed they do.

While resistance to free trade is met with stiff punishments, the demand for common labour standards is given nothing but lip-service. Workers are constantly denied the right of association and the right to bargain collectively. Workers taking industrial action are met with State repression as governments bend to the will of investors. Globalisation binds the hands of labour as it frees the hands of capital.

WOMEN'S RIGHTS

Women suffer most from globalisation. In Asia, where the economic crisis has brought massive unemployment, 60 percent of those retrenched have been women. Increasing poverty and a growing lack of resources have forced women to migrate across borders only to work in harsh and exploitative conditions without rights to organise.

The New World Order has escalated the trade of women for sex and bonded or forced labour. The privatisation of basic services, especially health care, is a further threat to women's health and reproductive rights.

RIGHT TO FOOD SECURITY

What do the promoters of globalisation envisage for agriculture? They see a world where nations

produce what they can produce most efficiently and trade those products for the goods that they need from other nations. In this scenario, some nations may not even need any agriculture, because they can trade industrial goods for food. Small farmers may be forced off their lands, but this is part of industrialisation. And if transnational corporations can bring food to the table more cheaply, then so be it.

But what happens when currency crashes and one is unable to pay for the food or agricultural inputs that his/her country has to import? What happens to the millions whose only access to food comes from their access to land? What happens when most of the world's food system is controlled by a handful of transnational corporations? What guarantees would there be that the food a person eats and produces is safe and sustainable? And, what kind of free market is there anyway when the average annual subsidy to an American farmer is nearly eight times the annual income of an average Malaysian farmer? Indeed, what happens to food security in the global economy?

All these issues are important and will be discussed at the upcoming APPA in Malaysia. Interested organisations and individuals are encouraged to join in the assembly and exchange their ideas on the issues. Prior registration is strictly required to attend the meeting. The registration fee is US\$200, which will cover food, accommodation, local transportation to and from the airport, conference kit and socials. No subsidy will be given to participants. For registration and further information, contact APPA secretariat at:

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(Source: *Explanatory leaflet of the Asia-Pacific Peoples' Assembly.*)▽

OF MANY THINGS

I RECENTLY SPENT some time with the National Association of Church Personnel Administrators, who had asked me to give the keynote address at their convocation in Fort Worth, Tex., on Nov. 7-8. I first became acquainted with this organization 13 years ago when I was beginning research for my book, *Archbishop: Inside the Power Structure of the American Catholic Church*. The purpose of the book was to describe the governance of the Catholic Church at the local level. I sometimes described the book as an explanation of what bishops do for a living.

As I began my research, it became clear that one of the things bishops do is worry about personnel issues. So in interviewing 31 archbishops in the United States, I always asked about personnel issues, for example how they appointed pastors to parishes. I also went out of my way to interview personnel administrators in archdioceses, whom I found very well informed about what was going on in the chancery and in their local church.

Before I started my research, I thought that the biggest problem faced by bishops would be finances—how to divide limited funds among competing interests. But when I asked bishops what was the most difficult part of their job, they almost unanimously responded "personnel." In the appointment of pastors, this means that every priest wants the perfect parish and every parish wants the perfect priest. Neither is in great supply. Most bishops had given up trying to deal with this on their own. They relied on the help of priest personnel directors and priest personnel boards to make recommendations on assignments.

When the National Association of Church Personnel Administrators was formed in the early 1970's, most administrators were priests dealing with priest personnel issues. Today, more than 40 percent are laypersons and another 30 percent are members of religious orders.

In the church personnel area, the bad news is that the clergy are aging and declining in numbers. The good news is that large numbers of laypersons are becoming involved in church ministry as volunteers and as part-time or full-time employees.

These changes are making it necessary to rethink priestly ministry and its relationship

to lay ministry. What functions should be reserved to the priests? Last November the Vatican issued an "Instruction on Certain Questions Regarding the Collaboration of the Non-Ordained Faithful in the Sacred Ministry of Priests" that gave the impression that it was afraid that the laity were pushing the priests aside and taking over the church.

Although this document smacked of paranoia, the new age of lay ministry does raise serious issues. Is the pastor becoming so busy coordinating ministers that he no longer has time to minister himself? If pastors are moved every six years, will lay ministers provide the continuity in the parish? Will new pastors have the right to establish their own teams? Will the employment rights of lay ministers be respected?

Are the people of God suffering from whiplash as pastors with very different theologies and styles move in and out of parishes? How do we deal with inequities in the distribution of lay ministers, since rich parishes can hire whom-ever they want while poor parishes can't afford to pay decent wages? What should the church do about contracts, fringe benefits, due process and unions for lay employees? These and other challenges are the everyday concerns of church personnel administrators.

The church is trying to learn from human resource experts outside the church. Many of the lay personnel administrators have worked in the private and public sectors before going to work for the church. At the same time, the church is a unique organization with its own internal culture and goals. In the past it has been marked by benevolent, but often incompetent, paternalism in its personnel policies. The N.A.C.P.A. is an example of the church's attempt to do better by supporting standards of just treatment for church personnel and by facilitating the development of comprehensive personnel systems that integrate management and pastoral values.

The road to achieving these goals will be long and torturous. But unless the church (laity and hierarchy) takes care of its personnel, the church will find itself without the ability to minister to itself and the world.

T.R.

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IN THIS ISSUE

EDITORIAL

Juvenile Justice Awry 3

NEWS

Signs of the Times 4

COLUMNS

Terry Golway — *Life in the 90's* 6
Robert Coles — *Secular Days, Sacred Moments* 8

ARTICLES

Tom Beaudoin — *Beginning Afresh: Gen-X Catholics* 10
Dean R. Hoge — *Catholic Generations Polarized on Gender and Sex* 16
Wilbur Devereux Jones — *When Character Counted* 20

POEM

Daniel J. Berrigan, S.J. — *Jay Overtook Us* 15

BOOK REVIEWS

All the Essential Half-Truths About Higher Education; The Poor Belong to Us; A History of Twentieth-Century Russia 22

LETTERS

27

THE WORD

Dennis Hamm — *Swords Into Plowshares* 31

Cover art by Greg High

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Globalization: An irresistible force

By Anthony Giddens

"Globalization"—the term may not be a particularly attractive or elegant one, but absolutely no one who wants to understand our prospects and possibilities at the century's end can ignore it.

I travel a lot. I have not been to a single country recently where globalization is not being intensively discussed. Here in Japan, people call it *gurobaruka*. In France, it is *mondialisation*. In Spain and Latin America, it is *globalización*. The Germans say *Globalisierung*.

The global spread of the term is evidence of the very developments to which it refers. Every business guru talks about it. No political speech is complete without it. Yet as little as 10 years ago, the term was hardly used, either in academic literature or in everyday language. It has come from nowhere to be almost everywhere.

Different thinkers have almost completely opposite views about globalization in debates that have sprung up over the past few years.

Some dispute the whole thing. I will call them the skeptics. According to the skeptics, all the talk about globalization is only that—just talk. Whatever its benefits, its trials and tribulations, the global economy is not especially different from that which existed during previous periods. The world carries on much the same as it has for many years.

Others take a very different position. I will label them the radicals. They argue that not only is globalization very real, but that its consequences can be felt everywhere. The global marketplace, they say, is much more developed than even two or three decades ago and is indifferent to national borders. Nations have lost most of the sovereignty they once had, and politicians have lost most of their capability to influence events.

It is not surprising that no one respects political leaders anymore or has much interest in what they have to say. The era of the nation-state is over. Nations, as the business writer Kenichi Ohmae puts it, have become mere "fictions." Authors like Ohmae see the economic difficulties of last year and this as demonstrating the reality of globalization, albeit seen from its disruptive side.

Who is right in the debate? I think it is the radicals. The level of world trade today is much higher than it ever was before. But the biggest difference is in the level of finance and capital flows. Geared as it is to electronic money—money that only exists as digits in computers—the current world economy has no parallels in earlier times.

In the new global electronic economy, fund managers, banks, corporations and millions of individual investors can transfer vast amounts of capital from one side of the world to another at the click of a mouse. As they do so, they can destabilize what might have seemed rock-solid economies—as happened in East Asia.

The volume of world financial transactions is usually measured in U.S. dollars. A million dollars is a lot of money for most people. A stack of a thousand dollar notes would be 20 centimeters high. A billion dollars would stand higher than St. Paul's Cathedral. A trillion dollars would be more than 40 kilometers high, 20

times higher than Mt. Everest.

Yet far more than a trillion dollars is now turned over each day on global currency markets. The value of whatever money we may have in our pockets, or our bank accounts, shifts from moment to moment according to fluctuations in such markets. I would have no hesitation, therefore, in saying that globalization, as we are experiencing it, is in many respects not only new, but revolutionary.

Yet I do not believe either the skeptics or the radicals have properly understood either what it is or its implications for us. Both groups see the phenomenon almost solely in economic terms. This is a mistake. Globalization is political, technological and cultural, as well as economic.

It has been influenced above all by developments in systems of communication. In the mid-19th century, a Massachusetts portrait painter, Samuel Morse, transmitted the first

INSIGHTS INTO THE WORLD



message—"What hath God wrought?"—by electric telegraph. In doing so, he initiated a new phase in world history. Never before could a message be sent without someone going somewhere to carry it.

The advent of satellite communications marks every bit as dramatic a break with the past. The first communications satellite was launched only a little more than 30 years ago. Now there are more than 200 such satellites above the Earth. For the first time ever, instantaneous communication is possible from one side of the world to another.

On Feb. 1, about 150 years after Morse invented his system of dots and dashes, Morse code finally disappeared from the world stage. It was discontinued as a means of communication for the sea. It has been replaced by a system using satellite technology, whereby any ship in distress can be pinpointed immediately. Most countries prepared for the transition sometime before. The French, for example, stopped using Morse code in their local waters two years ago, signing off with a Gallic flourish: "Calling all. This is our last cry before our eternal silence."

It is wrong to think of globalization as just concerning the big systems such as the world financial order. Globalization is not only about what is "out there," remote and far away from the individual. It is an "in here" phenomenon too, influencing intimate

and personal aspects of our lives.

The debate about family values, for example, that is going on in many countries, might seem far removed from globalizing influences. It is not.

Traditional family systems are becoming transformed or are under strain in many parts of the world, particularly as women stake claim to greater equality. There has never before been a society, so far as we know from the historical record, in which women have been even approximately equal to men. This is a truly global revolution in everyday life, the consequences of which are being felt around the world in spheres from work to politics.

Globalization thus is a complex set of processes, not a single one. And these operate in contradictory or oppositional fashion. Most people think of globalization as simply pulling away power or influence from local communities and nations into the global arena. And, indeed, nations do lose some of the economic power they once had.

Yet it also has an opposite effect. Globalization is the reason for the revival of local cultural identities in different parts of the world. If one asks, for example, why the Scots want more independence in Britain, or why there is a strong separatist movement in Quebec, the answer is not to be found only in their local cultural history. Local nationalisms spring up as a response to globalizing tendencies, as the hold of older nation-states weakens.

Globalization also explains both why and how Soviet communism met its end. The Soviet Union and the East European countries were comparable with the West in terms of growth rates until about the early '70s. After that point, they fell rapidly behind. Soviet communism, with its emphasis on state-run enterprise and heavy industry, could not compete in the global electronic economy.

The ideological and cultural control upon which communist political authority was based similarly could not survive in an era of global media. Television played a direct role in the 1989 revolutions. Street protests taking place in one country were watched by television audiences in others, large numbers of whom then took to the streets themselves.

Globalization, some argue, creates a world of winners and losers. And, indeed, the statistics are daunting. The share of global income of the poorest fifth of the world's population has fallen from 2.3 percent to 1.4 percent over the past 10 years. The proportion taken by the richest fifth, on the other hand, has risen.

In many less developed countries, safety and environmental regulations are few or virtually nonexistent. Some transnational companies sell goods there that are controlled or banned in the industrial countries—poor-quality drugs, destructive pesticides or cigarettes with a high tar and nicotine content.

As one writer put it recently: "Rather than a global village, this is more like global pillage." Along with ecological risk, to which it is related, expanding inequality is the most serious problem facing world society.

It will not do, however, merely to blame this on the wealthy. Globalization today is only partly Westernization. Globalization is becoming increasingly decentral-

ized—not under the control of any groups of nations, and still less of the large corporations. Its effects are felt as much in Western countries as elsewhere.

This is true of the global financial system, and of the changes affecting the nature of government itself. What one could call reverse colonization is becoming more and more common. Reverse colonization can be seen in the effects of non-Western countries influencing developments in the West. Examples abound—such as the Latinizing of Los Angeles, the emergence of a globally oriented high-tech sector in India, or the selling of Brazilian television programs to Portugal.

Is globalization a force promoting the general good? The question cannot be answered in a simple way, given the complexity of the phenomenon.

Free trade is not an unalloyed benefit. This is especially the case when considering the less developed countries. Opening up a country or regions within it to free trade can undermine a local subsistence economy. An area that becomes dependent upon a few products sold on world markets is very vulnerable to shifts in prices as well as to technological change.

Trade always needs a framework of institutions, as do other forms of economic development. Yet to oppose economic globalization, and to opt for economic protectionism, would be a misplaced tactic for rich and poor nations alike.

National economic policy cannot be as effective as it was. Nations have to rethink their identities now that the older forms of geopolitics are becoming obsolete.

Although this is contentious, I would say that, following the Cold War, nations no longer have enemies. Who are the enemies of Britain, France, Brazil? Nations today face risks and dangers rather than enemies, a massive shift in their very nature. The war in Kosovo confirms this observation rather than contradicting it.

It is not only about nations that such comments could be made. Everywhere we look, we see institutions that appear the same as they used to be, and carry the same names, but inside have become quite different.

We continue to talk of the nation, the family, work, tradition, nature, as if they were all the same as in the past, but they are not. They are what I call shell institutions. They are institutions that have become inadequate for the tasks they are called upon to perform.

Many of us feel we are in the grip of forces over which we have no power. The powerlessness we experience is not a sign of personal failings, but reflects the incapacities of our institutions. We need to reconstruct those that we have or create new ones in ways appropriate to the global age.

We should and we can look to achieve greater control over our world in the global age. We will not be able to do so if we shirk the challenges, or pretend that all can go on as before, because globalization is not incidental to our lives today. It is a shift in our very life circumstances. It is the way we now live.

(Giddens is director of the London School of Economics, having previously served as a professor of sociology at the University of Cambridge.)



From Economic Turmoil
to
Social and Political Crisis

Time for Reform



Agnes Cheung

The current financial and economic chaos in Southeast and East Asia has evolved into a social and political crisis for countries in the region. People are afflicted with such problems as a huge devaluation of their currencies, soaring prices and massive layoffs while governments adopt belt-tightening measures to save their national economies, thus, making the social situation worse. Many people have taken to the streets to vent their anger with a number of protests that have turned into riots posing threats to the political stability of their countries. Government leaders, like those in Malaysia, Indonesia, Thailand and south Korea, have resorted to patriotism and nationalism to divert public grievances and to keep their countrymen together. At the same time, crackdowns on protests and dissent are also carried out to gag opposition voices. Ever greater domestic tensions are looming. Other sentiments of ethnic disharmony and anti-Western and anti-market liberalisation rhetoric are on the rise as well. The collapse of East and Southeast Asia's "economic miracle" has also made a mockery of the "Asian values" that regional leaders insist on and of which they have been so proud

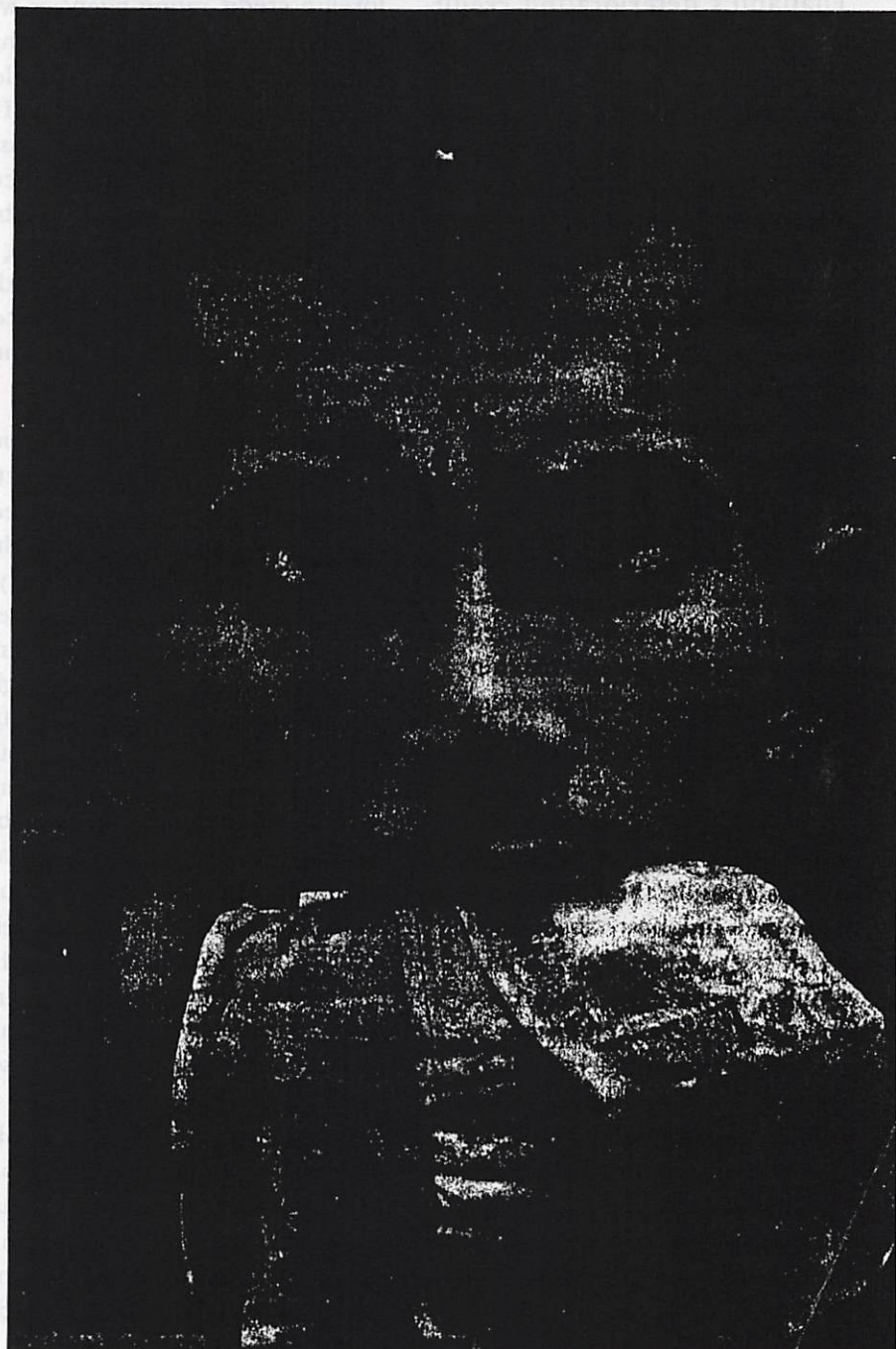
for contributing to the success of their economies.

NO MORE 'ECONOMIC MIRACLE'

During the past 30 years, the region has enjoyed a glorious economic boom with Japan being the first to take off, followed by the Newly Industrialised Economies (NIEs) of south Korea, Taiwan, Hong Kong and Singapore. The average economic growth of East Asia during the past three decades was

almost 8 percent a year. This round of flourishing economies has also reached the nations of Southeast Asia. Many people have described the growth as miraculous because of its outstanding economic achievements within such a short period of time.

The "miracle" began to fall apart, however, in February of last year when the property and financial booms in Thailand began to go bust with real estate company Somprasong Land defaulting on a Euro-bond and the country's largest financial firm,



Associated Press

Finance One, in trouble and seeking a merger with a commercial bank. Thailand's deteriorating credit-worthiness was highlighted in April 1997 when an international credit rating agency, Moody's, cut its sovereign debt rating. The stock market began to slip. Philippine stocks were also diving by the end of the month as concerns spread that Manila's banking sector could be facing similar problems. Foreign bankers began calling in their loans while hedge funds sold the baht short as they saw weaknesses in the Thai economy. The currency attacks intensified. By mid-June, the baht had reached a 15-year low. After spending billions of dollars trying to defend the baht's peg to the U.S. dollar, Thailand finally dropped the peg and devalued the baht in July, dragging down other regional currencies and stock markets.

One by one, all Southeast Asian countries as well as the economies of Hong Kong, south Korea and Taiwan came under speculative currency attacks. As a result, the Philippines, Malaysia and Indonesia abandoned their pegs to the U.S. dollar, devaluing their currencies. In the aftermath of this, foreign exchange losses increased; foreign debt burdens swelled; business failures soared; investor confidence was lost; capital and investment fled the region. Though Hong Kong and Singapore were able to stand firm in the crisis, their bourses have suffered a great blow.

To stop their currencies from a free fall and to resuscitate their economies, Thailand, Indonesia and south Korea sought help from the International Monetary Fund (IMF). The Thai government accepted a US\$17.2 billion rescue package while south Korea received a US\$58.4 billion international bailout and Indonesia agreed on a US\$43 billion package. The IMF rescue packages require these countries, among other things, to launch sweeping reforms in their banking industry, to tighten government spending and to dismantle cartels.

International speculators and financiers, like George Soros, and foreign credit rating agencies were blamed as the main culprits behind the currency attacks, capital outflows and crashes of the bourses. The IMF has also been criticised for causing panic and making the affected economies worse by forcing troubled banks to close and by insisting on higher interest rates and small budget deficits as measures to restore confidence in currencies and to push for structural reforms.

Despite these factors, the economic fundamentals of the afflicted countries have, however, played a major role in the collapse of their economies. With the availability of easy credit, mountains of short-term foreign loans have resulted. Firms used the easy money to finance higher investment, which led to industrial overcapacity and large investments in unsustainable booms, like the real estate sector. As much of the debt is owed by private companies and financial institutions, many of these firms are unable to service their debts, especially with the devaluation of their currencies and an increase in interest rates. Local banks, poorly regulated and politically driven, have allowed huge hidden debts, paralysing the economy and aggravating the risk of collapse. Added to this is rampant corruption in authoritarian political systems with cosy relationships between governments and business enterprises. In short, the affected countries are in deep distress.

INTENSIFIED SOCIAL AND POLITICAL UNREST

Under such poor economic conditions and with the bailout agreements with the IMF, the afflicted nations have to implement austerity measures in order to rebuild their economies. As local currencies have devaluated sharply, debts are mounting; domestic economies are slowing down; many companies in the region are in financial trouble; and many have to be closed. In this

process, the people, especially the poor, become the victims of severe price hikes, food shortages, high interest rates and job insecurity.

For example, the Indonesian rupiah at its lowest point had been devalued by more than 80 percent against the U.S. dollar, and the currencies of Thailand, south Korea, Malaysia and the Philippines have all dived by 35 percent to 50 percent. The inflation rate of Indonesia accelerated to 32 percent in February of this year - the highest in 23 years. Indonesia's Central Bureau of Statistics said the depreciation of the rupiah and a lingering drought had driven prices of food and clothing higher. Analysts have predicted that prices will rise by 50 percent or more by the end of this year.

Since the crisis, between one to three million Indonesians have lost their jobs, according to Eddy Lee, the director of analysis and reports of the International Labour Organisation (ILO). The number of unemployed in Indonesia rose by 14.7 percent to 13.4 million people last year out of a total work force of 90 million, said the deputy chairman of the Federation of All-Indonesia Workers' Union, Bomer Pasaribu. Meanwhile, an estimated 700,000 Thais were unemployed, and 200,000 more Koreans were out of work. If growth remains static this year, a total of 1.8 million Thais and 400,000 Koreans will have lost their jobs by the end of 1998. Thai Deputy Prime Minister and Commerce Minister Supachai Panitchpakdi has already warned that unemployment will grow to much higher levels because of the country's economic contraction. The worst time will come during the middle of this year as more people will become jobless and the cost of living will surge, the official says.

To voice their dissatisfaction and grievances, many people have taken to the streets. The situation in Indonesia is the worst as social unrest has turned into riots with many of them targeted against ethnic Chinese. Many protests too are mingled with

political discontent over the prolonged rule of President Suharto.

INDONESIA

As the currency plummeted and the stock market plunged in Indonesia, the public panicked and crammed supermarkets and shops to stock up on essential foods. People from all walks of life took part in protests over food price increases, rising unemployment and corruption. Angry mobs looted, stoned and burned shops, offices and cars. Many rioters targeted ethnic Chinese who control most of the wealth in the country. Christians, many of them Chinese, have also been targets. For example, thousands of troops poured into at least eight towns on the north coast of the main island of Java after rioters, facing spiralling food prices, looted and burned shops, restaurants, schools, and churches run by ethnic Chinese on 13 February. The worst unrest reportedly appeared to be in Pamanukan, 100 kilometres east of Jakarta, where more than 1,000 people rioted. Ethnic Chinese in some of the villages had to be evacuated by military trucks for their protection.

Hundreds of people have been arrested in protests and riots throughout the country. At least five people were shot dead and an unknown number injured in riots in more than 25 towns and cities during a two-week period in February. Police said a number of those arrested would be charged with looting and rioting. There were also reports of people being arrested and charged with hoarding essential goods in Jakarta and elsewhere on the islands of Java and Bali. Just in one protest alone on 11 February, more than 150 people were arrested when security forces broke up a demonstration over soaring prices. Five reportedly face subversion charges that carry a maximum penalty of death. Another 123 could each be jailed for five years, according to Amnesty International (AI). Meanwhile, the Indonesian Legal Aid Foundation said 13 pro-democracy and East Timorese activists

missing in Indonesia during the past two months are feared to have been arrested as part of the crackdown before the presidential and vice presidential elections in March.

Amid unrest over shortages and price rises, officials in Jakarta announced on 10 February the rationing of subsidised basic foods. Each family in the city of more than 10 million would be entitled to a ration book allowing them to buy 5 kilograms of sugar on each of the three times a week that the market was open. This policy was effective until after the presidential election. Although other staples have dramatically increased in price, such as meat, eggs, cooking oil and noodles, these would not be available through the rationing system.

"The situation in Indonesia has become intolerable. We want to put food on the table, but it is quite difficult, and we have to bear that burden," feminist writer Julia Suryakusuma said in a demonstration by women against price increases for milk and medicine for children in the capital on 23 February. "We have become the victims of politics and economics dominated by men. This is the first time in the 32-year history of the New Order that we've had a women's demonstration like this."

Bus drivers also staged strikes in West Java towns, protesting against falling incomes and safety concerns amid the riots. Transport strikes by drivers calling on their companies to increase fares took place in the towns of Bekasi, Cianjur, Labuan and Brebes and in Dili in East Timor.

Although many people protested and rioted out of anger, it is believed that some rioters have been paid to stir unrest. According to the *Republika* newspaper on 17 February, police in the town of Cirenbon said one of the people arrested during three days of attacks against Chinese-owned shops and property admitted that he was paid 5,000 rupiah (US\$0.58) by two men who had instigated the riots.

Despite the severity of riots, soldiers and police in some incidents, like those in towns on the north coast of West Java, just stood by while locals looted shops. Security officers claimed they were scared the mobs would turn on them if they intervened. Some ethnic Chinese businessmen say they believe there is a smear campaign against them to divert public anger over unemployment and rising prices. For instance, while Chinese tycoon Sofyan Wanandi was questioned by the military for six hours after his name was allegedly found in documents at a bomb factory, a group of students, mostly affiliated with a Muslim youth group, was mobilised to demonstrate outside an institute with which the tycoon is associated. On the other hand, some other officers simply take the law into their own hands. East Java police said they would shoot rioters on sight. "Why not? That is justifiable - shoot on sight," East Java police spokesman Lt. Col. Soetrisno told the press.

In such a chaotic situation, many Chinese traders choose to donate food supplies, gold and cash to ensure their own security and to show their patriotism. For example, dozens of Chinese business people donated instant noodles, sugar, rice and kerosene to East Java's governor for distribution to the province's poor. They have also donated gold and rupiah that will be distributed to low-income families in East Java. Three top ethnic Chinese tycoons - Salim Group's Sudono Salim, Argo Manunggal Group's The Nin King and Sahid Group's Sukamdani Sahid Gitosardjono - donated food worth 3 billion rupiah (US\$300,000) to 100,000 families in Jakarta.

Amid the unrest, President Suharto appointed his former close aide, Gen. Wiranto, as the new military commander in chief replacing Gen. Feisal Tanjung. His son-in-law and Special Forces commander, Maj. Gen. Prabowo Subianto, is expected to be promoted to head the Strategic Reserves after the presidential elections, putting Prabowo in charge

of deploying troops. Wiranto says the Indonesian military will take stern steps against anyone who tries to engage in any unconstitutional acts and in any acts which endanger the country.

Yet there are more protests calling for Suharto and his "cronies" to step down. Islamic leader Amien Rais of the second largest Muslim grouping Muhammadiyah has accused Suharto's children and associates of being primarily responsible for the debt crisis and likened their business operations to organised crime. Megawati Sukarnoputri of the Indonesian Democratic Party (known by the Indonesian acronym PDI) has also called for an investigation into the extent of Suharto's private wealth, recently estimated at US\$16 billion.

There are signs that Suharto has no intention of diluting family control over the economy despite public anger and the appeals of the IMF to break up monopolies and cartels. For example, Suharto's middle son, Bambang Trihatmodjo, opened another bank under a different name within weeks after one of his banks was closed, together with 15 other banks, upon the insistence of the IMF last year. In addition, despite the fact that Suharto agreed to postpone a number of government projects, 15 of these projects were quietly pushed through after the IMF agreement was signed, including a power plant backed by his eldest daughter Siti "Tutut" Hardyanti Rukmana. The president even appointed Rukmana and cronies of the First Family, like timber tycoon Mohammad "Bob" Hasan who claims monopolies are "acceptable if they are in the public interest," to the new cabinet after his "re-election" in March; for despite the people's demand for a change in leadership, Suharto was chosen as president for a seventh term by the People's Consultative Assembly with his protégé, Research and Technology Minister Jusuf Habibie, named as vice president. Moreover, the Assembly passed a decree to entrust the president with sweeping new

emergency powers, allowing him to act against any group or individual threatening the State. Human rights activists say this will give the president the authority to declare a state of emergency, silence political opponents and arrest individuals at whim.

Suharto's scorn for public opinion has sparked more and more student protests. Thousands of students have demonstrated and gone on hunger strikes in Jakarta and other parts of the country demanding comprehensive political and economic reforms. They have blamed Suharto and his government for the crisis that has crippled the country, saying Suharto is "the origin of all the problems." They have demonstrated on their university campuses and confronted the police despite a decree by the military outlawing all protests and mass gatherings before and during the meeting of the People's Consultative Assembly.

The ban on protests, in fact, has allowed the authorities to crack down on dissidents. Nine pro-democracy activists were arrested for organising a mock presidential assembly in North Jakarta while police questioned the editor in chief of a magazine that portrayed Suharto as the King of Spades and said he would be tried for spreading hatred against the president.

The increasing crisis in the country has also led to a wave of Indonesians fleeing the country, prompting fears from neighbouring countries, like Malaysia, Singapore and Australia. Thousands of Indonesians, in fact, are said to have fled or are waiting to be smuggled into Malaysia because of hunger. Food shortages have been reported in the provinces of Central Sulawesi, East Kalimantan and Maluku due to a five-month drought. Police in Malaysia note that batches of illegal immigrants from Indonesia have sought arrest so that they can enjoy proper meals there. Malaysia has indicated that it would use the Internal Security Act (ISA) against those forging identity cards for illegal

immigrants. Meanwhile, Singapore has warned that any illegal immigrant caught could be jailed for up to six months and caned. In Australia, private migration agents have reported a 60 percent increase in inquiries from Indonesia, mainly from Chinese businessmen, seeking residency there.

In addition, two-thirds of expatriates in Indonesia are also expected to leave for fear unrest could lead to the government's fall, according to statistics released by the Ministry of Labour. Of the 48,417 expatriates employed in the country at the end of December, it is estimated that fewer than 16,000 would remain by the beginning of March. More than 17,000 left in January, and 15,000 more are expected to leave by the end of February.

Not only has the economic crisis lead to social and political unrest, the environment is also worsening as a result. Environment officials have admitted that a deep economic crisis would hamper the country's ability to control fires as there was increased pressure on people and companies to clear the land with fire and to use it to raise much needed income. About 4,000 hectares of land were burning in East Kalimantan Province on the island of Borneo early this year. It is feared that the haze may spread and cause serious problems to neighbouring countries as it did in 1997. Moreover, towns and villages in East Kalimantan are suffering a severe water crisis with river levels drastically lowered by drought and fire fighting. Health workers in the capital of Samarinda have warned of a widespread outbreak of diarrhoea as the water there is unfit to drink.

SOUTH KOREA AND THAILAND

Unlike Indonesia, the financial turmoil has led to a change of government in south Korea and Thailand. Thai Prime Minister Gen. Chavlit Yongchaiyudh resigned in November as his government could

not secure support for its proposals to solve the country's economic problems. In south Korea, opposition leader Kim Dae-jung won the presidential elections amid public discontent over the economic crisis.

Yet a change in leadership does not mean a quick cure for the problems of their countries. The new government in south Korea, subjected to the pressure of increasing political tension, is having difficulties in nominating a premier to implement policies and reforms. The opposition has taken legal action against the appointment of acting Premier Kim Jong-pil, a veteran conservative politician linked to previous oppressive regimes and an unlikely election ally of President Kim, a dissident figure for several decades who personally suffered under the orders of Kim Jong-pil.

Meanwhile, a deal reached by the government, business and labour representatives to legalise mass redundancies in return for unemployment benefits has caused worries among Korean workers, who have threatened to take action against it. Because of a split in the ranks of the Korean Confederation of Trade Unions (KCTU), the confederation earlier cancelled a strike against the change, saying it did not want to endanger the country's recovery from its economic crisis with an industrial shutdown. This agreement, together with other corporate reforms, are vital elements of south Korea's reform programme mandated under the IMF financial rescue package, which it is believed can help lure much needed foreign investment into the country. Yet political and economic analysts have cautioned that the reforms could lead to labour unrest and massive unemployment. In fact, before an agreement over the IMF bailout was reached, employees, students and politicians protested against the strict terms set by the international lender.

As for Thailand, being the first crisis-hit country, it was also one of the first to have violent demonstrations. As early as January, hundreds of

Rice Riots in Indonesia

Basil Fernando

Just a few months after the collapse of many Asian currencies, food riots have erupted in every part of Indonesia, including its remotest and smallest islands. Presently, similar situations have not exploded in Thailand, the Philippines, south Korea and Malaysia where the protests have so far been confined to labour demonstrations. The Indonesian authorities face opposition from three fronts: food protests, labour protests and protests for democracy. The rapid deterioration of the situation in Indonesia has prompted Singapore's Lee Kuan-yew, a senior figure in the Association of Southeast Asian Nations (ASEAN), to request that Indonesian President Suharto name his deputy at the next elections in order to stop further plunging of the rupiah. Suharto himself has warned of the possibility of national disintegration. Meanwhile, Suharto in characteristic fashion has turned to the military for support. However, observers including a BBC reporter stated that as the riots were spreading throughout the country, there was hardly anything that the military could do to contain them.

Since the military coup of 1965, which killed more than one million people, Suharto has ruled with the help of the military and has done very little to build a government apparatus that enjoys any credibility or a system of administration of justice. Anarchy in the system was evident for years due to the economic boom and the promise of a better standard of living. While the Suharto regime required a reputation for economic corruption and unfairly enriching themselves, some sections of the military and the middle class

too received some benefits. Foreign investments became a source of higher wages for some professionals and skilled labour. International support was gained through the opening of markets and the granting of other incentives. All of this helped to prevent the massive poverty that people faced in the countryside from surfacing. With the collapse of the currency, however, this stability that has been artificially maintained has given way to anarchy. Observers predict that the present situation will continue and even get worse.

Once a main spokesperson for regional stability, Indonesia has now become the greatest threat to regional stability. Suharto's long-time partners in the region are now demanding stern action that guarantees the stability of the rupiah while making their own attempts to stabilise their own local currencies. During this crisis, the bond that regional leaders have built to oppose democracy and human rights has irrevocably been lost.

There is no way out of this crisis without far-reaching democratic reforms. These include reforms of the system of administration of justice, including the judicial systems. Moreover, it is not possible to pull the country from national disintegration without drastic reforms that will reduce the role of the military and restore a civilian government. Obviously, Suharto, who is the architect of the system that has now collapsed, cannot bring about such change. ▽

employees of Thai Summit Auto Parts Industry on the outskirts of the capital protested over a one-third cut to their wages and Lunar New Year bonuses. They stoned passing cars, burned motorcycles, tore down an automated teller machine and tried to storm the factory. Riot police moved in, and protesters were punched, kicked and beaten. The overpowered protesters were made to strip to the waist, and some had their arms bound behind their backs with shirts. As a result, dozens were injured, and 58 people were arrested. Labour unrest has subsided for the moment, however, after workers were warned to expect tough action if they took part in unruly protests.

To free jobs for Thais who suffer unemployment and inflation, the Council of Economic Ministers, chaired by Prime Minister Chuan Leekpai, has approved the deportation of 300,000 foreign workers, many of whom are Burmese who will be pushed back to a repressive military regime. Illegal labourers in the country will also be repatriated.

Many Thais have seen their fortunes evaporate and debts soar in the crisis. A number of them who cannot deal with the shame and worry now have mental problems or have killed themselves. The Thai Public Health Ministry said admissions to mental health clinics had climbed 30 percent over the past six months. Moreover, the number of suicides in January jumped sharply. Government psychiatrists said the number of suicides per 100,000 people had climbed from five in recent years to eight since the start of the turmoil.

OTHER ECONOMIES

As a major labour-exporting country in the region, the Philippines is afflicted with an employment problem. While thousands of Filipino workers face repatriation from south Korea, Malaysia, Thailand and Taiwan as a result of the economic crisis, the government says it has no jobs for retrenched overseas workers nor

money for their return tickets. The Philippine embassy in Seoul has warned that south Korea wants all jobless and illegally employed foreign workers to leave by 31 March.

In another crisis-hit country, Malaysia, the authorities have indicated that it will repatriate two million registered foreign workers in response to job cuts. Those foreign workers who remain will be divided among strategic sectors, like plantations and export-oriented manufacturing industries. To suppress domestic disturbances, the police will apply tough measures, and they warn that they will use the ISA or Sedition Act and the Printing Presses and Publications Act (PPPA) against people spreading false information aimed at worsening the country's economic problems. There have been rumours, for instance, about banks becoming insolvent that has caused panic among some depositors, driving them to withdraw their savings. A number of Malaysians have also stripped supermarket shelves ahead of price rises. Meanwhile, academics are concerned that the economic crisis will bring a drop in the quality of tertiary level graduates as thousands of Malaysian students overseas are forced to return home because of heavy financial burdens caused by the devaluation of their currency.

Although Hong Kong has not been as seriously hit as other Southeast Asian countries, its dynamic economy has also been adversely affected with a slump in its overheated stock and property markets. The regional crisis directly led to the downfall of Peregrine, for example, one of the largest brokerage and securities companies in Asia. Several other securities firms have also experienced financial trouble, causing protests of small investors as they could not get back their shares, as in the case of CA Pacific. Amid fears of more collapses of financial institutions and other firms, some members of the public queued to withdraw their cash or shares. There was even a run on a cake shop connected to Yaohan, a Japanese

department store that shut its doors, as rumours spread that the cake shop would close as well.

Indeed, a number of shops and firms in industries affected by the crisis, like retail stores, restaurants and hotels, have also either closed or laid off workers. For example, 2,700 employees were left jobless after Yaohan closed in November while Cathay Pacific Airways has laid off 870 people. Between December 1997 and February 1998, the unemployment rate reached a high level for Hong Kong of 2.9 percent, and underemployment rose to 1.6 percent from 1.5 percent. Meanwhile, the government decided to freeze the minimum wage for foreign domestic workers - many of them Filipinas, Indonesians and Thais - at HK\$3,860 (US\$499) a month, a low wage level in Hong Kong, to help local families battling the economic downturn.

PATRIOTISM AND ANTI-WESTERN RHETORIC

Facing their worst financial problems in 30 years, the hard-hit countries in the region have reacted defensively, apart from taking the necessary economic prescriptions. Indonesia, south Korea, Thailand and Malaysia all have accused the West of trying to launch a new round of colonialism during the crisis. Leaders like Malaysian Prime Minister Mahathir Mohamad have claimed that the turmoil was a Western conspiracy to impoverish the emerging economies of Asia, blasting foreign speculators and saying currency trading was "immoral." Suharto has also warned Indonesians of a plot to destroy the country's economy and send its currency crashing. "This is an international plot to destroy our economic foundation," Suharto said in an address in West Java.

Without explaining clearly to their people the causes of the turmoil and admitting the government's failures in regulating unscrupulous practices, political leaders have merely mobilised their people to embrace patriotism to

save their economies, that is, to tighten their belts, donate their foreign currencies and wealth, buy local products, deposit their money in domestic financial institutions rather than foreign banks and simply stop questioning and criticising any wrongdoing on the part of their governments that produced the crisis. Similar campaigns, for example, have been launched in Indonesia, Thailand, Malaysia and south Korea to encourage their people to donate their money, gold and jewellery to strengthen the government's reserves. It is implied that those who do not take part in the campaigns are somewhat less patriotic, like some leading Chinese businessmen in Indonesia who snubbed the "love the rupiah" drive.

Even though many people take part in these patriotic campaigns, there is no promise from the rulers on what the public can receive in return in the future. In Indonesia, for instance, Suharto asked his fellow countrymen to tighten their belts. "Some of us may lead an affluent life; but as a nation, we can no longer afford to lead an extravagant life," he said in his presidential address in March.

Suharto, however, failed to promise what he would do to abolish monopolies and businesses owned by his family and close associates, which have been a major source of the country's economic problems. Even when the IMF, the World Bank and Asian Development Bank (ADB) withheld the next instalment of their loans to Indonesia in March because there was no sign of the sweeping reforms being implemented by the government, the Indonesian First Family insisted on their maintenance of power and paid little attention to the possible consequences that the rest of the region and, indeed, the world would suffer as a result of worsening economic conditions in Indonesia. Instead, the First Family claimed that the reforms that were demanded were hurting national dignity and were unconstitutional as Article 33 of the 1945 Constitution

states that the economy should be organised on the "family principle" and that "cooperatives" were the enterprises most in harmony with this.

"We do not need the IMF if they are not committed to Indonesia. The most important thing is our dignity as a nation," Suharto's eldest daughter Rukmana said in the row with the IMF. Her brother Bambang added that the family was ready to "rebuild this nation from the beginning."

Instead of putting more effort into economic and financial reforms, Suharto seems to be opting for an easy way out by trying to push for a currency board system to which to peg the rupiah to the U.S. dollar. He says the country's economic lifeline is being compromised by the financial crisis and that reforms prescribed by the IMF have not eased the economic pain.

"There are no signs of improvement yet. On the contrary, the people's life is becoming more difficult. The financial crisis . . . [has become] more serious, more widespread and more lasting than anyone could have imagined. Our economic lifeline [has] begun to be compromised," Suharto said.

Not only has Indonesia pointed a finger at the IMF, two other borrowers, Thailand and south Korea, have also criticised the IMF and the United States and Japan for usurping their sovereignty by insisting on harsh bailout terms. The then opposition leader Kim Dae-jung even called the bailout a national shame for Korea during his presidential election campaign. Kim, however, has proceeded with the reforms after becoming the head of state as the economic severity of south Korea's current predicament leaves him no other alternatives at the present time. Despite anti-Western resentment, social and labour hardships and the anticipated sale of troubled local firms to foreign companies, economic conditions in south Korea and Thailand have begun to stabilise since the reforms were implemented.

END OF ASIAN VALUES?

Given the current economic, political and social crises, it is inevitable for one to question the veracity of the virtues of Asian values that many rulers believe to have brought about the economic miracle in East and Southeast Asia in the past 30 years. Government leaders have insisted in the past that greater political freedoms would come at the expense of lower economic growth. For the sake of social harmony, political stability and economic prosperity, people have been told that democratic pluralism has to be suppressed and that individual freedom should be sacrificed. The financial storm, however, has shown that such wisdom is no longer tenable, if it ever was. Asian values are being exposed as mere excuses for rulers to maintain their grip on power - the real reason that they were advanced in the first place.

Had these countries been fully democratic, they might have withstood their current woes. Leaders, like Suharto who allows his family and associates to suck up the nation's resources, would have to be accountable to the people and would be restrained by an impartial legal and judicial system. People would not have to protest and riot to express their anger if they had been listened to and had a real role in choosing their leaders and participating in the decision making process. Likewise, had the East and Southeast Asian nations been open and transparent societies, financial and economic problems in both the public and private sectors, like those in the current crisis, could have been addressed immediately before they turned sour and became unmanageable. The elite also would not have been able to take such a strong grip and block any attempts to reform their economies. Lastly, had the achievements in the region been based on solid and strong fundamentals, international

Continued on page 14

normal occurrence.

It is calculated that third-degree malnutrition among children, beyond which level the child develops an extended stomach, an expanded liver and a skinny frame, is around 40 percent in the district. A survey by the midwives indicated that only 4,863 children under 5 years old, out of a random sample of 16,767, were normal. There were 6,371 children found to be afflicted with third-degree malnutrition, 3,186 with second-degree and 2,347 with first-degree malnutrition. Malnutrition is caused, first, by diseases such as malaria and bronchial diseases, secondly, by worm infestations and, thirdly, by a lack of food. There are particular areas that have shown even higher percentages of malnutrition. For instance, in a division called Puthvedduvan in Mullaitivu District (a population of 1,900 families), 56 out of 121 children picked by random sampling were suffering from third-degree malnutrition.

Emaciated-looking mothers and children, referred by the hospital staff, flock to nutrition centres run by NGOs where wet feeding is implemented. However, the NGOs are unable to cater to the demand. Mothers report that their children have developed night blindness and need constant supervision to prevent them from knocking into objects and hurting themselves after dark. There is a lack of vitamin A tablets in hospitals, which is essential for treating night blindness. The minutes of Education Department meetings of principals reveal that three to seven students faint because of hunger in schools on a daily basis. The principals have also reported that sometimes they are forced to close the schools by 10 a.m. because the students cannot cope with schooling without food.

POOR EDUCATION FACILITIES

To highlight the drawbacks of the education facilities, one can look at the conditions of schools in

Thunukkai, a divisional secretary's division in Mullaitivu District. The present facilities were barely able to cope with about 2,300 students before the displacement of 1995. Now they have to serve 8,571 children. Students have to study under trees. The schools need 313 teachers but have only 128. The Education Department is thus forced to employ 106 volunteer teachers with an allowance of Rs500 (US\$10) per month, which is collected from the displaced population.

In village and settlement schemes, mothers recount the humiliation their children received at school because they could not make the necessary payments to the school or they did not possess exercise books and pencils. About 20,000 children in the district are unable to attend school.

Recently, teachers did a survey of the standard of education in Thunukkai Division and found 210 students attending the classes between year four and year eight not know how to read and write.

ACTIONS NEEDED

Given the situation in the Vanni, we request people concerned with human rights and humanitarian issues to expose this and bring pressure on the government of Sri Lanka to immediately rectify the problems cited. ▽

Time for Reform

Continued from page 9

speculators would not have found it so easy to prey on their economies.

To reflect on the crisis, the lessons learned are simple and clear: the turmoil, like the so-called economic miracle, is man-made. Only a well-regulated and transparent economy that is based on a free and democratic political system rooted in the rule of law can withstand such a storm. Whether or not the crisis can soon be resolved depends on whether the rulers are willing to listen to the people. People in the region have already shown where they stand. ▽

AHRC and ALRC Publications

Social Justice and the Judiciary

This is the report of the seminar and workshop on the theme "Judiciary in the 21st Century" which was held in the Sri Lankan cities of Colombo and Kandy from 29 November to 1 December 1996. The seminar and workshop were organised by the Vigil-Lanka Movement in association with the Asian Legal Resource Centre (ALRC) in Hong Kong. This workshop was the second part of a programme initiated by the Vigil-Lanka Movement to offer recommendations for judicial reforms in Sri Lanka, especially those related to the area of human rights. The seminar and workshop were attended by distinguished jurists from India, Bangladesh and Sri Lanka. (ALRC April 1997, Hong Kong, 38 pages, ISBN 962 8161 03-2)

Ordering Information

The cost of the book is HK\$40.00 in Hong Kong, UK\$40.00 in the Asian continent, S\$40.00 outside of Asia. Send your order with a cheque or demand draft payable to the ASIAN LEGAL RESOURCE CENTRE LTD. Post your check to the Asian Legal Resource Centre at the address listed inside the front cover.

Debt and Jubilee

What is International Debt?

Many people have borrowed money to buy supplies, equipment, or a house. Countries do the same. They borrow money from private capital markets, international financial institutions, and governments to pay for infrastructure such as roads, public services, and health clinics; to run a government ministry; or to purchase weapons. Like individuals, countries pay back the principal and interest on the loans they take out. But there are important differences. If a person borrows money, he or she receives the money directly and pays it back according to the terms and conditions of the loan. But if a country borrows money, the citizens are not necessarily notified or informed of the purpose of the loan or its terms and conditions. In practice, many governments have used loans for projects that do not meet minimum standards of social, ecological, or even economic viability. At times, these loans have been used to enrich a small group of people or have been transferred out of the country to the private bank accounts of government officials.

A second difference is that a business or person who cannot meet his financial obligations over time goes bankrupt. A court is appointed to assess the debtor's situation and banks acknowledge that the debtor cannot fully pay his or her debts. But countries cannot file for bankruptcy — there is no such procedure, no arbitrator. At the international level, the creditors, not a court, decide whether and under what conditions to require the debtor country to pay its debt.

A Catholic Framework on Debt

Catholic social teaching offers a compelling way of understanding the complexities of the debt crisis and its impact on the human community. Our tradition

draws from a large body of work that, in part, addresses the moral dimensions of economic activities. We believe that ethical analysis, rooted in human dignity, is as fundamental as any economic analysis to solving the debt crisis. Catholic social teaching offers a set of principles, outlined below, for action in a world longing for greater justice and peace. It calls us to examine the situation of international debt and discern the options and commitments necessary to bring about urgently needed economic changes.



Human Dignity

The foundation of Catholic social teaching, and the starting point for our work on international debt is the belief that each individual is sacred. All people are created in the image of God and are the clearest reflection of God that exists in this world. The Holy Scriptures state in Genesis that "God created humans in his image, in the divine image he created them" (Genesis 1:27). Each person has a basic dignity that stems from our very creation rather than from any action on our own part. The dignity of the human person is a criterion against which all economic, political, and social systems are to be judged and all aspects of the debt situation must be measured.

Rights and Duties

Human rights are moral claims to goods which are necessary to protect and promote human dignity. Rights and duties are complementary; every person possesses both. They specify the minimum conditions necessary to protect and promote human dignity in the political, social, and economic order. In Catholic social teaching, rights and duties also extend to relationships among states. States have responsibilities to each other and to the international common good.

The Common Good/Solidarity

Dignity, rights, and duties are protected or eroded by the social communities in which people live. Individual and communal duties are fulfilled in three essential communities that express the social nature of each person: the family, civil society, and the wider human community. All individuals have the duty, as members of society, to contribute to and to further the achievement of the common good. The common good is defined as the sum total of those conditions in society that make it possible for all people to achieve their full human development.

The common good has both national and international dimensions. There is currently no entity, however, which carries the responsibility and power to promote the international common good. In the absence of such an international authority, additional demands fall upon states, international institutions and private actors to accept their responsibility to promote the international common good. This responsibility demands that these bodies promote policies that increase the ability of marginalized people to participate in global economic and social systems. Such participation is implied in the principle which Catholic Social Teaching calls the universal destination of the goods of creation. This principle calls us all to see that the goods of creation are destined by God for the welfare of the whole human community. Pope John Paul II has called for the virtue of solidarity to guide our responsibilities toward others and toward the requirements of the universal common good. He speaks of solidarity as "... a firm and persevering determination to commit oneself to the common good; that is to say, to the good of all and of each individual because we are all really responsible for all." (*Sollicitudo Rei Socialis*, 38)

The Church views the current debt situation as a factor contributing to the erosion of the international common good and calls for governments and institutions to actively seek solutions that assure human dignity, protect human rights, and accomplish the international common good.

Preferential Option for the Poor

The preferential option for the poor calls each individual to give a weighted concern to the needs of the poor in all economic, political, and social decisions because it is the most impoverished people whose rights and dignity are most often violated. The preferential option for the poor is a principle that enters the universal social teaching with Pope John Paul II but reflects a moral demand as ancient as the Hebrew prophets. It is clearly conveyed in Jesus' words that whatever we do unto the least of our brothers and sisters we do unto Him, and it has more recently come to light in liberation theology. Those members of society with the greatest needs require the greatest attention and response. By assisting those who are most vulnerable, an option for the poor strengthens the entire community, for the deprivation and powerlessness of the poor wounds the whole human community. Such wounds are healed only by a greater solidarity with the poor and marginalized.

Archbishop Renato R. Martino, Vatican nuncio to the United Nations, explained this principle in a 1997 statement to the UN: "If the process of globalization which is taking place in our world is to be truly human, it requires the construction of a truly global community. In such a community, he said, there must be concern for all and especially for the weakest.

International Debt

Catholic social teaching sees the international debt of poor countries as both a complex policy issue and a profound moral challenge. In moving toward resolution of the problem, neither its complexity nor its moral character can be ignored. International debt is complex in size and scope. It affects the welfare of millions of people, scores of countries, international financial institutions, and private sources of funding. International debt also presents a moral challenge — the particular concern of the Church in addressing this problem — in how it affects the human dignity,

human rights, and human welfare of some of the most vulnerable men, women and children in the global community. But the moral structure of international debt also includes the proper definition of the duties, responsibilities, and rights of a complex fabric of individuals and institutions. The moral dimensions of the international debt problem extend to how it was contracted, who was involved in key decisions, which institutions are now primarily responsible for its resolution, and what moral criteria should be used to articulate, structure and adjudicate this fabric of relationships.

In Catholic teaching, lending money is a legitimate moral enterprise if key conditions of justice are met on the part of the lender and borrower. This principle applies to both individuals and states, although the latter problem is much more complicated in its definition of responsibilities. It is this latter issue which today occupies the concern of many in the international community. The key principles to evaluate the moral problem in Catholic teaching are those of justice (commutative and social justice) and the option for the poor.

Commutative justice governs the kind of contractual obligations which are incurred in international lending and borrowing. But this contractual justice must be located within the broader context of social justice, since the problem of international debt is today a moral challenge not only for lenders and borrowers, but for the international community as a whole. To focus only on the terms of the loan and the nations or institutions involved rather than the conditions under which the loans were contracted, the purposes for which they were used, the impact on individuals today as the terms of repayment are set, is to isolate commutative justice from its social context.

The principles of social justice focus in this instance on the broad range of institutions which must be mobilized if the moral dimensions of the debt are to be addressed. Hence, responsibilities exist not

only for the debtor countries and their creditors, but for international institutions (some of which hold debts), for the more significant states with major economic roles in the world, and for non-governmental organizations, some of which are deeply involved in the lives of debtor nations.

Interpreting the norms of social justice will require attending to the principle of the option for the poor. This principle calls attention to the condition of those in debtor nations who had no voice in the contracting of debts but whose lives are deeply affected by the choices made in resolving the debt problem. It is this principle, in combination with the requirements of social justice, which have led many in the Church to follow the leadership of Pope John Paul II in addressing the problem of the international debt which so seriously threatens the future of poor countries and their populations.



Photo: ©1997 Martin Lueders

Cardinal Roger Etchegaray stated in his introduction to the 1987 Vatican document, *At the Service of the Human Community: An Ethical Approach to the International Debt Question*, "Debt servicing cannot be met at the price of the asphyxiation of a country's economy, and no government can morally demand of its people privations incompatible with human dignity." He says further that, "in a world of increased interdependence among nations, an ethic of expanded solidarity will help to transform economic relations (commercial, financial and monetary) into relations of justice and mutual service, while at present they are often relations based on positions of strength and vested interests. Due to their greater economic power, the industrialized countries bear a heavier responsibility which they must acknowledge and accept ... the time is over when (the industrialized countries) can act without regard for the effects of their own policies on other countries."

Why Now?

We are approaching the great celebrations around the new Millennium. The Jubilee is both a time of repentance when injustices are put right as well as the symbolic beginning of a new era. Jubilee symbolizes a fresh start for the poor, an opportunity to reestablish justice and equity throughout the world. In the Hebrew Scriptures, the Jubilee was to have occurred every fifty years. It was a time to free slaves, return land to its rightful owners, and forgive debts. Linking this biblical concept to the coming millennium, Pope John Paul II states: "Christians will have to raise their voice on behalf of all the poor of the world, proposing the Jubilee as an appropriate time to give thought ... to reducing substantially, if not canceling outright, the international debt which seriously threatens the future of many nations" (*Tertio Millennio Adveniente*, 51). We see the Jubilee in the Year 2000 as the time for a new beginning for impoverished nations, an opportunity for justice and the solution to the problem of international debt.

It is not only the approach of the Third Millennium that makes this a time ripe for change. Within the last decade, old animosities between East and West have broken down and new, stronger, and wider allegiances between rich nations have developed. The time is right to rectify relations between North and South. Shared economic growth, fairer trading links, increasingly stable political relationships, sustaining the environment — these goals benefit North and South. Development is an expression of the common good.

The international debt remains a serious obstacle to human development. Many impoverished countries are forced to use their scarce resources, including bilateral aid², to pay their creditors rather than to invest in the health and education of their people. However, through continuous pressure and long-term commitment, civil society organizations and some concerned governments have attempted to reduce the debt of the world's poorest countries. These have made a helpful, yet marginal difference in the lives of people.

In 1996, another possibility for debt relief emerged. The major creditors³ of the world agreed to reduce some debt of the most impoverished countries through the Heavily Indebted Poor Country (HIPC) Initiative. In doing so, they both acknowledged that debt is a severe obstacle to development and responded to advocacy efforts from civil society organizations. Despite its historic importance, first experiences of the HIPC Initiative reveal that it is far from sufficient.

The upcoming Jubilee, combined with devastating poverty of the least developed countries, the widening gap between rich and poor worldwide, the relative failure of past efforts at debt reduction, and a new opportunity for debt relief, present a challenge we cannot ignore. In the spirit of solidarity among nations and people of the North and South, we have an obligation to promote an authentic and substantial solution to the debt problem.

How did the debt crisis come about?

The international debt crisis became apparent in 1982 when Mexico announced it could not pay its foreign debt, sending shock waves throughout the international financial community as creditors feared that other countries would do the same. The immediate cause of the crisis occurred in 1973 when the members of the Organization of Petroleum Exporting Countries (OPEC) quadrupled the price of oil and invested their excess money in commercial banks. The banks, seeking investments for their new funds, made loans to developing countries, often without appropriately evaluating the loan requests or monitoring how the loans were used. In fact, due to irresponsible practices of creditor as well as debtor governments, much of the money borrowed was spent on programs that did not benefit the poor — armaments, large scale development projects, and private projects benefiting government officials and a small elite. The 1973 oil price increase also had the effect of triggering inflation in the United States and other industrialized countries.

In 1979, OPEC raised the price of oil a second time. Meanwhile, the US adopted extremely tight monetary policies to reduce inflation, producing a domestic recession. The combined impact of the rising price of fuel and rising interest rates led to a worldwide recession. Developing countries were hurt the most. Their exports declined as the domestic cost of production rose and the major importers reduced their purchase of goods from overseas. Latin American governments which had taken out loans from commercial banks at floating interest rates (rates that vary according to the current market interest rate) saw the interest on their debt skyrocket. African governments, reacting to the worldwide collapse in commodity prices, borrowed heavily from other governments and multilateral banks at both market interest rates and concessional (very low) rates. When Mexico finally announced that it could not pay its foreign debt, the

international financial system appeared on the brink of collapse. The world's major creditors acted to save the commercial banks and the world economy.

Impact in the South

The existence of debt has both social and financial costs. Heavily indebted poor countries have higher rates of infant mortality, disease, illiteracy, and malnutrition than other countries in the developing world, according to the UN Development Program (UNDP). Six out of seven heavily indebted poor countries in Africa pay more in debt service (i.e., interest) than the total amount of money needed to achieve major progress against malnutrition, preventable disease, illiteracy, and child mortality before the year 2000. If governments invested in human development rather than debt repayments, an estimated three million children would live beyond their fifth birthday and a million cases of malnutrition would be avoided⁴. The UNDP estimates that sub-Saharan African governments transfer to Northern creditors four times what they spend on the health of their people. (*Human Development Report*, 1997)

On the financial side, heavy indebtedness is a signal to the world financial community that the country is an investment risk, that it is unwilling or unable to pay its debt. As a result, impoverished countries are either cut off from the international financial markets or pay more for credit. The UNDP estimates that in the 1980s, the interest rates for poor countries were four times higher than for the rich countries due to inferior credit ratings and the expectation of national currency depreciations. Another cost of debt is the absence of infrastructure such as roads, schools, or health facilities that could both fight poverty and create the conditions for more economic growth. A different type of cost is associated with the time civil servants spend negotiating debt repayments. Oxfam International estimates there have been over 8,000 debt negotiations for Africa since 1980.

Heavily indebted countries face enormous pressure to generate foreign exchange in order to pay their debt service and purchase essential imports. The international financial institutions often offer financial assistance to countries in this situation and use their leverage to compel the countries to accept structural adjustment and stabilization policies. These structural adjustment policies (SAPs) and the austerity measures associated with them can have a strongly negative impact on the poor, both initially and for extended periods.

SAPs are designed to: 1) Stabilize faltering economies by reducing inflation and correcting the balance of payments; and, 2) Increase growth by making economies more productive and efficient and by opening them to market forces. Major elements in structural adjustment programs typically include:

- Raising taxes to increase government revenue and balance the budget
- Eliminating price and interest rate controls
- Reducing the size and scope of government and privatizing state-owned enterprises
- Reducing tariffs and other restrictions on foreign trade
- Reducing regulations on businesses and on capital flows to encourage local and foreign investment.

Although SAPs may help a country become more competitive in the global arena, they can severely harm the poor. This happens when:

- Social expenditures (especially for health, education, and welfare) are cut back in order to meet targets for reducing fiscal deficits
- Public sector employees are dismissed in government down-sizings without retraining or other economic opportunities
- Local companies close in the face of competition from abroad
- New investment is slow and does not create jobs at the rate expected

SAPs can also create an environment which values global competition above all else, resulting in lower wages and worsening labor conditions for workers. Deregulation of labor markets can result in situations where workers cannot exercise their rights and local entrepreneurs and multinational corporations maximize their profits by operating sweatshops. Women and children, the majority of sweatshop workers, are hurt the most by starvation wages, long hours, and unsafe or unsanitary conditions.

BOX 1:

STRUCTURAL ADJUSTMENT IN ZAMBIA⁵

In Zambia:

Annual per capita income is US \$350, 80% of the population lives in absolute poverty, a recent drought has devastated the country, and HIV is a growing epidemic.

Positive aspects of SAPs:

- Reduced inflation from over 200% in 1992 to 35% in 1996
- Opened foreign exchange market
- Opened trade so more consumer goods, mostly from South Africa, are available

Negative aspects of SAPs:

- Unemployment. 80% unemployment due to the privatization of state-owned enterprises, reductions in the civil service, closing of many industries.
- Higher prices. Government removed subsidies on basic goods such as mealie-meal (maize), fuel, transport, and fertilizer. Cost of an average basket of food for a family of six in Lusaka was approximately US \$150 in February 1997, while monthly salary for a teacher was only \$45.
- Fees for health & education. Ten years ago, Zambia had one of the highest primary school attendance rates in Africa. Today, fewer than half the children attend school. Because families cannot afford the fees for all their children, girls stay at home, marry earlier, have more children, and are less likely to send their children to school than if they would have received/acquired one or two years of schooling.
- Declining infrastructure. No money for maintenance and repair of housing, water, sanitation systems, roads.
- Environmental Neglect. Long-term ecological issues such as deforestation are simply ignored.

SAPs are based on economic theories considered universally applicable and thus are often applied uniformly. Yet, the specifics of the timing and sequencing of SAPs may not adequately take into account a country's political and institutional culture or its ability to absorb the adjustments. Governments are then forced to decide which public sectors to cut and which to save. Unfortunately the poor and the vulnerable are the ones least able to protect themselves in this process.

Debt and structural adjustment policies can harm the environment. When countries need to generate more foreign exchange to service their debt, they increase exports. But because many developing countries depend on exports such as logging, mining, or a single agricultural crop, there is a serious risk that they will exploit these resources in a way that will cause major damage to the environment. Unless effective programs of environmental protection are put in place, export orientation can have a devastating impact on the land and its people.

Reducing Debt

Early Attempts to Reduce Debt

Mexico's announcement of a unilateral moratorium on its debt repayments was a shock to the financial community. It galvanized citizens' groups — churches, NGOs, and others who experienced the impact of the debt crisis — to step up their advocacy on debt. In response, the major creditors — commercial banks, governments (also known as bilateral creditors), and international financial institutions — sought new ways to address the problem.

Commercial banks: Through the Brady Plan of 1982, commercial banks reduced about twenty percent of the commercial debt owed by middle income debtor countries (commercial debt of Mexico, Brazil, Argentina, Costa Rica, Morocco, the Philippines, and Peru was reduced by about 32%). In the process, the banks were supported by guarantees from governments and international financial institutions, in effect shifting the credit risk from commercial to bilateral creditors.

Bilateral creditors: The bilateral creditors fall into two categories: Paris Club and non-Paris Club. The Paris Club is primarily the group of wealthy donor nations which also belong to the Organization for Economic Cooperation and Development (OECD). The non-Paris Club major donors include Eastern Europe, the former Soviet bloc (with the exception of Russia, a new member of the Paris Club since 1997), and the Arab states.

Bilateral creditors were the first to provide debt relief in the early 1980s. Today, the Paris Club provides qualifying countries with some reduction or rescheduling of debt. The criteria are strict, but if a country qualifies, it can get a 67% reduction of a portion of its outstanding debt up to 80% under the Heavily Indebted Poor Country initiative. The portion of the debt eligible for reduction is that which:

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- has not previously been rescheduled
- is not concessional
- was incurred prior to the cut-off date — the date when the country first requested assistance from the Paris Club. For most countries, the cut-off date is in the early 1980s. The debt incurred since then is ineligible for relief.

Often, the net result is that debt relief is insignificant. (Note: non-Paris Club donor nations have on occasion provided relief on Paris Club terms.)

International Financial Institutions: The international financial institutions include the World Bank, International Monetary Fund (IMF), and regional development banks. They are governed by member nations, virtually every nation in the world. These institutions raise the majority of their capital on international financial markets at very favorable conditions because of their triple A rating — a rating received because their borrowing is guaranteed by all the member nations. Because the international financial institutions offer the best terms available and have been given a special role in the international financial system, they insist on preferred creditor status, which means that they must be paid back prior to other creditors. If the debtor country does not make payments on its loans on time, it is considered off track and will ordinarily not receive loans from other creditors.

Until the HIPC Initiative was approved in 1996, the international financial institutions would not allow rescheduling or cancellation of their loans — although in practice they did so by enabling countries to pay off old loans by taking out new ones at lower interest rates and longer terms.

Heavily Indebted Poor Country (HIPC) Initiative

In October 1996, the World Bank and IMF reached an agreement on the first ever comprehensive debt reduction plan to enable the debtor country to pay back its loans without compromising economic growth and without building up arrears again in the future. The initiative is designed to reduce the multilateral, bilateral, and commercial debt of HIPCs over a period of about six years to a sustainable level, a level at which the country is considered able to make debt payments.

As a condition of debt relief, the country has to implement SAPs approved by the World Bank and IMF. The HIPC Initiative allows some flexibility so that a country that exceeds the eligibility criteria established by the World Bank and IMF by having already demonstrated a record of reform, might get relief in a shorter time.

Under the initiative, after the eligible country has established a track record of economic reform over a period of three years, the Paris Club creditors provide a 67% reduction in eligible debt stock. This point is called the decision point. All other creditors (non-OECD bilateral creditors and commercial banks) are supposed to provide comparable reductions⁴. If these actions do not result in a sustainable debt, the country moves to the second three-year stage, during which time it might get support from the international financial institutions for economic reform and poverty reduction. At the end of six years, provided the country has established an acceptable track record by implementing required economic reforms, it will receive up to 80% reduction in eligible Paris Club debt stock. This point is called the completion point. The second period of three years might be shortened for countries which already have a track record of strong performance. At the completion point, the multilateral creditors provide debt relief only if all other reductions are not enough to reduce the country's debt to a sustainable level.

Shortcomings of the HIPC Initiative

Too few countries eligible. There are 41 countries classified by the World Bank as HIPCs, yet only a few will get relief through the HIPC Initiative as it is currently designed. Like Paris Club debt relief, qualifying for HIPC is difficult and countries that do qualify will likely find its impact limited. For example, Nicaragua may not qualify for relief under the HIPC Initiative because of its poor track record in carrying out structural adjustment programs. To qualify, Nicaragua would have to start an economic reform program which would likely require drastic cuts in government expenditures. Such reductions in a country still recovering from civil war and considered the second poorest country in the hemisphere would be devastating for its people, far worse than the benefits that a small amount of debt relief would bring.

BOX 2:

COUNTRIES ELIGIBLE FOR HEAVILY INDEBTED POOR COUNTRY INITIATIVE

<u>HIPC</u>	<u>Expected Decision point</u>	<u>Expected Completion point</u>
Uganda	April 1997	April 1998
Bolivia	September 1997	September 1998
Burkina Faso	September 1997	September 1999
Cote d'Ivoire	1997	2000
Mozambique	1997	1999
Guyana	1997	1998

Source World Bank, IMF (through Eurodad)

QUALIFYING FOR HIPC INITIATIVE IS DIFFICULT AND RELIEF INADEQUATE

To qualify, countries must be:

IDA-only and heavily indebted. IDA-only means the average annual per capita income of the country must be less than US \$900. Most highly indebted countries have average annual per capita incomes under US \$400.

Have a strong track record of performance under an IMF-supported structural adjustment program. If the country strays, it has to wait longer for relief.

Exhaust all existing debt relief mechanisms without reaching a sustainable level of debt. Sustainable means: 1) the Net Present Value of the country's debt does not exceed 200-250% of its annual export earnings; and 2) the country's annual debt service does not exceed 20-25% of its annual export earnings. Specific targets within these ranges are determined on a case by case basis.

Too little relief: Bilateral and multilateral creditors are not writing off debt, rather, they are raising money to pay for debt reduction. As a result, they want to minimize its cost. Some powerful G-7 countries, as well as some middle income countries that are unlikely to be eligible for HIPC debt relief, have not committed sufficient resources to bilateral debt relief. The IMF will provide multilateral relief only through an existing fund, the Enhanced Structural Adjustment Facility. The World Bank, on the other hand, has set aside \$2 billion for debt relief — an important commitment — but will release it only after bilateral creditors show their financial commitment by contributing to a separate debt relief fund.

Narrow definition of debt sustainability: The HIPC Initiative is designed to restore the debtor country's ability to repay its loans. The amount of debt considered sustainable was decided by looking at what middle income Latin American countries actually paid to service their debt. The concept did not take into account the fact that many Latin American countries paid their debt at the expense of the welfare of their people, paying more than they should have. The percentage of exports that went to debt service then became the standard for what low income countries were considered able to pay.

Too long a wait: Eligible countries have to establish a track record of economic reform for at least three years before receiving bilateral relief and six years before receiving multilateral relief.

Connection with structural adjustment policies (SAPs): The HIPC Initiative requires countries that want debt relief to carry out SAPs. SAPs can reform economies in positive ways but can also contribute to poverty.

Arbitrary cut-off dates for Paris Club relief: The cut-off date is the date the country first requests assistance from the Paris Club. Debt that builds up after this date is not eligible for reduction under the HIPC Initiative.

Obstacles -

- Hierarchical Construction
- day not ready yet
- lack of conviction about own charism -

PROMOTING FULL PARTICIPATION OF THE LAITY IN JAPAN + KOREA

1. What can we do to make this happen?
2. What are major obstacles?
3. What can we do to overcome these obstacles?
4. What new approaches can we try?



1. How do ordinary people in Japan or Korea explain the economic crisis.
2. What impact does the crisis ^{have} on the institutions on the lives of the people we are working with.
3. What cultural and social changes do you perceive in people's life because of globalisation?
3. What action or set of actions could you and/or the province help initiate ~~it~~ in order to assist people in meeting the cultural challenges of globalisation?
Or any specific issue