

Religion in the Globalization Era: A Southeast Asian Perspective

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Introduction

The Nobel Prize committee recently elected Amartya Kumar Sen to be the winner in the field of economics for his contributions in welfare economics, his general interest in distributional issues and his particular interest in the most impoverished members of society. His selection is a reflection of the fact that advances in the global economy after the fall of communism in Eastern Europe have not been successful in bringing welfare to the people. Beginning in the mid 1990s, a financial crisis has spread throughout Asia, including economic giants like Japan and Korea; the crisis, now in 1998, while improving, is by no means finished. Some countries have begun to recover, while others are still uncertain about what step to take next. The world still has to wait before it can see how economic laws will allow these various economies to be transformed within themselves and with a fundamental concern for the poor.

I argue here that unless this transformation includes religious institutions, there will be little hope that for a basic overhaul of the global economic system as envisioned by someone like Amartya Sen. It will be difficult for this sort of transformation to take place, especially in a world where economic power has gained such broad support as it has now. It is from this perspective that I perceive the role of religion today must be more challenging than ever before. In the era of globalization, religion cannot be limited merely to individual concerns nor to religious group concerns. Instead, religions are called together to walk hand and hand, working to bring about social justice to human beings throughout the world. This requires, in turn, an *inclusive-transformative religiosity*, a religious sense that is open to accept other religious expressions and prepared to be transformed by these diverse religious sensibilities.

Globalization: World Phenomena

Globalization is an era where capitalism had reached its highest expression as an economic system. Starting in 1990, just after the collapse of the Eastern block, capitalism has become a global phenomenon with just one single super power. It is expected to influence the lives of people throughout the world for the next five or six decades, well into the 21st century, and probably even for the entire century.¹⁾

Globalization is more than a political or economic phenomenon. At this stage, it has become ideological and spiritual as well. With the bankruptcy of communism at

the end of the 1980s, capitalism grew without challenge, promoting a broad-ranged free-trade policy. What the world is facing today, especially in Asia, is part of the implications of this growing capitalism in its fullest form. The problem is that the rise of capitalism as a political economy, replacing feudal systems, with the ability to exploit natural resources, does not necessarily result in social welfare. While it has brought wealth and power to some, it has also, at the same time, produced new sorts of poverty and environmental and pollution crises hitherto unknown. It was conceivable that this capitalism faced strong rejection by communist states, especially after the Bolshevik Revolution in Russia.

On the threshold of the 20th century, however, capitalism has endured not only two world wars, and but also a seventy-five year struggle, the “long” cold war, between two superpowers.²⁾ The fight of communism promoted by the Eastern block and supported by the USSR, against capitalism, enhanced by the Western block and supported by the United States, ended with the bankruptcy of communism in 1989. That left capitalism as the world’s sole political economic system. If capitalism survived the challenge of communism for seventy-five years, it may well prove the strength of this political economic system. Thus, it is conceivable that it will run for as long in the century. The problem then is who benefits from the system?

Capitalism has necessitated the formation of new nation-states in Asia and Africa. The presence of these new nation-states, although most are artificial, are expressions of their attempts to find within themselves, freedom and independence from capitalism.³⁾ Some have been successful and are known as Newly Industrialized Countries (NIC). However, when capitalism has become the sole economic system and power, the financial crisis that affects almost all Asian countries, including the NICs, raises serious questions among the people. Who is really benefiting from the system? How does it happen that a global economy can be controlled by certain individuals in the financial markets? What is the role of governments? What will be the fate of humanity in the 21st century? Will human beings have to confront another form of economic order based on the law-of-the-jungle? How will the globalization of capitalism be challenged?

The communist way has proved to be insufficient. It was like an intermezzo to the growth of capitalism. After its failures, capitalism reestablished itself even stronger than before. Compared to nineteenth-century capitalism which could be described as *extensive capitalism*, in the sense of its spread throughout the world, capitalism at the end of the twentieth century is *intensive capitalism*, in terms of financial mobility in world markets.⁴⁾ However, this does not imply that capitalism is indeed the ultimate solution to human and social problems. What Asian countries have seen in lay-offs, increasing unemployment, poverty growing in urban areas, food shortages, rises in the crime rate, and other problems are indications that capitalism has not been able to solve the problems of humanity. It is therefore necessary to understand capitalism properly in the globalization era before a solution can be formulated.

Globalization: A Corporate Culture

There are many ways to describe the nature of globalization. Korten has described it in terms of corporate phenomena.⁵⁾ Tracing the emergence of corporate phenomena within the United States and Britain, especially in the United States after the Civil War and pointing to the cultural and spiritual roots of corporations, he describes a threefold crisis created by the emergence of corporate globalization. First, he notes the poverty resulting from an increasing rate of unemployment, the closure of corporations, and other negative factors such as the dependency on cheap labor. Second, he related an increase in social unrest due to a rise in the crime rate, drug-abuse, divorce, teenage suicide, domestic violence and other such social issues to globalization. Third, he points to a growing ecological crisis in the form of pollution, the thinning of the ozone layer, and other environmental threats to human life. Soil, for example, has been depleted faster than nature can regenerate.⁶⁾ These crises in turn have created a loss of institutional legitimacy in democratic systems.⁷⁾ Ohmae even predicts the loss of borders of nation-states because corporations no longer need them.⁸⁾

In its modest form, capital can be transferred easily, and factories can be relocated to cheap-labor countries within six to eight months, for financial considerations, forcing lay-offs in the labor force of previous locations.⁹⁾ This kind of financial consideration has created unequal competition in the new global era, termed by Kotter as “corporate culture.” By corporate culture he means the shared beliefs, attitudes, and practices of corporate managers and employees which, for better or worse, influence a company’s economic performance. He demonstrates that “corporate culture” often undermines an organization’s ability to adapt to change and that global corporations in particular have problems in adapting to market developments or implementing new strategies or accomodating new acquisitions.¹⁰⁾ In this way, Kotter shows how global capitalism has become ideological.

Communism, in the context of the development of this sort of “corporate culture” proved unable to deal with capitalism. For various reasons, including its lack of an ethical or religious dimension, communism did not provide a better foundation for people to create a better life, although its stated main concern was popular welfare. Instead, communism created tyrannies over vast populations, such as the Union of Soviet Socialist Republics with its Eastern block, and China in the 1960s.

Since we now live in an era of *terra incognita* for both industrialized and non-industrialized countries, it is the calling of religious institutions to prevent humanity from further damage created by fellow human beings. The communist solution in the twentieth century failed because of its lack of spirituality. It is from this perspective that religious institutions are called in the twenty-first century to transform global capitalism into an economic and political system that promotes humanity both peacefully and spiritually.

New perspectives must be formulated. This is especially true since even in the globalization era, governments are still needed.¹¹⁾ Without them, life will become like a safari park where only the law-of-the-jungle will apply. Government is the only

institution that can be expected to prevent this from happening. However, due to the fact that global capitalism is ideological, governments must be provided with an ethical (religious) perspective. The problem then is, how will this take place? What kind of religiosity would that be? It is within this perspective that the experience of Southeast Asian countries in dealing with financial crises since last year is both interesting and instructive.

Globalization and Financial Crisis: A Southeast Asian Experience

The Asian financial crisis began in Thailand in 1998, and a the chain reaction went as far as Indonesia, Korea and Malaysia and to a certain extent, even Japan. We have seen that in most cases, the crisis brought on a change of governments. This has been true in Thailand, Korea and finally in Indonesia. In the latter case, it is interesting to observe both Indonesia and Malaysia, since in both areas, the change implicates religion. Thailand is now in the process of recovery. That was not the case with Indonesia and to a certain extent Malaysia. As we are aware, the change in Indonesia includes a religious dimension, especially concerning Islam. This can be observed from looking carefully at President Habibie.

When Habibie was nominated for the office of vice-president early in 1998, he was the president of the Islamic Intellectual Organization, known by the acronym ICMI. Suharto skillfully engineered his nomination, so that every faction in the People's Consultative Council approved him, including the Armed Forces.

ICMI was founded in December 1990 as an attempt to organize Islamic intellectuals into an organization, a vehicle badly needed by Muslims in Indonesia during the New Order era. Up to that point, Muslims had not succeeded in pulling themselves together politically into a political party. ICMI, of course, is not a political party; yet with its negotiating position, now stronger because of Habibie's close relationship with Suharto, it functions as a political pressure group. On the other hand, Suharto badly needed the support from the Muslims for his re-election. A compromise with Muslims in Indonesia in the form of picking Habibie as his running-mate ensured the presidency for Suharto. However, as we know, all did not work as Suharto intended. Rioting and especially student pressure forced Suharto to hand his presidency to Habibie. History will tell whether he did this freely or whether it was a palace coup.

What started as an economic and financial crisis, therefore, ended up causing a major political upheaval. In the Indonesian case, the change brought Islam into power. This is the long-awaited moment for Muslims in Indonesia. The drive for power can be traced as far back as 1945 with the independence movement, when Islam was promoted as the foundation of the state. It was again so promoted during the 1950s when the Constituent Body drafted a new constitution after the election of 1955. In both cases, however, it failed. When Sukarno was replaced by Suharto a ray of hope emerged. However, Suharto managed to play down to the degree to which his political regime was self-serving. All went well until May, 1998.

For a growing number of intellectuals, political control seemed natural for the

ICMI. With political power in hand, the next step was the economy. The Indonesian economy is well known to be controlled by smaller Chinese businessmen and they have become targets of Muslim nationalists. The riots and terror against the Indonesian Chinese should be perceived from this perspective. The existing distributive chain of the staples of life is being replaced by co-operatives run by Islamic organizations and banks. The concept of an Islamic economy is slowly being promoted in Indonesia. For Muslims in Indonesia, an Islamic economy has been perceived as an alternative to the capitalistic economy in the world of today. As the world's largest Islamic country, the Indonesia experience could set the pace for the rest of the Islamic world.

It is within this context that voices increasingly calling for succession from Indonesia by East Timorese and Irianese have been heard. These two regions in Indonesia represent the area of Christian influence. Potentially, at least five provinces in the eastern part of Indonesia are predominately Christian, i.e. Irian Jaya, Maluku, East Timor, Nusatenggara Timur, North Sulawesi. Bali and Kalimantan could possibly join the movement on the side of the Christians.

Thus, what began as an economic and financial crisis caused by the onslaught of global capitalism has ended up as a religious crisis. Unfortunately, a sectarian response will not do any good to change the system, especially if the country falls apart.

The Malaysian response is hardly better than the Indonesian. It is true that a political change did not take place. However, the quarrel that Mahathir has with Anwar Ibrahim is basically on the grounds of how these two leaders respond to the economic and financial crisis of global capitalism. While Mahathir would like to preserve his Islamic leadership in the Islamic world, Anwar Ibrahim would be open to cooperation with Western countries in solving the crisis. History will tell how the conflict ends up. However, here too, the nature of the conflict is basically a religious reaction to global capitalism.

What is implied in the reactions of these countries is the fact that a sectarian reaction that is basically exclusive is not applicable. On the contrary, Indonesian history has shown that when the Indonesian people were struggling for their independence early this century, they were able to win because it was the struggle of all people, regardless of their religion. What they were fighting against at that time was actually global capitalism in its extensive stage. This can be done only when people think of others inclusively, as equal parts of themselves. This inclusiveness is better if embodied in a transformative dimension in the sense that the encounter with other people, will directly or indirectly transform someone with their perspective. This is natural. It is within this perspective that the future of humanity lies. It is against this global capitalism that the Declaration of the Parliament of the World's Religions has called for a global ethic. According to Hans Kung, if the world is to have a global economy, it requires a global ethic to which all nations and peoples of diverse backgrounds and beliefs, must be committed. It is interesting to note that this global ethic runs along one fundamental demand: Every human being must be treated humanely with four

irrevocable directives.¹²⁾

For religious institutions this is not an easy task. Most of their experiences have been working independently. At this stage, confronted by new global problems, the religions of the world are now called to perceive problems together, analyze them together and find solutions to the problems together. To do so, they need a transformative dialogue. It is at this stage that religions are called to go beyond their traditional boundaries which are exclusive, and become more inclusive and transformative. The future of humanity lies in this globalization of religious expression.

Notes

- 1) John Kotter, "Cultures and Coalition," in *Rethinking the Future: Business, Principles, Competition, Control, Leadership, Markets and the World*, foreward by Alvin and Heidi Toffler and edited by Rowan Gibson, London: Nicholas Brealy Publishing, 1997, 165.
- 2) Robert N. Bellah, Richard Madsen, William M. Sullivan, Ann Swidler and Steven Tipton, *The Good Society*, New York: Alfred Knopf, 1991, 200, 276.
- 3) James Goldsmith, *Perangkap (The Trap)*, Kata Pengantar oleh Mochtar Lubis, Jakarta: Yayasan Obor, 1995, 44–47.
- 4) The terms extensive and intensive capitalism were borrowed from C. T. Kurien from Indian in a discussion in March, 1998.
- 5) David G. Korten, *When Corporations Rule the World*, London: Earthscan Publications, 1966, 18–21.
- 6) Ibid.
- 7) Cf. Bellah (et. al.), 16–18.
- 8) Kenichi Ohmae, *End of the Nation State*, London: Harper Collin, 1995.
- 9) James Goldsmith, *The Response to GATT and Global Free Trade*, London: Macmillan, 1995, 21.
- 10) Kotter, 166.
- 11) Geoff Mulgan, *Conexity: How to Live in a Connected World*, London: Chatto & Windus, 1997, 209–225.
- 12) *A Global Ethic: The Declaration of the Parliament of the World's Religions*, commentaries by Hans Kung and Karl-Josef Kuschel, New York: Continuum, 1993.