

Globalization, a Path to Liberty

Can character and community survive an age of globalization? In today's rapidly changing world this is an important question to ask, for all of us feel uneasy at the unchartered waters that lay ahead. We are creatures of habit, and a threat of change in tradition, character, and values is frightening. To address the unease of the future before us, it is necessary first to establish what character and community is, and how they will be affected by globalization. For the purposes of this essay, character is the morality that constitutes a society. Community, by modern standards, is harder to define, yet in the traditional sense, it remains a geographic location where interdependence among men exists. Globalization, a relatively recent notion, remains elusive to characterize. In our time, globalization is commonly discussed but rarely understood. The most popular conception of globalization is the modern metaphor of a "global village." The metaphor is inspired from our ever-shrinking world in which we need to establish a community of international cooperation. A "global village" serves as a nice metaphor, but is very difficult to translate into reality. The form of globalization that appears to be taking place is simply the evolution of a time-proven process.

Globalization is merely an outgrowth of trade between nations. Ever since the dawn of civilization, individuals have realized the economic gains to be made through trade. Basic economics indicates that two different individuals, communities, or nations have a comparative advantage in certain goods they produce. Trade then allows these individuals to produce certain goods and services to exchange with others. This results in an increased product from the division of labor and specialization in production. While

tangible items are the medium of trade, it is the exchange of intangible ideas that the process of free trade helps to foster. The Acton Institute defines globalization as:

“A policy of free trade and economic engagement requires government to relinquish some of its power to the people and creates pockets of independent wealth that frees people from dependence upon the State for their material well being. Through trade important cultural and economic ties are also built between persons living within a country and with persons living abroad.”¹

The question becomes not whether character and community can survive an age of globalization, but rather what form of character and community will survive, and perhaps flourish.

The process of globalization occurs through millions of decisions made by millions of individuals everyday. No state directs these individuals as to what their interests should be. Each individual realizes what goods, services, and ideas will satisfy their wants. Indeed, if the state did direct the decisions of these individuals it may very well lead down *The Road to Serfdom*, as described by Hayek. Adam Smith wrote in *The Wealth of Nations*, “Every individual, it is evident, can, in his local situation judge much better than any statesman or lawgiver can do for him.”² Essentially, each individual is more conscience of his own needs than a statesman hundreds of miles away. The same logic applies to the character that exists in a community; each individual has countless choices to make, and they will likely choose what best meets their needs. While detractors may say this leads to consumerism, materialism, and secularism it is necessary to consider the alternative to free choice. The alternative consists of a potentate, dictator, or tyrant imposing his views of character, and the likelihood is that his decisions will not be best for the community. Milton Friedman, an advocate for free choice wrote, “None prevent us, if we will, from building a society that preserves and expands human

freedom, that keeps government in its place, keeping it our servant and not letting it become our master.”³

Many developing nations are still experiencing the grip of corrupt leaders because individuals are reliant on the state for their material well being. Free Trade, or Globalization, allows families to uplift themselves out of poverty by allowing family members to seek specialized jobs, rather than maintaining an impoverished life of reliance on the state. The modern poster child for detractors of globalization is Wal-Mart. Critics argue that companies such as Wal-Mart ruin communities through the destruction of traditional culture. In reality, culture has difficulty flourishing in communities that are struggling for survival. Globalization allows goods to be brought to consumers at lower costs, leaving resources to help support the arts and cultural endeavors. The late economist Peter Bauer wrote in his book *From Subsistence to Exchange*, “Contacts through traders and trade are prime agents in the spread of new ideas, modes of behavior, and methods of production.”⁴ It is clear that trade creates wealth, which frees the world’s poor from the daily struggle for survival; in turn this allows the flourishing of culture in communities.

While the advantages of globalization to developing nations are apparent, what will happen to the established communities of the developed world, and chiefly the West? To say that certain aspects of the character that defines communities will not disappear, would be a deception. Change may occur through Globalization, however, the cross-cultural exchange of ideas is not to be feared, for our own society is formed from the cross mingling of many traditions. The Western tradition has formed from the Greeks, Romans, Hebrews, and the English. Our culture is a mix of traditions that has formed

over thousands of years, and survived the crises of the ages; it is unlikely to disappear in the near future. To say that the moral fiber of western society will fade away is a mischaracterization. If we truly value the moral traditions that define our society, not only will they survive, but we can export them to other nations via the market of ideas. This may be the hidden beauty in an age of globalization. Every community may submit their traditions and morals for view in the international market. If we believe our traditions and values to be of importance, then we should feel comfortable in sharing them with others.

The surest way to share a set of morals, character, or virtue is through persuasion. John Locke wrote, “The care of souls cannot belong to the civil magistrate, because his power consists only in outward force: but true and saving religion consists in the inward persuasion of the mind.”⁵ Essentially, the ideas that individuals deem worth preserving will be separated from the chaff. Furthermore, every tradable good or service that leaves the shores of a nation serves as a bearer of peace. The lands that develop the best methods in education, the greatest degree of technology, and the most beautiful masterpieces of art are sure to impress the international community. The qualities of the goods that a nation develops serve as testimony to the excellence of the citizens within. Globalization makes possible for every good traded to be a messenger of freedom, character, and effective government.

In addition, Globalization gives incentive for the cooperation between nations and individuals. Alex de Tocqueville made a similar observation when he wrote:

“Trade is the natural enemy of all violent passions. Trade loves moderation, delights in compromise, and is most careful to avoid anger. It is patient, supple, and insinuating, only resorting to extreme means in cases of absolute necessity. Trade makes men independent of one another... it leads them to want to manage their own affairs and

teaches them how to succeed therein. Hence it makes them inclined to liberty but disinclined to revolution.”⁶

Simply put, war is bad business. An economic dependence between nations has a tendency to clog the forces of aggression, for it is less costly to trade than to go to war. Imagine all the resources that are wasted in fueling the war machine to conquer another nation. Through trade, not only are these resources put to a peaceful use, but there are the added benefits resulting from trade. Essentially, through trade it is no longer necessary to defeat another nation for the benefits of their factories and farms. Solomon Polachek, an economist at the State University of New York at Binghamton, has studied the relation between trade and peace for 30 years. His most recent conclusion states, "the overwhelming evidence indicates that trade reduces conflict."⁷ One of the few alternatives to globalization is a policy of protectionism. Protectionist, anti-trade, policies lead countries down a dangerous road of international jealousy. The resentment and fear of others, that results from protectionism, leaves war as the only means to resolve differences. Conflict between nations is detrimental to the character of communities. War is an inherently destructive tool, which not only destroys communities, but the former traditions that defined them.

Many judge Globalization incompatible with virtue, however; if we can promote the ideas of virtue to others through free exchange, as mentioned earlier, then virtuousness will flourish. Adam Smith wrote, "Virtue is not said to amiable, or meritorious, because it is the object of its own love, or of its own gratitude; but because it excites those sentiments in other men."⁷ Globalization, in itself, fosters worldwide the virtues of prudence, temperance and individualism. Individuals exercise good judgment

in order to avoid disturbing the personal gains made possible through cooperative exchange. The politics and ideologies of radicalism cannot survive in a world of self-interest because extremism is a detriment to the well being of the individual. Milton Friedman wrote, “Self-interest is not myopic selfishness. It is whatever it is that interests the participants, whatever they value, whatever goals they pursue.”⁸ Many will say that individualism or self-interest is a danger to the welfare of society and will do more harm than good. Time has proven that the voluntary-exchange of an individual is far more humane than the benevolence of the collective. In admiring the individual, Adam Smith wrote, “The man of the most exquisite humanity is naturally the most capable of acquiring the highest degree of self-command.”¹⁰ Individualism, from the “golden age of Greece” to the “colonial agrarian”, has created an atmosphere for virtue to flourish.

Most importantly, the economic liberty that results from globalization provides for political liberty. For the greater part of man’s history, a few individuals have controlled the great wealth of nations. The results of power in the hands of a few have been tyranny and misery. When government controls the majority of capital in a nation the situation becomes ripe for abuse. Evidence of this has been recently seen in the totalitarian regimes of both the Nazis and Soviets. Globalization allows for the economic dispersion of funds to the many, not through coercion or redistribution, but by the freedom to make one’s own economic decisions. When the government holds less of the peoples money, it returns to the original functions intended of government; protection of life, liberty, and property. When a government steps outside these bounds it typically encroaches upon individual liberty, thus trampling political liberty. With political liberty

and the absence of the overbearing state, comes the power to direct one's community towards a beneficial character.

When the role of government is limited, institutions such as the church, charity, and family flourish in local settings. With the absence of a benevolent welfare system, charitable care must be the bedrock of each community. Local citizens rely on each other and their institutions, rather than others many miles away. This also gives strong compulsion for personal responsibility in looking after one's own survival. It is much harder to be a beggar in one's neighborhood, than to live off the fruits of a stranger. In other words, it is less likely one will depend on living off the labors of those he knows personally. Historically, character has best been administered in a local setting. Man grows in virtue through family, field, and the church. Since Globalization results in creation of wealth, the community becomes the focal point, because large government is no longer needed to provide sustenance.

We have established that Globalization is a process that occurs through free trade. Adam Smith, the father of modern economics, wrote of an "invisible hand" that directs the market at all times. The character that exists in community is also directed by such an "invisible hand". No one can explain the intricacy involved for the process that occurs in developing character. There is no single method for nurturing character; otherwise every community would appear universally homogenous. Character worldwide is developed through experience, tradition, and local conditions. There are universally advantageous morals that seem constant, such as thou shall not murder or thou shall not steal. There are many other values which are very unique to a local setting. Take a man in France who is fully at odds with another in the United States. His values are clearly French and the

other's is undoubtedly American, yet through Globalization they come to see values which are beneficial to both. This is not to say that all values are relative, however, it does mean that globalization provides a platform to put all values into perspective. It allows for an international rationality. Historically, when man attempts to supersede the "invisible hand", the result typically has been economic, political, and social consequence.

If we trust in the process of voluntary-exchange and that the character in our communities is of value, then globalization bears little for us to fear. In fact, we should welcome the process because it limits the role of government, gives incentive for cooperation, and creates an environment for virtue. To hold back the process of globalization is to prevent our fellow man from attaining greater heights. In doing so, we may even neglect to fix the immorality and disparity that exists in our own society. Furthermore, the development of character is such a complicated and invisible process, that it would be detrimental to try and harness the process to our will. Richard Cobden realized nearly 200 years ago that commerce, which we have established as globalization, was essential for the survival of civilization. Today, it is increasingly important that we heed his words of advice:

"It is only when at peace with other states that a nation finds the leisure for looking within itself, and discovering the means to accomplish great domestic ameliorations... We would urge, that, in the present day, commerce is the grand panacea, which, like a beneficent medical discovery, will serve to inoculate with the healthy and saving taste for civilization all the nations of the world."¹¹

We have established that character and community can survive an age of globalization. In fact, it has been proven that not only will they survive, but globalization will help with the development of communities, and allow for the flourishing of character.

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