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Re-Visiting Liberation Theology in a Neo-Liberal World (I)

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This paper was presented at the "Liberation Theology Forum," Catholic University, Louvain, Belgium, May, 2007. The author, on the staff of the NBCLC, Bangalore, analyzes especially the crisis that seems to have overtaken liberation theology after the collapse of the communist regimes in Eastern Europe, and after analyzing the neo-liberal proposals will show the ways in which theology concerned with the poor has to reinvent itself.

INTRODUCTION

In the recently held World Social Forum on 25 January, 2007 in Nairobi, Jon Sobrino gives us an engaging insight into continued relevance of liberation theology. He stated that the key question today is not "Does God exist?" but "Does God care?"¹ The core concern of liberation theology is to witness to this caring God in the historical praxis of faith. The suggestion is that the God's 'caring' aspect has somehow been lost over the past few years in the discourse of liberation theology. In the biblical tradition the missionary logic of the caring God has invariably been that of God's listening the "Cry of the poor" (Job 34:28). The biblical 'poor', "victims of injustice," is a collective word and has various layers of meaning. The meaning is always correlated with subtleties and complex textuality of the context. When the systemics of the context undergo paradigmatic changes, the meaning of 'poor' is enriched with new social, political and cultural intents and nuances. Maybe, the appeal of liberation theology has lost its sharpness and depth because the economic-political shifts due to global neo-liberalism are not appropriated in its discourse in a conscious and concerted way. The following brief analysis attempts to drive home that these radical changes call for a new assessment and a new validation of the advocacy of liberation theology, and also for new Christian praxes competent to take on the neo-liberal capitalism.

I would like to begin my reflection on 'Revisiting Liberation Theology' through two contemporary narratives. One is a political narrative from the debate on globalization in India, and the other is a theological narrative from today's Church's debate on social justice. These two narratives will probably shed light on the political and theological underpinnings of the crisis of liberation theology today.

SECTION 1: METAPHORS

1. "Nandigram"

Nandigram, which is a village around 150 kilometers from the Calcutta of Mother Theresa, has currently become an engaging narrative of the political predicament and economic polarities into which India is drifting owing to the lure of the market economy and the sway of globalization. To infer the critical import of Nandigram one should know that this village falls in West Bengal which is under the rule of the Indian Communist Party and its Leftist partners since two decades ago: this is a rare political phenomenon in the Indian electoral democracy. On March 14, 2007 the police force showered bullets on the unarmed women, children and men who protested at the forceful occupation of 25000 acres of their prime agriculture land for a Special Economic Zone (SEZ), to build what they called a 'Chemical Hub' in collaboration with Indonesia's Salim Company. The SEZ is a new pragmatic policy initiated by the Government of India to place India fast and easy in the globalized capitalist market economy, regardless of any political commitment to the teeming millions of India's poor. These zones create a new class of rich multinational companies which are above and beyond the rule of the country. There are like independent countries within a country; and are being showered with exceptional privileges like tax exemptions and extra security.² The political irony is that it is the Communist party which is ruthlessly following the economic agenda of SEZs. The leading newspaper *The Statesman*³ reports: "The first shots were fired at 9-40 am, aimed at a group of women and children, who ran helter-skelter. A full-scale pogrom was then mounted. Many men and women were killed by police and CPI-M bullets; many more were injured, and some women were raped, while others were molested, and some houses were wantonly looted, while others were burnt down." The people organized themselves into a resistance movement under the *Bhumi Uchhed Pratirodh* (Land Eviction Resistance) Committee (BUPC), and for a time they succeeded to a great extent in their endeavour. However, the Communist party was bent on destroying this people's movement with the state's police force and party cadres.

Nandigram turns out to be an engaging political narrative which challenges India's neo-liberal economic policies which make the poor 'expendable' and 'excluded' and their fertile land barren in the name of 'development' of the

rich and powerful. The Nandigram narrative speaks loud and clear the political contradiction that communists have become radical capitalist and fascists — a weird permutation. What reigns in the present ongoing chaotic fusion of political ideologies under the spell of globalization is sheer economic pragmatism without humanism! The former communist countries and China find themselves in the vortex of the capitalist-market flows and are losing their socialist credentials regarding political priorities and economic options. The defeat of communism, by default, seems like a serious critique of liberation theology whose whole edifice is largely built on the social analysis and praxis of Marxism.

2. "Jon Sobrino"

Jon Sobrino, the San Salvador Jesuit, has all of a sudden become a theological 'narrative' which has once again brought liberation theology to the limelight. The Congregation for the Doctrine of the Faith (CDF) publicly warned that this well-known theologian's writings contained "notable discrepancies with the faith of the Church." Although the Notification deals with Sobrino's Christology, it has generated a new wave of interest in the theology of liberation that many people thought was on the wane.⁴ However, if we read the 'Notification' of the CDF along with the Pope's first encyclical *Deus Caritas Est* (DCE), the current thinking of the Church regarding the question of liberation theology will be brought into focus. The encyclical says that questions of social justice will always undergo changes because of political upheavals and the consequent shifts in economic perceptions. Pope Benedict XVI says that it is each generation's political responsibility, when it vibrates with the contemporary concerns, to define the concept of social justice anew. Though the Pope situates the question of justice in the dynamics of the State-Church relationships, he pointedly says that the Church cannot and must not take upon herself the political task to bring about a just society. A just society must be the political achievement of the State, not of the Church (DCE 28). The Pope finally quite forthrightly reveals his mind concerning the Church's approach to social justice: "The Church's charitable organizations ... constitute an *opus proprium*, a task agreeable to her" (DCE 29).

If we grasp the advocacy running through the encyclical, it will seem that the Pope does not hold the Liberation Theologians' conception of and approach to the problematic of social justice. He rather makes a separation between 'charity' and justice: the former is understood in terms of 'charitable works' and the latter more a concern of polity and politics. If we read DCE along with the Sobrino episode we will notice the ambivalence of the correlation between justice and charity in the Church's discourse on the praxis of justice.⁵

Both these narratives, Nandigram and Jon Sobrino, somehow question liberation theology on the basis of economic pragmatism and theological realism. Though the insight and advocacy of the theology of liberation are vital and valid, the fall of communism and the re-assertion of capitalism question their viability and competence in the present intricate and complex social and political formations.

SECTION 2: LIBERATION THEOLOGY IN PERSPECTIVE

The core insight of the present study on the current face of liberation theology come from its own logic and theme. At a meeting of Latin American theologians held in Petrópolis (Rio de Janeiro) in March 1964 Gustavo Gutiérrez, the father of liberation theology, described theology as "critical reflection on historical praxis."⁶ A critical reflection on the praxis of Christian life in the present ethos and pathos demands a revisiting of the presuppositions on which this kind of theology was constructed in the 1960s in the South American context. The genre of the cultural, political, economic and religious fabric of the present is qualitatively different from that in the second half of the 20th century when liberation theology had its beginning. However, the basic theological theme of liberation is still vitally important and its theological advocacy is more than ever before, the need of the hour. A brief discussion on the presumptions and insights of the theology of liberation will situate this paper in perspective.

3. Thesis of Theology of Liberation

In a broader spectrum, liberation theology must be seen as a family of contextual theologies, e.g., Black, Feminist or Dalit (India) or Minjung (Korea). The seminal theme of theology of liberation was unveiled in the second general conference of the episcopate of Latin America held at Medellín, Colombia, in 1968. It spoke of the church "listening to the cry of the poor and becoming the interpreter of their anguish." The third general conference at Puebla, Mexico, 1979 advocated that liberation must be the "integral part" (###355, 1254, 1283), and "indispensable" (###562, 1270), and "essential" (#1302) constituent of the mission of the Church. The theme and praxis of liberation theology was finally configured in the axial maxim of a "preferential option for the poor."

In the recently held World Social Forum (25 January, 2007, Nairobi), Jon Sobrino, one of the leading architects of liberation theology, gives us an inspiring insight into liberation theology when he stated that the key question today is not "Does God exist?" but "Does God care?"⁷ The whole enterprise of liberation theology has been to answer this question. The missionary logic of the caring Christian God who listens the "cry of the poor" (Job 34:28) is worked out through the mutually clarifying and appropriating mysteries of the incarnation and eschatology. The "poor" in biblical literature are a collective representation of the "groaning in travail of the whole creation" (Rom 8:22). The theology of liberation can succinctly be worked out through three profiles: an incarnational logic, an eschatological horizon, and the 'poor' as hermeneutic tool for praxis.

4. Incarnational Logic

Differing from the contemporary European way of looking at theology as a process of systematization of timeless truths through Aristotelian concepts, liberation theologians conceived it primarily as a dynamic praxis which embodies the new insights on knowledge (epistemology), wo/man (anthropology), and history (social analysis). 'Praxis', more than a mere application of theological truth to a given situation, means the discovery and formation of theological truth out of a given historical situation, through personal participation in the struggle for a new 'socialist' society. It entails that Christians are within the historical process that is transforming the conditions of human life all the time. The theological rationale is that history is the scenario of God's revelation, and hence the Word reaches us in the measure of our involvement in the evolution of history.⁸

The operative principle implied in this advocacy of being in the historical process is 'incarnational'. God's self-disclosure coincides with the historical process, and God is searched in the very matrix of human 'groaning in travail' (Rom 8:22) which reveals the 'paschal' goal of Reality. God's revelation is not 'outside' but in the very 'Heart of the World', its "joys and hopes, griefs and anxieties" (GS 1).

This implies, on the one hand, a critique on the European theology of a God "up-there" or "out-there" known through an objectifying language. What is advocated is a theology of God 'dis-covered' in the course of history. God is not an immutable entity, "squatting outside the world," but is the one who is found on the edges of human history. Thus God becomes the vital driving force of history, and the Christian experiences 'transcendence' in a "permanent cultural revolution"⁹ in the womb of history. The implication of incarnation is that God, the ontological Other, is equally a relational 'Within' in time and space.

In this regard, Exodus and the Jesus event stand out as archetypes of God's insertion into the historical process. Jesus' teaching and action on behalf of God's Reign demonstrate God's love for the world in history. The values of the Kingdom, like unconditional love, universal forgiveness, and the constant reference to the mystery of the Father offer a new depth, perspective and character to history.

Moreover, the correlation between the church and world has to be sought in the God's incarnational discourse. To phrase it differently, the church must be 'inhabited' and 'evangelized' by the 'world'. succinctly articulates: "A theology of the Church in the world should be complemented by 'a theology of the world in the church'."¹⁰

5. Eschatological Horizon

The eschatological dimension of liberation theology is consequent on the historical praxis. Human history is open to the future, and through history humans orient themselves to the future, which is truly the realm of the definitive encounter with the Lord. Thus history acquires a transcendental character. But the theology of the future cannot be a speculative exercise: it must necessarily be a critical appraisal of historical praxis.¹¹ Moltman says that theological concepts "do not limp after reality.... They illumine by displaying its future."¹² In the traditional dogmatic theology eschatology is a treatise of the last things and appendix to the central themes. In the ambit of liberation theology, eschatology is considered as the driving force of salvific history. It is not an appendix but a key component of Christian dispensation. says that the historical implementations of promises in the *present* are hermeneutically correlated to what is to come. The present is nourished by the future and, consequentially, the present is open to the future. Hence "what is to come" is the driving force of the history. The expression in Exodus 3:14, (*Ehyeh asher ehyeh*) "I am who I am (thirty-one times is this expression used in the Bible)," is not a static assertion of the God's transcendence. In the recent interpretation the expression is translated as "I will be who will be." A new kind of transcendence is implied in this rendering: God is revealed as a force in our future and not as a historical being.¹³

Therefore, we can say that each generation brings a new *parousia* of Christ because in each age he is given a new image in the synthesis of life and faith.¹⁴ But this new Kingdom of God is not a *Utopia*, anxious expectation (Lk 3:15), but very much *topia*, the object of happiness for all people (Lk 2:9; Mk 1:14). The Kingdom of God is a total revolution of the structures of the old world; it is not the other world but *this* world transformed and made anew. It is presented as a good news for the poor, light for the blind, healing for the lame, hearing for the deaf, freedom for prisoners, liberation for the oppressed, pardon for the sinners and the life for the dead (Lk 4:18-21; Mt 11:3-5).

When we say that the Kingdom of God is an ardent human Utopian longing for liberation from everything that alienates, factors such as anguish, pain, hunger, injustice and death,¹⁵ it does mean that it is a mere prolongation of this world (as it is envisaged in political ideologies). The Kingdom does not evolve, but breaks in. If it were the evolution of present possibilities, it would never surpass the situation of the present, which is always ambiguous, with wheat and weed growing together. But the Kingdom of God means precisely revolution in the structures of this world so that it becomes the place where God reveals glory. The Kingdom is therefore the presence of the future within the present.

But the temptation is invariably to regionalize or particularize the Kingdom to a particular model of theology or spirituality or Church. But the Kingdom represents the totality of Reality. Jesus himself confronted a similar temptation (Lk 4:1-13; Mt 4:1-11). These temptations correspond to the three models of King, Prophet and Priest. They all point to the reduction of the totality of the Kingdom. Jesus overcame this basic temptation not by a fourth model but by a consistent and continuous submission to the Father. Thus he held the totality of Kingdom open. He did not try to establish an Utopian society but initiated a new praxis which anticipated certain forms of the new rule of God that we hope for. Jesus' parables of the yeast (Mt 13:33), the seed placed in the earth (Mt 4:26-29), of the weed

and wheat (Mt 13:24-30) and of the net of good and bad fish (Mt 13:47-50) speak of the eschatological reality fermenting in present praxis of faith. Indeed the continuum or the correlation between present and future is the latent theological dynamic of the process of liberation. That is to say, the break-through of the Kingdom of God now and near (Mk 1:15) is the *topia* (event) of the Utopia of the *eschaton*. Thus the mandate of the theology of liberation fundamentally remains in the hermeneutic link between the present and future Kingdom (LG 39). One can argue that the Kingdom is not a phenomenon which suddenly steps in from outside of history but breaks in from the latent radical quality of the present moment. This points to the continuity between the Kingdom of God and Kingdom of humans. The Christian faith is not of another world but of a new world. "On this earth the Kingdom is already present in mystery" (LG 39). Though the Kingdom is not found in its totality it is experienced whenever there is a real human growth in justice. Therefore the present anticipates and is bound to the eschatological future. Freedom from oppression is not a mere political or cultural or economic goal but a demand of faith, a faith that has become praxis. Oppression in various forms and shades is the experience of cross in our everyday life. But the cross must not be considered as a burden but as an essential component of paschal experience of liberation. Then suffering acquires a special quality, perspective, character, and meaning. The political, cultural, religious and economic oppression and alienation experienced by millions today are the historical, anonymous but present reality of the passion of Christ. Jesus followed the path of a prophet martyr. This was the way which God asked him to follow. But, the Christian faith does not prescribe any absolute programme to be complied with everywhere and every time. It demands a hermeneutic, praxis, a 'rooted prophecy', which vibrates with the historical present. What the faith compels us to believe is that Kingdom as an eschatological reality has to be encountered through a competent praxis which, in turn, acquires meaning as an anticipation of the future fulfilment.¹⁶

6. The 'Poor'

The hermeneutical key of the historical praxis of liberation theology's advocacy is the "epistemological privilege" of the poor." The incarnational dynamic lived out in the story of Jesus speaks unambiguously that first and foremost God is dialectically present in the creature's suffering and despair rather than analogically in creation's beauty and power. Liberation theologians have carved out a veritable theological space for the poor. says: "The poor man, the other, reveals the totally Other to us."¹⁸ Credit is due to Latin American Church for the discovery of the "Poor."¹⁹ It was at Puebla that the phrase "preferential option for the poor" was coined. As explains, the word "preference" denies all exclusiveness, as though God is interested only in the poor, while "option" should not be understood as "optional." The poor are the first, though not only ones. In other words the poor have an "epistemological privilege" or a "new hermeneutic locus" for theology. The poor were no longer the "objects" of mission, but have become its *agents* and bearers.²⁰

Till now, in western theology the relationship with the poor had been understood as a question of ethics, not of theology (Gospel) proper.

Once we recognize the identification of Jesus with the poor, we can no longer consider our own relation to them as only a social or political or economic or ethical question; it is verily a gospel question and, hence, a 'soteriological option'! In the Bible the poor is not a passive victim but always a *dynamic group* and *dialectical group* through whom God shapes our salvation history. Salvation history has been always a joint venture of God and the poor: human efforts and divine initiatives merge into a covenantal liberating activity. First it has been a religious experience of the poor. Secondly, all nations are judged by their victims (Mt 25:13ff); after all, Jesus is "Victim Judge" of the nations.²¹

What we find in the Bible is that all communion with God is predicated in terms of opting for the poor and exploited classes, identifying with their plight, and sharing their fate. Jesus 'secularizes' the means of salvation, making the sacrament of the 'other' a determining element for entry into the Kingdom of God. The poor become the spectrum of the epiphany of the Kingdom. The history of salvation becomes the salvation of history embracing the entire process of humanization.

Above all, God's option for the poor raises the problematic of God's ontology, because God is, by nature, justice. Justice belongs to his very being. Hence 'option for justice' is neither optional nor contingent, nor arbitrary, nor preferential, nor gratuitous; it is theological! Otherwise God will contradict God's self. Besides, biblically, the 'poor' are the 'victims of injustice'. Economic poverty is not in itself a theological category but injustice is. The cause of economic injustice is also the theological category. Every problem can be seen as unjust even if it has nothing to do with poverty. So, one can verily say that racial discrimination, gender discrimination, and cultural discrimination are forms of injustice. As an option for justice, the option for the poor is not just a preference or a priority concern but a profound Gospel choice in a concrete social, historical and conflictive situation.²²

Gutiérrez says that the irruption of the poor into our lives leads us to active solidarity with their struggles. It entails us to participate in the process of transformation of the social order when it breeds an unjust order. "The 'poor' do not exist as an act of destiny; their existence is not politically neutral or ethically innocent. The poor are a by-product of the system in which we live and for which we are responsible." "The 'Option for the poor' cannot be isolated from the social set-up. It means entering the world of the oppressed race, culture, and social class, to take stock of the social conflict, and side with the dispossessed. The solidarity with the poor entails a liberating social praxis to create a just and free society.

7. Praxis of Liberation Theology

The critical factor that makes the liberation theology different from other theologies lies in its *praxis*. The social praxis of liberation theology is grounded in the Marxist categories of social analysis. The Marxian point of departure is that "the history of all hitherto existing society is the history of class struggles." Marx argued that the unjust social order was owing to class exploitation and capitalism is the ground reason for perpetuating class division in society. The Marxian historical materialism is summed up in the manifesto: "The ruling ideas of each age have ever been the ideas of its ruling class."²⁴ Moreover, the dominant consciousness (ideas) are formed by the material mode of production specific to that age. Consequently the theory and praxis of the dominant superstructure are founded on the economic structure of the society. So the transformation of the society largely relies on the change of the existing mode of production. If the proletarian class is conscientized, and is brought into action, the mode of production can be changed, resulting in the transformation of the exploitative economic structures and leading to a just society. Marx argues that religions have profound influence on the ideological superstructure of a given age. And religion perpetuates the supra-structures.

Drawing insights from Marxism, Latin American theologians radically reinterpreted Scripture with "a bias toward the poor." All theology is biased, in the sense that it is developed in a cultural and economic scape. The traditional theology prevailing in North America and Europe allegedly "supports and legitimates a political and economic system, democratic capitalism, which is responsible for exploiting and impoverishing the Third World."²⁵ In this vein of argument, sin is not interpreted primarily from an individual or private perspective but from historical, cultural, social, and economic perspectives. Explains that sin is evident in oppressive structures of economic exploitation and racial domination and class discrimination. Thus interpreted sin is the fundamental alienation, the root situation of injustice and exploitation. It can be encountered only through a radical liberation which in turn entails a political praxis.²⁶ The liberationists interpret capitalist economic structures as sinful because they exploit poor nations so that prosperity is at the expense of impoverished peoples. This is the "dependency theory": it means that the development of rich countries depends on the underdevelopment of poor countries. To take on such 'sinful' structures, liberation theology advocates a Marxian analysis and an appropriate struggle, and the political philosophy of socialism. The views on a possible use of violence are one of the controversies raised by liberation theology. However, Gutiérrez says that there is the imperative of Gospel discretion and a political maturity to avoid the reduction of the evangelizing task to a form of political action.¹⁷

Section 3: Reality Bytes

8. "Fall of Berlin Wall"

The "Fall of Berlin Wall" is a metaphor of the "Fall of Communism." The 'failure of communism' has dramatically taken the wind out of the sails of liberation theology in the last two decades. Though it has no ideological socio-political recipe of its own and no model of an ideal society, liberation theology is mistakenly identified with Marxian communism. It rather proposed a Christian *Utopia* that steers history forward through the 'power' of the 'poor'. Its option for praxis has made it different from the traditional notional theology. Just as Aquinas baptized Aristotle so liberation theologians sought to baptize Marx. The conflictual Marxian analysis identifies injustices and exploitation within historical situations. Liberation theologians do not hold the Marxist philosophical view and have no comprehensive plan for political action, but the dividing line between them and the Marxists looks thin and blurred in the actual praxis. As mentioned above, both criticize religion for supporting the status quo and legitimating the power of the oppressor.²⁸ Since 1970s, especially after Perestroika in the Soviet Union, and the "Fall of Berlin Wall" the political map of world underwent a paradigmatic shift which forced new mutations and permutations among nations in their political and economic perceptions and practice. Following these momentous world events the credibility of traditional Marxist analysis was put into question. Now there is a strong opinion that the Marxist economic analysis is not adequate in the present globalized neo-liberal economic and political world, even though many still argue that it remains an important tool for analyzing the dynamics of global capitalism. In a short time in the late 20th century, communism as an economic and social system has been abandoned almost everywhere, during a period that coincided with the peak of globalization and the post-Cold War era.

9. Latin American Scenario

The violent counter-revolutions in Latin American nations, along with the failure of Eastern European Marxism and the Sandinista revolution in Nicaragua to bring social, political and economic justice, have led to calls for a new look at liberation theology.²⁹

Though liberation theologians were careful to distance themselves from the "deviations" and "excesses" of the communist systems in Europe and Asia, they had listened to a mandate from the East to fight against Western capitalism. Moreover, Cuba, Nicaragua and a number of leftist revolutionary movements throughout Latin America had considerable ideological and monetary support from the Eastern bloc. When this support became overnight extinct the repercussions were wide ranging. In Nicaragua, after years of war with the U. S. -backed Contras, which has left its resources exhausted, the Sandinista government was defeated in elections. Lengthy negotiations between armed revolutionary movements in El Salvador and Guatemala resulted in their abandoning the struggle in favour of participation in a peaceful electoral process.

This political and economic vacuum was thoroughly exploited by the neo-liberalist market forces. The economic developments steered and supported by the institutions like IMF and World Bank brought the poor Latin American

countries in the network of the global market system at the cost of the local economies. Burdened by colossal debts incurred over the past decades, these poor countries had no other choice but to submit to these capitalist monetary agencies. This unbridled free market economy was consummated in the North American Free Trade Agreement (NAFTA) signed by the US, Canada and Mexico. It made millions unemployed, and widened the gap between the small Latin American elite and the poor majority. Furthermore, the apparent success of neoliberalism propagated western-style individualism and a media-based consumerism.

These quite unimagined economic, political and cultural upheavals made many liberation theologians revisit the assumptions and practices through a critical eye. For example Jose Comblin wrote that the *comunidades de base*, the backbone of the popular Christian movement on behalf of the poor, had in fact never touched more than five percent of the Roman Catholic majority of Latin America. He characterized it as a "community Utopia" representing nostalgia for the lost world of the countryside and its values.³⁰ In his analysis liberation theology has been dominated by intellectuals and the clergy; its influence on the rank and file is minimal.

The crisis made liberation theologians revisit their presumptions. There is an emerging consensus among them that liberation theology's exclusive dependence on a Marxist analysis of poverty did not help to address human life in its wholeness. However, it is not a question of "abandoning or replacing its original perceptions" but of "lengthening and deepening its conceptual, methodological and thematic horizon."- Liberation theology now opens up to multiple voices, and new movements confirm its capacity to move on. New themes and concerns, like spirituality, ecology, feminist theology, resistance to oppression, etc., are brought into its ambit. These issues will be addressed later in the paper.

10. Neo-Liberalist Capitalism, A Myth and a Monster!

At this juncture a brief discussion on neo-liberal capitalism is warranted. There is a kind of collective resignation that humankind has reached a state of no option other than neo-liberalist capitalism. History is 'clueless' and in want of 'Utopias'. Prophets of doom predict the 'end of history'!² Pundits of modern economy like Amartya Sen, the Nobel laureate of Welfare Economics, consider that developing countries need to reconcile with and incorporate neo-liberalist capitalism into their political philosophy, economic system and cultural psyche. Capital reigns on the horizon of history. Capital has become a new religion, the creed, the 'Giver of life'.

Neo-Liberal Assumptions: After the defeat of the communism, neo-liberalism has a total sway as theory as well as praxis in the post-Cold War scenario. Its child is globalization or the incorporation of every sector of the world into the Western capitalist mode and its market logic, through the unfettered flow of human and monetary capital transnationally. Neoliberal globalism fundamentally entertains a conception of a linear evolution of international relations toward greater individual freedom through international co-operation and the process of modernization. Neo-liberalism is an economic doctrine with a set of policy presuppositions: economy and politics (markets and states) are autonomous entities. Neo-liberalism's central complaint has been that interest groups exploit society by means of the political system by siphoning out public funds in the form of subsidies, entitlements and welfare payments. Hence it is argued that the political control over economy and resources should end in favour of private initiatives and enterprises. Richard Gardner defines neo-liberalism as "the intellectual and political tradition that believes in the necessity of leadership by liberal democracies in the construction of a peaceful world order through multilateral co-operation and effective international organizations."³³ Neo-liberalism views that Third World political and economic development has to ultimately embrace the liberal-capitalist democratic system of the West: what developing countries need is to imitate the West and catch up with development.

What is new in the neo-liberalist conjecture is that market, liberal democracy and capitalist culture are now one cohesive integral whole. It leaves no space for alternative systems; it proposes itself as the global solution. Free market capitalism is "messianized," and is dogma in virtue of itself. The human agency has not any vital role in it. It works as an autonomous principle. Capital is the new 'Gospel', the new religion. In *laissezfaire* capitalism it is oft repeated that markets work best when they are not interfered with. The collapse of the Soviet Union and its communist allies, the spread of property rights and markets in China, the transformation of the Labour Party in the U.K., India's rejection of bureaucratic planning and the decision to rely more and more on the market — all these can be interpreted as indications of the inevitable acceptance of capitalism globally. In sum, the tall claim of global neo-liberalism is that it is a "new" process of globalization of economic growth worldwide, which will stimulate worldwide economic activity and lead the world community to a new era of social progress. It is a new era and the normative face of capitalism as well. However, the intellectual battle for free market capitalism and globalisation is far from won.

Fake and Fraud Claims: The high claims of neo-liberalists are a myth not the reality. Solid facts and figures reveal that the U.S., for example, the iconic representative of neo-liberalism, is not neo-liberalist in its economic practice. Empirical evidence shows that the Government's interventionism in matters of economic, political, cultural, and security spheres is very conspicuous in recent years. Its protectionism in the areas of agricultural, military and biochemical sectors is no less obvious. In the social arena too, the state's meddling weakened social rights, especially labour rights. Its surveillance of the citizenry is exponential (all private calls are recorded by the U.S. Govt.). "What the U.S. government promotes abroad, the U.S. does not follow at home."³⁴

Moreover, contrary to the neo-liberal dogma, what we witness is the deterioration of the world economic and social situation. The declared aims of economic efficiency and social wellbeing are still a distant reality. The World Bank's development assessment has clearly shown that the last two decades have been much less successful than

the preceding one.³⁵ Again the inequalities among and within the nations have widened. The top one percent of world population receives 57 percent of the world income. The income difference between those at the top and those at the bottom has increased from 78 to 114 times.³⁶ The class inequalities both in rich and poor countries have increased substantially. Anthony Shorrocks, director of the research institute at the UN University in New York, has led a study which states that the richest 10% of adults accounted for 85% of the world total of global assets. Half the world's adult population, however, owned barely 1% of global wealth!³⁷ The statistics show that the contrasts of class structure are still a stark reality even though the norms of assessing the class dynamics are quite different in the neo-liberal world when compared with the old feudal world. To phrase this sharply, "Neo-liberalism is the ideology and practice of the dominant classes of the developed and developing alike. The primary conflict in today's world is not between North and South but between an Alliance of the Dominant Classes in North and South against the Dominated Classes in North and South."³⁸ It is another fact that the IMF, ADB, the World Bank, etc., are under the political and economic clout of the rich countries, whose decisions and policies favour the G8 countries' economic interests. Moreover, globalization has a new translation in the construct of regional economic alliances and political federation. North America around the United States, Europe around Germany and Asia around Japan, soon China. The past territorial dominance is thus replaced by capital supremacy. The old wine of class struggles is now in the new jars of neo-liberal alliances of economic greed and power! The fight has become harder, longer and more complex!

More importantly, neo-liberalist dynamics do not result in a long term, stable economic growth. Economists say a sustainable growth requires a proportionate capital accumulation. Accumulating capital without economic growth is possible by centralizing revenues. But this is a perverse option because it is fundamentally against the rationale of capital which is innately linked to economic growth. In actual practice, what neo-liberalism does, since the 1970s, and more so since the 1980s, is accumulating transnational and financial capital to the detriment of national and local markets throughout the world (remember Latin America's crisis of external debts in 1980s, the currency de-stabilization in Asia; the Russian GDP [Gross Domestic Product] in 1998 was less than half what it had been in 1989). This model of neo-liberal accumulation is often called economic globalization.

This is an economic war waged on existing markets in the interest of transnational business. This practice leads to the exclusion of local markets, increased labour exploitation, and an expropriation of peripheral economies. In the long run it is not sustainable because it will ultimately lead to economic contraction, which means recession and depression. One should not fail to see the difference between productive and unproductive investment regardless of the profit to be made from it. That is to say, it is not the same to make profits by a process of concentrating wealth and to increase earnings from the manufacturing growth. Accumulation of money on the basis of concentrating revenue consists essentially in making money with money without increasing real wealth. The profit is not derived from an increase in the existing wealth but from engineering redistribution of money through speculation on the stock and currency markets, policies of structural adjustments so that national markets are absorbed into international ones, the replacement of state enterprises by multi-nationals, the acquisition of local business through merging them with multi-national corporations, etc. All these investments neither generate wealth, nor enlarge the total market, nor encourage growth. This exercise promotes the re-distribution of the world's existing goods and lease away the markets to a few multi-nationals. In the midst of the resulting economic stagnation, the multi-nationals prosper in terms of profit, while poverty increases. For, the winners increase stock market speculation and create a huge virtual market without wealth generation.

Strangely, another dilemma of neo-liberal capitalism is the fall of productivity in the technological era. For example, in the G8 countries productivity increased between 1960 and 1967 at the annual rate of 4.3 per cent; between 1979 and 1978 this decreased to 1.7 per cent; between 1989 and 1994 it reduced further to 1.2 per cent, and in the second half of 1990s it disappeared altogether. This tendency is marked in the U.S.³⁹

Towards an Abysmal Divide: Indeed, in a situation when the economic growth is falling, redistribution of wealth seems to offer a solution. What we find in such situations is that neo-liberalism promotes a transfer of wealth between the South and North. As a result wealth accumulates in few hands. For example, "between 1985 and 1995 the hundred poorest countries saw their GDP per person fall by almost 15 per cent, while at the same time the GDP of the G7 countries rose by 22 per cent. This transfer inflated the GDP of G7 and thereby made it possible for them to underestimate their loss of productivity." This does not imply that economic growth did not decline. However, it is another fact that the most powerful capitalist entities rated the value of their shares high on the stock market despite the decrease in economic lull, and thus increased the concentration of wealth. The world's wealth is partitioned among ever fewer multi-nationals through the evil practices of virtual markets of shares and mutual funds.⁴⁰

The continued division of the world market will not offer a solution for all transnational capital. On the contrary, the war for the world market is the mother of all other wars today. For example, the war on terrorism after 11 September 2001 has no visible enemy. Afghanistan and Iraq were conveniently invented as enemies. Later, the Iraq and Afghanistan wars were made out to be a conflict of civilizations. The East is expendable for the Western capital. Within this scenario, multinational negotiations are reopened and multinational agreements have to favour the unilateral interests of the capitalist countries, especially of the U.S. (see the riddles of the nuclear co-operation between India and the U.S. because of India's soft corner to Iran).

In the final analysis, neo-liberalism is not sustainable, first because it is based on the profit for only a few, not on economic growth. Secondly, its policy of profit lacks a human face, and the common good is not on its agenda. It

creates, at one end of the global spectrum, a neo-liberal trans-national super-class who owns the major chunk of humanity's wealth, and who do not come under the purview of any political systems. On the other end there is the vast majority of humanity who are 'excluded' and 'expendable' from the neo-liberal economic process.

The above analysis shows that the promises of neo-liberalism are hollow, and not honest. "The neo-liberal Utopia of total market," not different from Soviet communism or Nazism, "justifies the existence of the victims."⁴¹ People are expendable, inevitable victims, and "extra." In sum, neo-liberalism is more a myth than a new social process; the neo-liberal construct is more an invincible monster than a liberative Utopia. It is labyrinthine network of trans-national economic construct anchored in human hubris and greed. Its totalitarian hegemonic power infiltrates every fragment and fiber of the present economic structures, like the modern media, knowledge, religions, cultures and politics. Its evil presence is ubiquitous but hidden and not manifest. It cannot be located, and hence cannot be targeted. On the one hand it is a fascinating myth and Utopia, but on the other hand it is an invisible and invincible modern Leviathan. Nevertheless, creative theories and innovative praxes to take on the challenge of neo-liberalism are mushrooming at the people's level. At this juncture it is interesting to know how the communist world reinterprets its socialist ideology within the ambit of the neo-liberal capitalism.

11. "Third-Way"!

Before recapping the discussion on neo-liberalist economy, it is revealing to know the third way Russia and China are experimenting to take on the capitalist threat of neo-liberalism. China offers the model of economic integration with the global economy without ending the Communist Party rule. The 'third way' is the 'market socialism' of Deng Xiaoping who thinks that "to be rich is glorious." Recently (March 16, 2007), the Parliament (National People's Congress, NPC) of China passed a landmark property rights bill that gives private and public property equal protection under the law. Indeed, it attracted severe criticism from Left leaning thinkers who argued that it would only widen inequalities by hastening the process of privatization. But despite unusually fierce opposition, the bill was passed, with 2,799 delegates voting in its favour, 52 members opposing it and a further 37 abstaining from voting. The new property law is a reflection of the Government's constitutional recognition of the role the private sector in today's Chinese economy. The private sector has grown to account for 65 per cent of the country's Gross Domestic Product (GDP), and up to 70 per cent of its tax revenues. The law also bolsters the rights of the rising middle class, which in recent years has pushed China's urban home ownership rate to more than 80 per cent. With this bill the last nail is hammered on the coffin of communism!⁴²

The gambit of Mikhail Gorbachev's perestroika and glasnost has drawn the "iron curtain" open to advanced economic reforms. Russians argue that there can be a "Third Way" between American-dominated global capitalism and their communist economics. Both China and Russia have been among the world's fastest-growing economies in the first years of the 21 st century. They present two competing models for development, differing markedly in their structural relationships with the global economy. Indian Communism is also toeing the line of 'Third-Way' in a democratic setup. While they depend on communist ideology to get the vote bank of the poor, they engage in capitalist praxis both in the two communist ruled states of India, Kerala and W. Bengal. 'Nandigrams' are repeated in India throughout. Communism in India has now become only political posturing devoid of any economic agenda or social praxis.

Notes:

¹See Tina Beattie, "Has liberation theology had its day?", *Tablet*: (10 February 2007), 4-5.

² Incentives and facilities offered to SEZs. i. Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units, ii. 100% income tax exemption on export income for SEZ units under Section 10AA of the income Tax Act for first 5 years. 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years, iii. Exemption from minimum alternate tax under section 115JB of the Income Tax Act. iv. External commercial borrowing by SEZ units up to US\$ 500 million in a year without any maturity restriction through recognized banking channels; v. Exemption from Central Sales Tax and Service Tax; vi. Single window clearance for Central and State level approvals, vii. Exemption from state sales tax and other levies as extended by the respective State Governments viii. Exemption from customs/excise duties for development of SEZs for authorized operations approved by the BOA. ix. Income Tax exemption on export income for a block of 10 years in 15 years under Section 80-IAB of the Income Tax Act, x. Exemption from minimum alternate tax under Section 115JB of the Income Tax Act, xi. Exemption from dividend distribution tax under Section 1150 of the Income Tax Act. xii Exemption from Central Sales Tax (CST), xiii. Exemption from Service Tax (Section 7, 26 and Second Schedule of the SEZ Act). See. "Truth About SEZs," *India Today*, July 30, 2007, 70-7.

³S.M. Murshed, "What Actually Happened?" *Statesman* (1.4.2007). see also, Suhrud Sankar CHATTOPADHYAY, "Political Battle". *Frontline*, 6 April 2007, 128-31.

⁴See Robert Mickens, "Iron Fist, But Velvet Glove", *The Tablet*, 17 March 2007, 4-5.

⁵See, Antony Kalliath, "Praxis of 'Caritas-Justice', An Asian Reading of *Deus Caritas Est*" *Word and Worship*, 39/3 (May-June 2006), 193-211.

⁶Gustavo Gutiérrez., *A Theology of Liberation*. Maryknoll, New York: Orbis Books, 1973, 15.

⁷See Beattie. *Tablet*, 4-5.

⁸Gustavo Gutiérrez, "Liberation, Theology and Proclamation", *Concilium*, 6/10 (1974), 57, 66.

⁹Gustavo Gutiérrez, *A Theology of Liberation*, 32.

¹⁰Clement, "Ensayo de lectura", *Iglesia en el mundo*, 663 in GUTIÉRREZ, *A Theology of Liberation*, 261.

¹¹ Gustavo Gutiérrez, *A Theology of Liberation*, 10.

- ¹² J. Moltmann, *Theology of Hope* New York: Harper & Row, Publishers, 1967, 36.
- ¹³ Gustavo Gutiérrez, *Theology of Liberation*, 165.
- ¹⁴ Leonardo Boff, "Salvation in Jesus Christ and the Process of Liberation", *Concilium*, 6/10 (1974), 78.
- ¹⁵ See R. Schnackenburg, *God's Rule and Kingdom*. London and New York, 1968
- ¹⁶ See Boff, "Salvation in Jesus Christ and the Process of Liberation", 82, 83, 89,
- ¹⁷ Hugo ASSMANN, quoted in Per Frostin, *Liberation Theology in Tanzania and South Africa, A First World Perspective*. Lund: Lund University Press (*Studia Theologica Lundensia* 42), as in David J. Bosch, *Transforming Mission*. Maryknoll, NY: Orbis Books. 2004, 436.
- ¹⁸ Gustavo Gutiérrez, "Liberation, Theology and Proclamation", 65.
- ¹⁹ Cf. the second and third General Conferences of Latin American Bishops at Medellin, Colombia (CELAM II, 1968) and at Puebla, Mexico (CELAM III 1979). In the missiological reflection of WCC conference 1980, at Melbourne. Australia ("Your Kingdom come"), the poor were put in the very centre as the "hermeneutical category" ("missiological principle" or "missionary yardstick").
- ²⁰ Melbourne 1980:219.
- ²¹ See George M. Soares-Prabhu, S.J., "Class in the Bible, the Biblical Poor as a Social Class?", in *Collected Writings of George M. Soares-Prabhu, Theology of Liberation and Indian Biblical Perspective*, vol. 4, ed. Francis X D'Sa. Pune. JDV, 2001, 85-109.
- ²² Jose M. Vigil, "The Option for the Poor is an Option for Justice and not Preferential", *VJTR* 68 (2004) 509-20.
- ²³ Gustavo Gutiérrez, "Liberation, Theology and Proclamation", 57-77.
- ²⁴ Karl Marx, *Manifesto of the Communist Party*, Eng. Trans., *Great Books of the Western World* 50. Chicago: Encyclopedia Britannica, 1952, 419, 423.
- ²⁵ Dean C. Curry, *A World Without Tyranny*. Westchester, IL: Crossway Books, 1990, 68.
- ²⁶ Gustavo Gutiérrez, *A Theology of Liberation*, 175-6.
- ²⁷ Gustavo Gutiérrez, "Liberation, Theology and Proclamation", 73.
- ²⁸ For example, liberation theologians are no longer offering easy justifications about the necessity of "counter violence" in Latin America against the "institutionalized violence" of the political establishment. See, Paul E. SIGMUND, *Liberation Theology at the Crossroads*. New York: Oxford University Press, 1990.
- ²⁹ Kenneth FREED, "The Cross and the Gun." *Los Angeles Times*, 9 Oct 1990, H8.
- ³⁰ Jose COMBLIN, *Called to Freedom*. Maryknoll, N.Y/ Orbis, 1998, 14, 161.
- ³¹ W. ALTMANN, O BOBSIN, R. ZWETSCH, "Perspectivas da Teologia da Libertacao: Impasses e Novos Rumbos", *Estudios Teologicos* 37/2 (1997), 134-5 in John L. Kater, Jr., "Whatever happened to liberation theology? New directions for theological reflection in Latin America", *The Anglican Theological Review*, Fall 2001, www.LiberationTheology.org
- ³² F. Fukuyama, *The End of History and the Last Man*, London: Penquin Books, 1992.
- ³³ Richard Gardner, "The Comeback of Liberal Internationalism", *The Washington Quarterly* 13 (1990), 23.
- ³⁴ "What Washington Means by the Policy Reform", in J. WILLIAMSON, ed. *Latin America Adjustment*, 1990, 213; see Vincent Navarro, "The Worldwide Class Struggle", *Analytical Monthly Review* (September 2006) 29.
- ³⁵ See the table, World Bank, *World Development Indicators*, 2001, CD-ROM, Robert Pollin *Contours of Descent* (Verso, 2003), 131. See also, World Bank, *World Development Indicators*, 2001; Robert Sutcliffe, *A More or Less Unequal World?* Political Economy Research Institute, 2003, Robert POLIN, *Contours of Descent* (Verso, 2003), 133 See, *ibid.*, 21, 22.
- ³⁶ Branco Milanovic, *World Apart*, Princeton University Press, 2005. See *ibid.*, 22.
- ³⁷ *Deccan Herald* (7 December 2006) Foreign Page.
- ³⁸ Milanovic, *World Apart*, 23, 24.
- ³⁹ See Wim Diercksens, "The End of Neo-Liberalism, Unsustainable Capitalism, and the Need for a New Utopia", *Concilium*, n. 5 (2004), 1-26.
- ⁴⁰ *Ibid.*, 21, 22 towards the end of the 1990s the incomes of the 300 richest people in the world exceeded the incomes of the 2 million poorest. In the struggle for global markets, 200 multinationals increased their share of Gross World Product from 17 per cent in 1965 to over 35 per cent by the end of the century while all multinationals accounted for over 50 percent!
- ⁴¹ Enrique Dussel, *Elica de la liberacion. En la edad de la globalnacion y la exclusion*. UAM-1, UNAM, Mexico, (1998) 558.
- ⁴² Pallavi Aiyar, *The Hindu* (17 March 2007), page 'International'.

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