

Research Package #2

(Junior and Senior High)

" Junior High: BIRT globalization benefits "developing" or "non-industrialized" countries
Senior High: THBT globalization benefits "developing" or "non-industrialized" countries "



(VALUES DEBATE)

Mid-Year Topic (Nov./Dec./Jan.) 2007-2008

Topic #2 will be a values debate.

A values debate is a unique and enjoyable form of debate. It involves a clash of ideas rather than a clash of policy.

The affirmative does not introduce a plan in a values debate. The affirmative will provide reasons to support the resolution and the negative will provide reasons to oppose the resolution.



"Globalization is not a phenomenon. It is not just some passing trend. Today it is an overarching international system shaping the domestic politics and foreign relations of virtually every country, and we need to understand it as such."

As thoughtful people concerned about world affairs, our job is to pick up "globalization," examine it from all sides, dissect it, figure out what makes it tick, and then nurture and promote the good parts and mitigate or slow down the bad parts.

Globalization is much like fire. Fire itself is neither good nor bad. Used properly, it can cook food, sterilize equipment, form iron, and heat our homes. Used carelessly, fire can destroy lives, towns and forests in an instant. As Friedman says: "[Globalization] can be incredibly empowering and incredibly coercive. It can democratize opportunity and democratize panic. It makes the whales bigger and the minnows stronger. It leaves you behind faster and faster, and it catches up to you faster and faster. While it is homogenizing cultures, it is also enabling people to share their unique individuality farther and wider."

Globalization has dangers and an ugly dark side. But it can also bring tremendous opportunities and benefits. Just as capitalism requires a network of governing systems to keep it from devouring societies, globalization requires vigilance and the rule of law.

Globalization will always have cheerleaders who are blind to the destruction globalization can cause. And it will always have strident opponents blind to the way globalization gives some people their first opportunity to fulfill basic aspirations.

As with most issues, the majority of people will be in the middle. They will see globalization not as something to worship or demonize. Instead, they will see it as something to mold, shape and manage for the betterment of everyone.

Junior High: **BIRT Globalization benefits "developing" or "non-industrialized" countries**

Senior High: **THBT Globalization benefits "developing" or "non-industrialized" countries**

The **Proposition Team** supports the resolution and will say **"YES"**

The **Opposition Team** opposes the resolution and will say **"NO"**

Both Proposition and Opposition Teams will try to pick about 3 good reasons to support their position and try to develop each by going through 4 steps:

1. State your point.
2. Explain your point.
3. Provide evidence in support of your point (give an example).
4. Explain how that evidence proves your point (tie it back to your theme).

Each argument will look like this:

Point #1: _____

Explanation: _____

Example: _____

Tie point to theme: _____

Point #2: _____

Explanation: _____

Example: _____

Tie point to theme: _____

Point #3: _____

Explanation: _____

Example: _____

Tie point to theme: _____

PROPOSITION TEAM

The job of the Proposition in any debate is to persuade the judges that the resolution should be supported. In order to accomplish this, there are a number of steps that the Proposition team must go through.

- 1) Define the resolution (Make sure everyone is clear upon what the Proposition is debating).
- 2) Present a Model (if needed)
- 3) Present arguments in favor of the resolution.
- 4) Refute Opposition attacks on the Proposition case. (Show why the Opposition is wrong and the Opposition is correct).

Owing to time restrictions, the Proposition duties are normally divided up between the first and second Proposition speakers. It is customary for the first proposition speaker to present two arguments followed by the second speaker who presents the final argument.

AN EXAMPLE OF A PROPOSITION STATEMENT

Globalization does benefit "developing" or "non-industrialized" countries

The answer to the question, "has globalization harmed developing countries?" is "No!" Quite the contrary, in fact. Trade and globalization have improved the lives of billions of people in developing countries. For example, in the short span of 1990 through 1998, the number of people living in extreme poverty in East Asia and the Pacific decreased 41 percent—one of the largest and most rapid reductions in history.

Today, 24 developing countries representing about 3 billion people, including China, India and Mexico, have adopted policies enabling their citizens to take advantage of globalization. The net result is that their economies are catching up with rich ones.

Over the last two decades, according to the World Bank, these 24 countries achieved higher growth in incomes, longer life expectancy and better schooling. The incomes of the least globalized countries during this same period, including Iran, Pakistan and North Korea, dropped or remained static. What distinguishes the fastest growing developing countries from the slowest is clear: their openness to trade.

For many of the world's poorest countries, the primary problem is not too much globalization, but their inability to participate in it. Study after study corroborate this. For example, the WTO report, Trade, Income Disparity and Poverty, says, "Trade liberalization helps poor countries catch up with rich ones," and concludes that trade liberalization "is essential if poor people are to have any hope of a brighter future."



Here are some arguments that the Proposition can use in developing their case for saying that globalization benefits "developing" or "non-industrialized" countries

- North-South differences are being eroded. Globalisation is a progressive force for creating global prosperity. Through free trade and capital mobility, globalisation is creating a global market civilisation in which prosperity, wealth, power and liberal democracy are being diffused around the globe.
- Globalisation has increased world prosperity and organisational efforts to stabilise the world economy have significantly improved. By historical standards global poverty has fallen more in the last 50 years than in the past 500, and the welfare of people in almost all regions has improved significantly over the past few decades. Globalisation will bring about the end of the 'Third World'.LEDC's fall in their share of world trade can be attributed to the internal economic, social and political conditions in individual countries.
- Globalisation promotes development in LEDCs as well as spreading the technology and knowledge of the MEDCs. There is some evidence to suggest that those countries largely by-passed by globalisation are amongst the poorest.
- Globalisation has brought about huge benefits. The emergence of a single global market, the principles of free trade, capital mobility and global competition has allowed the diffusion of prosperity, wealth and power and these aspects of globalisation are the harbingers of modernisation and development. New opportunities and possibilities have been opened up. On the contrary, globalisation was the very force that led to the successful development of Eastern Asia and its 'economic miracle'. Far from making LEDCs more vulnerable, increasing global integration means that there are better organisational structures in place to deal with world political, economic and social problems including those associated with natural hazards.
- Global market civilisation has been reinforced by the policies of the major institutions of global economic governance, namely the IMF, World Bank and the G7. Global governance The World Bank restructured LEDCs economies in SAPs (Structural Adjustment Programmes) manage indebted economies. Outside intervention allows the dissemination of effective economic management strategies.
- As more money is poured in to developing countries, there is a greater chance for the people in those countries to economically succeed and increase their standard of living.
- Global competition encourages creativity and innovation and keeps prices for commodities/services in check.
- Developing countries are able to reap the benefits of current technology without undergoing many of the growing pains associated with development of these technologies.
- Governments are able to better work together towards common goals now that there is an advantage in cooperation, an improved ability to interact and coordinate, and a global awareness of issues.
- There is a greater access to foreign culture in the form of movies, music, food, clothing, and more. In short, the world has more choices.
- Now there is a worldwide market for the companies and for the people there is more access to products of different countries.
- There is a steady cash flow into the developing countries, which gradually decrease the dollar difference.
- Due to the presence of a worldwide market, there is an increase in the production sector and there are lots of options for the companies now.
- Gradually there is a world power that is being created instead of compartmentalized power sectors. Politics is merging and decisions that are being taken, are actually beneficial for people all over the world.
- There is more influx of information between two countries, which do not have anything in common between them.
- There is cultural intermingling and each other is trying to know about the other's cultural preferences and in the process of doing so, we are actually coming across things that we like and in the course of time adopt it.
- Since we share financial interests, corporate and governments are trying to sort out ecological problems for each other.
- Socially we have become more open and tolerant towards each other and they who live in the other part of the world are not aliens as we always thought. There are examples like now Indian girls work in call centers and work nights, which was a taboo even two years back. We are celebrating Valentine's Day, scraping on Orkut, watching the Idol series, Fear factor, the Indian version Big Brother.
- There is a lot of technological development that we have undergone over the years. There are fewer brain drains since Asians are working in their own country though for a foreign company but are earning foreign exchange for their country.

The Benefits of Globalization by Pete Geddes (<http://www.free-eco.org/articleDisplay.php?id=378>)

Globalization has rapidly improved the social and economic status of women in the developing world. The explanation is straightforward: In a competitive, globalized world, the role of women becomes ever more valuable. Cultures that exclude women from full participation (e.g., Saudi Arabia) fall ever further behind.

Societies that embrace education for women enjoy dramatic social progress. Educated women tend to have fewer children. When they enter the workforce their contributions dramatically improve their countries' economic prospects. Concurrently, economic independence increases their stature both at home and in the community. Importantly, women spend their income very differently than men, focusing on key areas for social progress: the education, health, and nutrition of their families.

Speaking at the 2000 World Economic Forum, President Bill Clinton said, "We have to reaffirm unambiguously that open markets are the best engine we know of to lift living standards and build shared prosperity."

President Clinton understood that only those countries that have opened their economies to trade, to capital movements, and to competition have realized significant gains in per capita income and thus enjoyed social and economic progress. Here are some of the other benefits.

- Over the past 20 years, 200 million people have left absolute poverty -- defined as living on the equivalent of less than \$1 a day.
- Advances in medicine, improved public health policies, and greater food supplies have lowered infant mortality and lengthened life expectancy. In developing countries in the 1950s, 178 children per every 1000 live births died before reaching their first birthday. By the late 1990s, the infant mortality rate in these countries had declined to 64 per 1000. Life expectancy increased from 44 years in 1960 to 59 years in 1999.
- Child labor declines as a country's income increases. As trade promotes economic growth, globalization results in less child labor over time. In 1960, children made up 32 percent of the labor force in low-income countries. Forty years later, following the massive expansion in international trade, child labor in the same countries had declined to 19 percent.
- Though inequality remained more or less constant, or possibly increased, during the 1970s, it declined substantially in the 1980s and 1990s. As a result, the shape of the income distribution curve has changed, from a bimodal distribution with a peak of poor people and a peak of rich in 1970, to a smoother distribution in 1998, suggesting the emergence of a "world middle class."

Increased wealth is, of course, a key predictor of environmental quality. The [environmental sustainability index](#) (ESI), produced by Columbia and Yale Universities, allows cross-national comparisons of rates of nonrenewable resource use and other environmental policies in countries worldwide. The index scores range from 0 to 100, with 100 being optimal sustainability.

- Countries such as Finland, Sweden, and Switzerland, with high ESI scores (73.9, 72.6, and 66.5, respectively), also rank among the countries with the highest annual per-capita income (\$25,130, \$27,140, and \$38,140). The U.S. has an ESI of 53.2. (Our low score is due to the index's heavy weighting of greenhouse gas emissions.)
- Countries ranking in the middle range of ESI scores (around 50), such as Algeria, Russia, and Egypt, are poorer (per-capita incomes of \$1,580, \$1,690, and \$1,490, respectively).
- At the lower end of the scale are impoverished countries such as Haiti, Ukraine, and Turkmenistan (per capita incomes of \$510, \$690, and \$750, respectively).

The integration of rich and poor nations is not a zero-sum game where the gains of one come at the expense of the other. Driven by the rapid democratization of information, technology, and finance, globalization is turning out to be a remarkably progressive, liberating force. Opponents of globalization may be well intentioned, but they are ill informed.

Globalization helps break the regressive taboos responsible for discriminating against people on the basis of gender, race, or religious beliefs. It is an antidote to the intolerant fundamentalism that oppresses millions of the world's poorest.

When these people see how their counterparts in the West are treated, they see a better future and begin to demand it. Globalization offers hope for the world's poorest, hope that one day they may enjoy the fruits of the West's liberal traditions.

OPPOSITION TEAM

The job of the Opposition is to be disagreeable! Whatever the Proposition believes, generally, the Opposition counters. The more you disagree, the better! The Opposition has to convince the judges not to accept the Proposition resolution.

The Proposition wants to convince the judges that their proposal should be adopted.

The Opposition wants to convince you that the Proposition proposal should not be accepted for one or more reasons.

The steps that the Opposition should use are:

- 1) Either agree with the Proposition definition or propose a definition of your own.
- 2) Rebut the Proposition arguments in favor of the resolution.
- 3) Attack the Proposition Model and sometimes propose a counter model
- 4) Present reasons (arguments) to oppose the resolution.
- 5) Refute Proposition attacks on the Opposition case (show why the Proposition is wrong and Opposition is right).

Owing to time restrictions, the Opposition duties are divided between the first and second opposition speakers.

It is the custom for the First Opposition Speaker to present two arguments and the second opposition speaker to present the final argument.

AN EXAMPLE OF AN OPPOSITION STATEMENT

Globalization does NOT benefit "developing" or "non-industrialized" countries

Various aspects of globalization are seen as harmful by public-interest activists as well as strong state nationalists. This movement has no unified name. "Anti-globalization" is the media's preferred term. There is a wide variety of different kinds of "anti-globalization." In general, critics claim that the results of globalization have not been what was predicted when the attempt to increase free trade began, and that many institutions involved in the system of globalization have not taken the interests of poorer nations and the working class into account.

Economic arguments by fair trade theorists claim that unrestricted free trade benefits those with more financial leverage (i.e. the rich) at the expense of the poor.

Many "anti-globalization" activists see globalization as the promotion of a corporatist agenda, which is intent on constricting the freedoms of individuals in the name of profit. They also claim that increasing autonomy and strength of corporate entities increasingly shapes the political policy of nation-states.

Some "anti-globalization" groups argue that globalization is necessarily imperialistic, that it is one of the driving reasons behind the Iraq war (2003), and that it has forced investment to flow into the United States rather than to developing nations.

Some argue that globalization imposes credit-based economics, resulting in unsustainable growth of debt and debt crises.

Another more conservative camp in opposition to globalization are state-centric nationalists that fear globalization is displacing the role of nations in global politics and point to NGOs as impeding the power of individual nations. Some advocates of this warrant for anti-globalization are Pat Buchanan in the U.S. and Jean-Marie Le Pen in France.

The main opposition is to *unfettered* globalization (neoliberal; laissez-faire capitalism), guided by governments and what are claimed to be quasi-governments (such as the International Monetary Fund and the World Bank) that are supposedly not held responsible to the populations that they govern and instead respond mostly to the interests of corporations. Many conferences between trade and finance ministers of the core globalizing nations have been met with large, and occasionally violent, protests from opponents of "corporate globalism."

The anti-global movement is very broad, including church groups, national liberation factions, left-wing parties, environmentalists, peasant unionists, anti-racism groups, libertarian socialists, and others. Most are reformist (arguing for a more humane form of capitalism) and a strong minority is revolutionary (arguing for a more humane system than capitalism).

Protests by the global justice movement have now forced high-level international meetings away from the major cities where they used to be held, and off into remote locations where protest is impractical.

Some "anti-globalization" activists object to the fact that the current "globalization" globalizes money and corporations and at the same time refuses to globalize people and unions. This can be seen in the strict immigration controls that exist in nearly all countries and the lack of labor rights in many countries in the developing world.

Some of the arguments that the Opposition can use in developing their case that globalization DOES NOT benefit "developing" or "non-industrialized" countries

- The poor are being marginalized. Globalisation is a means for exclusion, deepening inequality and reinforced division of the world into core and periphery: it is a new form of Western imperialism which dominates and exploits through TNC capital and instrumental global governance such as the World Bank and IMF
- Globalisation has intensified global and national inequality. There is an increased economic and social gap within countries and between countries, the richer are becoming richer and the poorer are becoming poorer. Globalisation is an uneven process causing world fragmentation. There has been increasing inequality in trade too, resulting in the amplification of the trade gap. Through increasing globalisation the value of world trade is 17 times greater than 50 years ago, but Latin America's share has fallen from 11% to 5% and Africa's from 8% to 2%. The terms of trade have increasingly moved against LEDCs and their poor.
- Globalisation exploits LEDCs and their poor through TNCs. The World Guide (known as the Third World Guide) says that globalisation is a 'euphemism for transnationalisation' - the spread of powerful companies over the globe, wherever suits corporate interest best.
- Increased global integration means that poorer countries become more vulnerable to world financial markets. The East Asian Crisis was a direct result of globalisation and resulted in intensifying poverty. The crisis shows that even the strongest developing states are at the mercy of global economic forces that serve the interest of the dominant capitalist powers. Globalisation also meant that there was a speedy transition of the crisis to the other East Asian countries - the 'contagion effect' - having devastating human consequences. The benefits of the global market accrue to a relatively small proportion of the world's population. The stronger become stronger and the weak become weaker.
- Globalisation is a form of disempowerment. Outside interference of the World Bank and IMF has made LEDCs economies worse and has constrained the development strategies that nation-states may pursue. International negotiations to reduce and eliminate foreign debt have led to increasing exports of capital and the further indebtedness of the countries affected.
- Outsourcing, while it provides jobs to a population in one country, takes away those jobs from another country, leaving many without opportunities.
- Although different cultures from around the world are able to interact, they begin to meld, and the contours and individuality of each begin to fade.
- There may be a greater chance of disease spreading worldwide, as well as invasive species that could prove devastating in non-native ecosystems.
- There is little international regulation, an unfortunate fact that could have dire consequences for the safety of people and the environment.
- Large Western-driven organizations such as the International Monetary Fund and the World Bank make it easy for a developing country to obtain a loan. However, a Western-focus is often applied to a non-Western situation, resulting in failed economies.
- Corporates are building up units in other countries equally well equipped as they have done at their own country, thus transferring the quality to other countries.
- There are some experts who think that globalization; along with the positive aspects is also leading to the incursion of negatives like communicable diseases and social degeneration.
- There is also a threat of corporates ruling the world because there is a lot of power, which is invested in them due to globalization.
- For nations that are at the receiver's end are also giving up the reins in the ends of a foreign company which might again lead to a sophisticated form of colonization.

NEW STUDY CASTS DOUBT ON BENEFITS OF GLOBALIZATION (<http://www.progress.org/global03.htm>)

In a study entitled "The Scorecard on Globalization 1980-2000: Twenty Years of Diminished Progress," economists Mark Weisbrot and Dean Baker, co-directors of the Washington-based Center for Economic and Policy Research (CEPR), find that the era of globalization has brought substantially less progress than was achieved in the previous twenty years. "The data provide no evidence that the policies associated with globalization have improved outcomes for developing countries," the study concludes.

This analysis of data for a forty-year period challenges economists and policy makers who cite globalization as an engine of growth while pressing for policies that strengthen the trend. The study also serves as a backdrop to the upcoming release of the United Nations Development Program's Human Development Report on July 11.

Using standard measures of economic growth, health outcomes, education and literacy, the CEPR study compares the progress achieved during the period preceding globalization 1960-80, with the period from 1980 to 2000, which was characterized by the reduction of tariff and non-tariff barriers to trade, the removal of restrictions on international investment flows, and increasing intervention by the International Monetary Fund and the World Bank on a wide range of economic and policy issues.

The authors observe that while this evidence does not prove that the policies associated with globalization were responsible for the deterioration in economic performance, "it does present a very strong *prima facie* case that some structural and policy changes implemented during the last two decades are at least partly responsible for these declines."

The Anti-Globalization Side

(http://www.beyondintractability.org/case_studies/Globalization.jsp?nid=5102)

Stiglitz writes, "Protestors see globalization in a very different light than the treasury secretary of the United States, or the finance and trade ministers of most of the advanced industrial countries. The differences in views are so great that one wonders, are the protestors and the policy makers talking about the same phenomena? Are they looking at the same data?"

Twentieth century economist Kenneth Boulding recognized the crucial role played by Smith's "invisible hand," but he also argued that the story was more complex than that. He described an "invisible fist" consisting of the perverse dynamics of market interactions, which have to be controlled if capitalism is to benefit average citizens. It is this invisible fist that defines the anti-globalization side of the conflict.

The protestors center their criticisms on the World Bank, the WTO and the IMF. Critics argue these institutions have pushed hypocritical policies that push poor countries to eliminate trade barriers while allowing rich countries to keep them. Furthermore, critics question whether these policies will, in fact, create prosperity in the long run. Stiglitz argues that countries that have opened themselves up to free trade have not received the promised benefits. He cites statistics from several Latin American countries that show that after opening themselves up to free trade, their growth rates have fallen to barely more than half of what they were pre-globalization.

Stiglitz, is extremely concerned with the plight of developing nations in this "new world order." He argues that developing countries have been pushed to liberalize their economies before they were ready, forcing many of their citizens into poverty. Furthermore, Stiglitz argues that the World Bank, WTO and IMF are undemocratic and that their policies boil down to taxation without representation.

Apart from this progressive opposition, there is also a more conservative opposition. Various religious groups, including Islamic activists and fundamentalist American Christians, oppose globalization because, to them, it represents a threat to their values. Culture clashes are making it difficult for many to maintain their moral clarity.

Stiglitz sums up the globalization conflict when he writes, "Globalization itself is neither good nor bad. It has the *power* to do enormous good. But in much of the world it has not brought comparable benefits. For many, it seems closer to an unmitigated disaster."

This conflict is not going to disappear overnight. It calls into question difficult issues of justice, identity and equity. In many ways, globalization has made the world smaller by allowing people around the world to interact faster and at lower cost than ever before. However, in other ways, globalization has made the world bigger. In the past, when people had disputes they could appeal to their government or community for a solution. However, because of globalization, disputes now transcend the boundaries of towns, cities, even countries. Now, when people complain, nobody is listening. When someone has a dispute with the WTO or a multinational company, it can be almost impossible to get these institutions to listen. This gives those who feel victimized by globalization an intense sense of frustration, anger, and powerlessness. History has shown that those who feel they have no recourse often turn to violence.

RESEARCH

This Research booklet is not complete. It is only an overview of information and good debaters will use this booklet as a basis for their thinking and move on to other ideas and research. As well, the best foundation for any research into a topic begins with some basic reading on the ideas. Follow this with an interview with someone who is knowledgeable, can suggest ideas and can direct you to other ideas and research. Although you cannot quote this person unless he/she is published in print or on video, a human being can always explain issues better than an article.

Globalization

(<http://psychology.wikia.com/wiki/Globalization>)

Meaning and debate

The International Monetary Fund (IMF) defines globalization as “the growing economic interdependence of countries worldwide through increasing volume and variety of cross-border transactions in goods and services, freer international capital flows, and more rapid and widespread diffusion of technology”. Meanwhile, The International Forum on Globalization defines it as “the present worldwide drive toward a globalized economic system dominated by supranational corporate trade and banking institutions that are not accountable to democratic processes or national governments.” While notable critical theorists, such as Immanuel Wallerstein, emphasize that globalization cannot be understood separately from the historical development of the capitalist world-system. The different definitions highlight the ensuing debate of the roles and relationships of government, corporations, and the individual in maximizing social welfare within the globalization paradigms. Nonetheless, it is clear that globalization has economic, political, cultural, and technological aspects that may be closely intertwined. Given that these aspects are key to an individual's quality of life, the social benefits and costs brought upon them by globalization generate strong debate.

The economic aspects stressed in globalization are trade, investment and migration. The globalization of trade entails that human beings have greater access to a plethora of goods and services never seen before in human history. From German cars, to Colombian coffee, from Chinese clothing, to Egyptian cotton, from American music to Indian software, human beings may be able to purchase a wide range of goods and services. The globalization of investment takes place through Foreign Direct Investment, where multinational companies directly invest assets in a foreign country, or by indirect investment where individuals and institutions purchase and sell financial assets of other countries. Free migration allows individuals to find employment in jurisdictions where there are labor shortages.

Critics of free trade also contend that it may lead to the destruction of a country's native industry, environment and/or a loss of jobs. Critics of international investment contend that by accepting these financial schemes a country loses its economic sovereignty and may be forced to set policies that are contrary to its citizen's interests or desires. Moreover, multinational companies that invest in a country may also acquire too much political and economic power in relation to its citizens. Finally, migration may lead to the exploitation of workers from a migrant country and the displacement of workers from a host country. Critics of globalization also contend that different economic systems that either augment or supplant globalization may maximize social welfare more efficiently and equitably.

The political aspects of globalization are evidenced when governments create international rules and institutions to deal with issues such as trade, human rights, and the environment. Among the new institutions and rules that have come to fruition as a result of globalization are the World Trade Organization, the Euro currency, the North American Free Trade Agreement, to name a few. Whether a government is to consciously open itself to cross-border links, is the central question of this aspect.

Social activist and non-profit organizations are also becoming more global in scope. These include Amnesty International and Friends of the Earth to mention a couple. Some of these organizations take issue with the economic and political aspects of globalization as they fear that economic interests either subvert the nation state in its ability to protect its citizens from economic exploitation, or support governments that violate the human rights of their citizens.

Cultural global ties also grow through globalization as news ideas and fashions through trade, travel and media move around the globe at lightning speed. Global brands such as Coca-Cola, Puma & Sony serve as common reference to consumers all over the World. An individual in China enjoys the same soft drink as an individual in Puerto Rico--at opposite ends of the globe. However, these ties may also cause strains: for example Western Ideas of freedom of expression may clash with Islamic views on Religious tolerance. And if not strains, critics contend this is really an imposition of cultural imperialism in order to preserve economic interests.

The other aspect of globalization is the revolutionary change in technology, particularly in transport and communication, which ostensibly creates a global village. In 1850 it took nearly a year to sail around the World. Now you can fly around the world in a day, send an email anywhere almost instantly, or be part of the 1.5 billion viewers watching the final match of the World Cup. Transportation costs have come down as result of technological advances that make foreign markets more accessible to trade. Tuna caught in the North Atlantic may be served the next day at a Sushi restaurant in Japan. Finally, billions of dollars in assets and currencies are exchanged daily around the globe by electronic means at virtually no cost.

History

Since the word has both technical and political meanings, different groups will have differing histories of "globalization". In general use within the field of economics and political economy, however, it is a history of increasing trade between nations based on stable institutions that allow firms in different nations to exchange goods and services with minimal friction.

The term "liberalization" came to mean the acceptance of the Neoclassical economic model which is based on the unimpeded flow of goods and services between economic jurisdictions. This led to specialization of nations in exports, and the pressure to end protective tariffs and other barriers to trade. The period of the gold standard and liberalization of the 19th century is often called "The First Era of Globalization". Based on the Pax Britannica and the exchange of goods in currencies pegged to specie, this era grew along with industrialization. The theoretical basis was David Ricardo's work on Comparative advantage and Say's Law of General equilibrium. In essence, it was argued that nations would trade effectively, and that any temporary disruptions in supply or demand would correct themselves automatically. The institution of the gold standard came in steps in major industrialized nations between approximately 1850 and 1880, though exactly when various nations were truly on the gold standard is contentiously debated.

The "First Era of Globalization" is said to have broken down in stages beginning with the first World War, and then collapsing with the crisis of the gold standard in the late 1920s and early 1930s. Countries that engaged in that era of globalization, including the European core, some of the European periphery and various European offshoots in the Americas and Oceania, prospered. Inequality between those states fell, as goods, capital and labour flowed remarkably freely between nations.

Globalization in the era since World War II has been driven by trade negotiation rounds, originally under the auspices of GATT, which led to a series of agreements to remove restrictions on "free trade". The Uruguay round led to a treaty to create the World Trade Organization or WTO, to mediate trade disputes. Other bi- and trilateral trade agreements, including sections of Europe's Maastricht Treaty and the North American Free Trade Agreement have also been signed in pursuit of the goal of reducing tariffs and barriers to trade.

Nature and existence of globalization

There is much academic discussion about whether globalization is a real phenomenon or only an analytical artifact (a myth). Although the term is widespread, many authors argue that the characteristics attributed to globalization have already been seen at other moments in history. Also, many note that such features, including the increase in international trade and the greater role of multinational corporations, are not as deeply established as they may appear.

Some authors prefer the term internationalization rather than globalization. In internationalization, the role of the state and the importance of nations are greater, while globalization in its complete form eliminates nation states. So, they argue that the frontiers of countries, in a broad sense, are far from being dissolved, and therefore this globalization process is not happening, and probably will not happen (see Linda Weiss), considering that in world history, internationalization never turned into globalization (the European Union and NAFTA are yet to prove their case).

However, the world increasingly shares problems and challenges that do not obey nation-state borders, most notably pollution of the natural environment, and the movement previously known as anti-globalization has transformed into a movement of movements for globalization from below, seeking, through experimentation, forms of social organisation that transcend the nation-state and representative democracy. Whereas the original arguments that globalization is taking place can be refuted with stories of internationalisation, as above, the emergence of a global movement is indisputable and therefore we can speak of a real process towards a global human society of societies. Other authors have argued that we are

in transition to a planetary phase of civilization; the exact form and character of the global society is contested and will be determined by the choices we make in the critical decades ahead. For example, the Global Scenario Group has outlined alternative visions of the global future, with "market forces" or economic globalization being just one option, contrasted with "policy reform," "fortress world," "breakdown," "eco-communalism" and a "new sustainability paradigm."

Some maintain that globalization is an imagined geography; that is, a political tool of ruling neo-liberalists, who are attempting to use certain images and discourses of world politics to justify their political agendas. Writers of books such as *No Logo* claim that by presenting a picture of a globalized world, the Bretton Woods institutions can demand that companies open up their economies to liberalization under Structural Adjustment Programmes that encourage governments to fund privatization programmes, ahead of welfare and public services.

Anti-globalization

Critics of the economic aspects of globalization contend that it is not, as its proponents tend to imply, an inexorable process that flows naturally from the economic needs of everyone. The critics typically emphasize that globalization is a process that is mediated according to elite imperatives, and typically raise the possibility of alternative global institutions and policies, which they believe address the moral claims of poor and working classes throughout the globe, as well as environmental concerns in a more equitable way.[6] In terms of the controversial global migration issue, disputes revolve around both its causes, whether and to what extent it is voluntary or involuntary, necessary or unnecessary; and its effects, whether beneficial, or socially and environmentally costly. Proponents tend to see migration simply as a process whereby white and blue collar workers may go from one country to another to provide their services, while critics tend to emphasize negative causes such as economic, political, and environmental insecurity, and cite as one notable effect, the link between migration and the enormous growth of urban slums in developing countries. According to "The Challenge of Slums," a 2003 UN-Habitat report, "the cyclical nature of capitalism, increased demand for skilled versus unskilled labour, and the negative effects of globalisation – in particular, global economic booms and busts that ratchet up inequality and distribute new wealth unevenly – contribute to the enormous growth of slums."

Various aspects of globalization are seen as harmful by public-interest activists as well as strong state nationalists. This movement has no unified name. "Anti-globalization" is the media's preferred term; it can lead to some confusion, as activists typically oppose certain aspects or forms of globalization, not globalization per se. Activists themselves, for example Noam Chomsky, have said that this name is meaningless as the aim of the movement is to globalize justice. Indeed, the global justice movement is a common name. Many activists also unite under the slogan "another world is possible", which has given rise to names such as *altermondialisme* in French.

There are a wide variety of kinds of "anti-globalization". In general, critics claim that the results of globalization have not been what was predicted when the attempt to increase free trade began, and that many institutions involved in the system of globalization have not taken the interests of poorer nations, the working class, and the environment into account.

Economic arguments by fair trade theorists claim that unrestricted free trade benefits those with more financial leverage (i.e. the rich) at the expense of the poor.

Many "anti-globalization" activists see globalization as the promotion of a corporatist agenda, which is intent on constricting the freedoms of individuals in the name of profit. They also claim that the increasing autonomy and strength of corporate entities increasingly shapes the political policy of nation-states.

Some "anti-globalization" groups argue that globalization is necessarily imperialistic, is one of the driving reasons behind the Iraq war and is forcing savings to flow into the United States rather than developing nations; it can therefore be said that "globalization" is another term for a form of Americanization, as it is believed by some observers that the United States could be one of the few countries (if not the only one) to truly profit from globalization.

Some argue that globalization imposes credit-based economics, resulting in unsustainable growth of debt and debt crises.

The financial crises in Southeast Asia, that began in the relatively small, debt-ridden economy of Thailand but quickly spread to Malaysia, Indonesia, South Korea and eventually was felt all around the world, demonstrated the new risks and volatility in rapidly changing globalized markets. The IMF's subsequent 'bailout' money came with conditions of political change (i.e. government spending limits) attached and came to be viewed by critics as undermining national sovereignty in *neo-colonialist* fashion. Anti-Globalization activists pointed to the meltdowns as proof of the high human cost of the indiscriminate global economy.

Increase in law and order with a decrease in state intervention at home in order to protect the wealth and businesses.

The main opposition is to *unfettered* globalization (neoliberal; laissez-faire capitalism), guided by governments and what are claimed to be quasi-governments (such as the International Monetary Fund and the World Bank) that are supposedly not held responsible to the populations that they govern and instead respond mostly to the interests of corporations. Many conferences between trade and finance ministers of the core globalizing nations have been met with large, and occasionally violent, protests from opponents of "corporate globalism".

Some "anti-globalization" activists object to the fact that the current "globalization" globalizes money and corporations, but not people and unions. This can be seen in the strict immigration controls in nearly all countries, and the lack of labour rights in many countries in the developing world.

Another more conservative camp opposed to globalization is state-centric nationalists who fear globalization is displacing the role of nations in global politics and point to NGOs as encroaching upon the power of individual nations. Some advocates of this warrant for anti-globalization are Pat Buchanan and Jean-Marie Le Pen.

The movement is very broad, including church groups, national liberation factions, left-wing parties, environmentalists, peasant unionists, anti-racism groups, anarchists, and others. Most are reformist, (arguing for a more humane form of capitalism) while others are more revolutionary (arguing for a more humane system than capitalism). Many have decried the lack of unity and direction in the movement, but some such as Noam Chomsky have claimed that this lack of centralization may in fact be a strength.

Protests by the global justice movement have forced high-level international meetings away from the major cities where they used to be held, into remote locations where protest is impractical.

Pro-globalization (globalism)

Supporters of democratic globalization can be labelled pro-globalists. They consider that the first phase of globalization, which was market-oriented, should be completed by a phase of building global political institutions representing the will of world citizens. The difference with other globalists is that they do not define in advance any ideology to orient this will, which should be left to the free choice of those citizens via a democratic process.

Supporters of free trade point out that economic theories of comparative advantage suggest that free trade leads to a more efficient allocation of resources, with all countries involved in the trade benefiting. In general, this leads to lower prices, more employment and higher output.

Libertarians and other proponents of laissez-faire capitalism say higher degrees of political and economic freedom in the form of democracy and capitalism in the developed world are both ends in themselves and also produce higher levels of material wealth. They see globalization as the beneficial spread of liberty and capitalism.

Critics argue that the anti-globalization movement uses anecdotal evidence to support their view and that worldwide statistics instead strongly support globalization:

the percentage of people in developing countries living below US\$1 (adjusted for inflation and purchasing power) per day has halved in only twenty years [8], although some critics argue that more detailed variables measuring poverty should instead be studied [9].

Life expectancy has almost doubled in the developing world since WWII and is starting to close the gap to the developed world where the improvement has been smaller. Child mortality has decreased in every developing region of the world [10]. Income inequality for the world as a whole is diminishing.

Democracy has increased dramatically from almost no nation with universal suffrage in 1900 to 62.5% of all nations in 2000.

The proportion of the world's population living in countries where per-capita food supplies are less than 2,200 calories (9,200 kilojoules) per day decreased from 56% in the mid-1960s to below 10% by the 1990s.

Between 1950 and 1999, global literacy increased from 52% to 81% of the world. Women made up much of the gap: Female literacy as a percentage of male literacy has increased from 59% in 1970 to 80% in 2000.

The percentage of children in the labor force has fallen from 14% in 1960 to 10% in 2000.

There are similar trends for electric power, cars, radios, and telephones per capita, as well as the proportion of the population with access to clean water.

However, some of these improvements may not be due to globalization, or may be possible without the current form of globalization or its imagined negative consequences, to which the global justice movement objects.

Many pro-capitalists are also critical of the World Bank and the IMF, arguing that they are corrupt bureaucracies controlled and financed by states, not corporations. Many loans have been given to dictators who never carried out promised reforms, instead leaving the common people to pay the debts later. They thus see too little capitalism, not too much. They also note that some of the resistance to globalization comes from special interest groups with conflicting interests, like Western world unions.

Others, such as Senator Douglas Roche, O.C., simply view globalization as inevitable and advocate creating institutions such as a directly-elected United Nations Parliamentary Assembly to exercise oversight over unelected international bodies.



Debate: Free trade and globalization

Background and Context of Debate:

Free trade can be defined as a market model in which trade in goods and services between or within countries flow unhindered by government-imposed restrictions such as taxes, tariffs, or subsidies. Free trade, while not an new concept, has emerged in the post Cold War world as a global possibility with the growing economic interconnectedness between countries. But is it beneficial? Does it have an overall, globally beneficial economic impact? Does it benefit all countries the same? Which countries tend to benefit and which tend to lose out? Should those that lose-out still adopt free trade due to the global benefits? Does it benefit all classes and workers the same? If some lose out due to free trade, are these losses outweighed by other benefits? What social costs or benefits does free trade entail? Are there any environmental impacts? Are there certain ways to adjust free trade to ensure the greatest possible benefits are achieved? Even then, do the costs outweigh the benefits?

Developing countries: Does free trade benefit developing countries?

Free trade improves the economic growth of developing nations

Free trade opens developing nations to international markets, enabling the goods of that country to be more widely sold abroad and, most notably, enabling and even encouraging foreign direct investments that are essential to growth.

Free trade and openness correlate to higher wealth generation Marian L. Tupy. "Free Trade Benefits All". Washington Times, January 3, 2006 –

"Evidence supports the idea nations more open to trade tend to be richer than those that are less open. Columbia University economist Arvind Panagariya wrote in a paper 'Miracles and Debacles: Do Free-Trade Skeptics Have a Case?': 'On the poverty front, there is overwhelming evidence that trade openness is a more trustworthy friend of the poor than protectionism. Few countries have grown rapidly without a simultaneous rapid expansion of trade. In turn, rapid growth has almost always led to reduction in poverty.'

African tariffs and protectionism have been economically harmful Marian L. Tupy. "Free Trade Benefits All". Washington Times, January 3, 2006 –

"Under the World Trade Organization's "special and differential treatment" rule, many sub-Saharan African countries have been permitted to retain significantly higher import tariffs than rich countries. Combined with "preferential treatment" of their goods in rich countries' markets, sub-Saharan African producers enjoy a substantial advantage over other foreign competitors.

Free trade improves the global allocation of resources Marian L. Tupy. "Free Trade Benefits All". Washington Times, January 3, 2006 –

"(1) Trade improves global efficiency in resource allocation. A glass of water may be of little value to someone living near the river but is priceless to a person crossing the Sahara. Trade delivers goods and services to those who value them most."

Trade liberalization damages the growth of poor countries From free trade to free and fair trade" –

"Fair competition means that free trade should not, as it does today, take place at the expense of workers and the environment. Unfettered free trade leads to business going where – other things being equal – wages are lowest, obligations to workers (worker safety, social insurance) least, and environmental regulations most lax. Consequently, in the competition to attract investment there is constant pressure on countries to relax both social and environmental regulations. Especially in poor countries this leads to the unfettered exploitation of workers and abuse of the environment."

Trade liberalization has been costly to Africa *Christian Aid* –

"Trade liberalisation has cost sub-Saharan Africa US\$272 billion over the past 20 years. Had they not been forced to liberalise as the price of aid, loans and debt relief, sub-Saharan African countries would have had enough extra income to wipe out their debts and have sufficient left over to pay for every child to be vaccinated and go to school."^[1]

The current regional FTAs undermine poor countries' bargaining power "The Pros and Cons of Pursuing Free-Trade Agreements", Economic and Budget Issue Brief, July 31, 2003 –

"Some critics worry that FTAs might divert the world away from multilateral trade liberalization and lead to the development of large, competing trading blocs--the United States and the Western Hemisphere, the EU and nearby countries, and Japan and its trading partners in Asia and the Pacific Rim--a result that would be inferior to multilateral free trade. Critics also note that the large size of the U.S. economy and its consequent desirability as a market give the United States a great advantage in negotiations with individual countries, especially small developing ones. The same is true for FTAs negotiated by the EU or Japan. The result of such unequal bargaining power can be that significant trade restrictions by the large countries remain in place that would more likely be eliminated under circumstances of more-equal negotiating power."

The good and bad of globalization - ROBERT J. SAMUELSON NEWSWEEK (http://www.signonsandiego.com/uniontrib/20080717/news_lz1e17samuels.html)

We've been having the wrong discussion about globalization. For years, we've argued over whether this or that industry and its workers might suffer from imports and whether the social costs were worth the economic gains from foreign products, technologies and investments.

By and large, the answer has been "yes." But the harder questions, I think, lie elsewhere. Is an increasingly interconnected world economy basically stable? Or does it generate periodic crises that harm everyone and spawn international conflict?

These questions go to the core of a great puzzle: the yawning gap between the U.S. economy's actual performance (poor, but not horrific) and mass psychology (almost horrific). June's unemployment rate of 5.5 percent, though up from 4.4 percent in early 2007, barely exceeds the average since 1990 of 5.4 percent. Contrast that with consumer confidence, as measured by the Reuters-University of Michigan survey. It's at the lowest point since 1952 with two exceptions (April, May 1980). Granted, the present U.S. economic slowdown – maybe already a recession – stems mostly from familiar domestic causes, dominated by the burst housing "bubble." The Bush administration's rescue of Fannie Mae and Freddie Mac, the struggling government-sponsored housing enterprises, is the latest reminder.

Still, global factors, notably high oil and food prices, have aggravated the slump. The line between what's local and what's global seems increasingly blurred; and there is a general anxiety that we are in the grip of mysterious worldwide forces. The good that globalization has done is hard to dispute. Trade-driven economic growth and technology transfer have alleviated much human misery. If present economic trends continue (a big "if"), the worldwide middle class will expand by an additional 2 billion by 2030, estimates a Goldman Sachs study. (Goldman's definition of middle class: people with incomes from \$6,000 to \$30,000.) In the United States, imports and foreign competition have raised incomes by 10 percent since World War II, some studies suggest. Job losses, though real, are often exaggerated.

But a disorderly global economy could reverse these advances. By disorderly, I mean an economy plagued by financial crises, interruptions of crucial supplies (oil, obviously), trade wars or violent business cycles. This is globalization's Achilles' heel. Connections among countries have deepened and become more contradictory. Take oil producers. On one hand, high oil prices hurt advanced countries. But on the other, oil countries have an interest in keeping advanced countries prosperous, because that's where much surplus oil wealth is invested.

Vast global money flows threaten unintended side effects. Foreigners own more than \$1 trillion of debt issued or guaranteed by Fannie Mae and Freddie Mac, reports economist Harm Bandholz of UniCredit. In the past six years, he notes, foreigners have purchased \$5.7 trillion of U.S. stocks and bonds.

Bandholz says the inflow of money cut U.S. interest rates by 0.75 percentage points. So: surplus savings from Asia and the Middle East, funneled into U.S. financial markets, may have abetted the "subprime" mortgage crisis by encouraging sloppy American credit practices. Too much money chased too few good investment opportunities. A loss of confidence in U.S. financial markets could be calamitous; that was one reason for the rescue of Fannie and Freddie. But just possibly, we're at a crucial – and desirable – turning point. For several decades, the U.S. economy has been the world's economic locomotive. Americans borrowed and shopped; the U.S. trade deficit ballooned to \$759 billion in 2006, stimulating exports from other countries.

The trouble is that this pattern of growth could not continue indefinitely, because it required that Americans raise their debt burdens indefinitely. Now, China and other emerging markets may be moving beyond export-led growth. Unfortunately, that shift could abort, if high inflation (8 percent in China and India) derails domestic expansion. Today's global economy baffles experts – corporate executives, bankers, economists – as much as ordinary people. Countries are growing economically more interdependent and politically more nationalistic. This is a combustible combination.

The old global economy had few power centers (the United States, Europe, Japan), was defined mainly by trade and was committed to the dollar as the central currency. Its major countries shared democratic values and alliances. Today's global economy has many power centers (including China, Saudi Arabia and Russia), is also defined by finance and is exploring alternative currencies to the dollar. Major trading nations now lack common political values and alliances.

It is no more possible to undo globalization than it was possible, in the 19th century, to undo the Industrial Revolution. But our understanding of international markets, shaped by impersonal economic forces and explicit political decisions, is poor.

Countries try to maximize their own advantage rather than make the system work for everyone. Considering how much could go wrong, the record is so far remarkably favorable. Alas, that's no guarantee for the future.

GLOBALIZATION DEBATES

(<http://www.sociology.emory.edu/globalization/debates.html>)

Globalization is a contentious process. Ever since the term was first used to make sense of large-scale changes, scholars have debated its meaning and use. As the term became a globally popular buzzword, it served to crystallize disagreements about the direction of change in the world at large. By the end of the twentieth century, the meaning and merits of globalization were contested in the media and in the streets. Intellectual debate blended with political conflict. In the years to come, debates and conflicts surrounding globalization will increasingly affect the processes captured by the term.

1. **Meaning: Process vs. Project**

According to one popular view, globalization is the "inexorable integration of markets, nation-states and technologies to a degree never witnessed before in a way that is enabling individuals, corporations and nation-states to reach round the world farther, faster, deeper and cheaper than ever before" (T. Friedman, *The Lexus and the Olive Tree*, 1999). By contrast, some groups of scholars and activists view globalization not as an inexorable process but as a deliberate, ideological project of economic liberalization that subjects states and individuals to more intense market forces (P. McMichael, *Development and Social Change*, 2000; P. Hirst and G. Thompson, *Globalization in Question*, 1996).

2. **Interpretation: New Era vs. Nothing New**

Discussions of globalization often convey a sense that something new is happening to the world: it is becoming a "single place" and experienced as such (R. Robertson, *Globalization*, 1992), global practices, values, and technologies now shape people's lives to the point that we are entering a "global age" (M. Albrow, *The Global Age*, 1997), or global integration spells the end of the nation-state (K. Ohmae, *The End of the Nation-State*, 1995). A new world order is emerging, according to "hyperglobal" accounts (Held et al., *Global Transformations*, 1999). Sceptics counter that there is nothing new under the sun since globalization is age-old capitalism writ large across the globe (I. Wallerstein, "[Globalization or The Age of Transition?](#)", 1999), or that governments and regions retain distinct strengths in a supposedly integrated world (Hirst and Thompson, 1996), or that the world is actually fragmenting into civilizational blocs (S. Huntington, *The Clash of Civilizations and the Remaking of World Order*, 1996).

3. **Evaluation: Good vs. Bad**

Globalization used to be widely celebrated as a new birth of freedom: better connections in a more open world would improve people's lives by making new products and ideas universally available, breaking down barriers to trade and democratic institutions, resolve tensions between old adversaries, and empower more and more people (cf. T. Friedman, 1999; J. Micklethwait/A. Wooldridge, *A Future Perfect*, 2000). Many leaders in the West supported the advent of a new world order through free trade and political cooperation. By the late 1990s, cheerleading turned into jeremiads, a banner became a bull's-eye. The term globalization was used increasingly to express concern about the consequences of global change for the well-being of various groups, the sovereignty and identity of countries, the disparities among peoples, and the health of the environment (cf. Hirst and Thompson, 1996; J. Mittelman, ed., *Globalization: Critical Reflections*, 1996). Politicians opposed to America's global influence and activists opposed to the inequities of oppressive global capitalism now portray globalization as dangerous. Globalization has thus become an issue in a wide-ranging global debate.

4. **Explanation: "Hard" vs. "Soft"**

Many authors attribute the dynamics of globalization to the pursuit of material interests by dominant states and multinational companies that exploit new technologies to shape a world in which they can flourish according to rules they set (I. Wallerstein). An alternative view suggests that globalization is rooted in an expanding consciousness of living together on one planet, a consciousness that takes the concrete form of models for global interaction and institutional development that constrain the interests of even powerful players and relate any particular place to a larger global whole (R. Robertson, 1992; J. Meyer et al., "World Society and the Nation-State," *Am. J. of Soc.* 1997)

5. **Political: End vs. Revival of Nation-State**

According to one line of argument, globalization constrains states: free trade limits the ability of states to set policy and protect domestic companies; capital mobility makes generous welfare states less competitive; global problems exceed the grasp of any individual state; and global norms and institutions become more powerful. Others suggest that in a more integrated world nation-states may even become more important: they have a special role in creating conditions for growth and compensating for the effects of economic competition; they are key players in organizations and treaties that address global problems; and they are themselves global models charged with great authority by global norms.

6. **Cultural: Sameness vs. Difference**

A standard complaint about globalization is that it leads to cultural homogeneity: interaction and integration diminish difference; global norms, ideas or practices overtake local mores; many cultural flows, such as the provision of news, reflect exclusively Western interests and control; and the cultural imperialism of the United States leads to the global spread of American symbols and popular culture (cf. H. Schiller, *Mass Communications and American Empire*, 1969; C. Hamelink, *The Politics of World Communication*, 1994). The counterargument stresses new heterogeneity that results from globalization: interaction is likely to lead to new mixtures of cultures and integration is likely to provoke a defense of tradition; global norms or practices are necessarily interpreted differently according to local tradition, and one such norm stresses the value of cultural difference itself; cultural flows now originate in many places; and America has no hegemonic grasp on a world that must passively accept whatever it has to sell (cf. B. Barber, *Jihad vs. McWorld*, 1995; M. Featherstone et al., eds., *Global Modernities*, 1995; J. Tomlinson, *Cultural Imperialism*, 1991).

Globalization: The good, the bad, the ugly

(http://www.ajc.com/opinion/content/opinion/tucker/stories/2007/09/01/tucked_0902.html)

Despite the harsh partisanship that had begun to infect politics by the 1990s, there was at least one tenet about which mainstream Democrats and Republicans agreed: Globalization is good. The wonders of free markets continue to be touted by Democrats Robert Rubin and Lawrence Summers as well as Republicans Carlos Gutierrez and Henry Paulson.

Belief in the glories of global markets is widely shared — a civic religion, especially among the chattering classes. Just read Thomas Friedman's "The World is Flat." As with most religions, however, its miracles are exaggerated.

Global forces have already decimated the American manufacturing sector, destroying the path that led generations into a comfortable existence, with health care and a secure old age. The cities of the Rust Belt testify to the harsh reality of outsourcing and offshoring. Now the fierce winds of free trade are beginning to be felt a little further up the economic ladder — battering college-educated workers, too.

(Journalists, already bruised by the decline of traditional news media, learned a hard lesson about the reach of globalization last May when a small news Web site in California announced that it had hired two reporters in India to cover meetings of the local Pasadena City Council. James Macpherson, editor and publisher of Pasadena Now.com, said: "Whether you're at a desk in Pasadena or a desk in Mumbai, you're still just a phone call or e-mail away from the interview." He said salaries for the two reporters totaled slightly more than \$20,000. Macpherson confirmed Thursday that the two are still at work, but he declined to answer any more questions.)

Finally, some of the apostles of free trade are beginning to admit its rather steep downside. Princeton economist Alan Blinder, former Clinton administration official and a longtime advocate of globalization, still abhors protectionism. But he now believes the social and economic upheavals created by free trade will be much more severe than he once thought.

In an essay published last year in Foreign Affairs magazine, Blinder wrote: "The old assumption that if you cannot put it in a box, you cannot trade it is ... hopelessly obsolete. Because packets of digitized information play the role that boxes used to play, many more services are now tradable and many more will surely become so."

Already, such highly skilled medical jobs as radiology are being outsourced. Blinder predicts that between 30 million and 40 million American jobs are likely to be shipped overseas in the next 10 to 20 years. Vulnerable occupations include graphic designer, film and video editor, financial analyst, microbiologist and, interestingly enough, economist, he says.

That's enough to create anxiety among parents who recently sent their children off to exclusive, high-priced colleges, convinced that a prestigious degree will protect them from the threat of globalization.

Many of the jobs that will stay behind are service jobs; you can't very well get a massage or a haircut or a manicure via fiber optic cables. There will still be great demand for child care workers and Pilates teachers, grass-mowers and hotel maids. But those jobs offer low pay and zero medical or retirement benefits, generally speaking.

Blinder is probably right about the futility of trade barriers. Globalization will continue to push labor to its cheapest locations; any effort to change that outcome will likely create more problems than it solves.

He is absolutely right to point out that this country needs to do much more to build up its social safety net and protect workers from the economic instability that will likely speed up in the next decade or so. "At present," he notes, "the United States has one of the thinnest social safety nets in the industrialized world, and there seems to be little if any political force seeking to improve it."

Our political rhetoric is hopelessly outdated — conservatives dismiss attempts to broaden access to health insurance as "socialized medicine" — and our prejudices consume too much of our energy. The overheated rhetoric about illegal workers is just a distraction. They didn't kill the American industrial base, and they didn't cause the squeeze on the American middle class.



Globalization: Good or Bad? By Lewis Williamon

(<http://www.globalpolicy.org/globaliz/define/1031debate.htm>)

It is clear that globalization has failed to rid the world of poverty. Rather than being an unstoppable force for development, globalization now seems more like an economic temptress, promising riches to everyone but only delivering to the few. Although global average per capita income rose strongly throughout the 20th century, the income gap between rich and poor countries has been widening for many decades. Globalization has not worked.

The reason globalization has not worked is because there has not been enough of it. If countries, including the rich industrialised ones, got rid of all their protectionist measures, everyone would benefit from the resulting increase in international trade: it's simple economics. If unnecessary government regulation can be eliminated, and investors and corporations can act freely, the result will be an overall increase in prosperity as the "invisible hand" of the market does its work.

Tell that to countries that have followed this route. I doubt many people in Argentina would agree. Many developing countries have done exactly what free market evangelists such as the International Monetary Fund told them to and have failed to see the benefits. The truth is that no industrialised society developed through such policies. American businesses were protected from foreign competition in the 19th century, as were companies in more recent "success stories" such as South Korea. Faith in the free market contradicts history and statistical evidence.

You're looking at the wrong statistics. In most cases, low-income countries are the ones that have not been able to integrate with the global economy as quickly as others, partly because of their chosen policies and partly because of factors outside their control. The plain truth is that no country, least of all the poorest, can afford to remain isolated from the world economy.

Even if this were true, what about the other unwanted effects of globalization? The power of corporations and the global financial markets adversely affect the sovereignty of countries by limiting governments' ability to determine tax and exchange rate policies as well as their ability to impose regulations on companies' behaviour. Countries are now involved in a "race to the bottom" to attract and retain investment; multinational corporations are taking advantage of this to employ sweatshop labour and then skim off huge profits while paying very little tax.

First, governments' sovereignty has not been compromised. The power of the biggest corporations is nothing compared with that of government. Can a company raise taxes or an army? No. Second, nations are not involved in a "race to the bottom". Figures last year showed that governments around the world are on average collecting slightly more taxes in real terms than they were 10 years earlier. And the argument that workers in poorer countries are being exploited is hard to support. They are clearly better off working for multinationals. If they weren't, they wouldn't work for them. In fact research shows that wages paid by foreign firms to workers in poorer countries are about double the local manufacturing wage.

But what about these so-called multilateral organisations like the IMF, World Bank and World Trade Organisation? I don't remember electing them, so what gives them the right to say how countries run their own affairs? Isn't it obvious that these organisations only serve the interests of the US and to a lesser extent the other rich countries? Their only role is to peddle the neoliberal orthodoxy - the Washington consensus - that only impoverishes the poorest nations and maximises the profits of multinationals.

It is only through organisations such as these that the less developed countries have a chance to improve their situations. The IMF is there to bail out countries that get into financial difficulties. Governments go to the IMF because the alternative is much worse. If the IMF and its sister organisation, the World Bank, were shut down, the flow of resources to developing countries would diminish, leaving the developing world even worse off. The WTO is a different kind of organisation and is run on a one-country-one-vote basis with no regard for the economic power of each nation; every single member has a veto. In addition, no country can be compelled to obey a WTO rule that it opposed in the first place.

The Opportunities and Dangers of Globalization by Rebecca Kasapidis

(<http://itech.fgcu.edu/&issues/vol2/issue1/global.htm>)

The global climate at the end of the twentieth century has been marked by a move away from national sovereignty and toward globalization. More and more, in the areas of industry, environmental law, trade and finance, the world is looking to global policies, networks and solutions, rather than individual state controls. This integration of national economies has both opportunities and dangers for the industrialized and the developing nations of the world. The opportunities explain why and how the move toward globalization began, and the dangers describe the newest challenges to modern politicians, economists, environmentalists, and sociologists.

The first, and primary, opportunity of globalization is free trade and the resultant effect on the global economy. Freer trade means more trade, which results in increased financial flows. As trade and financial flows increase, capital redistributes laterally and, in theory, that redistributed capital can pull impoverished countries up from the bottom. The idea of free trade is based on the writings of eighteenth century economist Adam Smith. Smith spoke of "laissez-faire" economics in his book *The Wealth of Nations*, and taught that privatized business and trade promotes more economic activity than state controlled business and thus could provide even more money from the state through the collection of income taxes (Ferraro, 294, 1998).

Adam Smith was speaking, for the most part, on a national or continental level of free trade, but many have applied these same concepts to global trade. In his article, "Making it Work" (1998), Jeffery Sachs describes the importance of free trade to the development of non-industrialized countries, declaring "[g]lobal capitalism genuinely is the best chance for the developing world to gain a foothold on the economic-growth ladder..." (3). He, and others, feels that abolishing trade barriers is the surest way of offering every nation equal opportunity for advancement.

A second opportunity of globalization is the creation of transnational regulatory frameworks (TRF's). As nations have less and less control over their individual economies and industries, and the global network assumes more control, the global network must also assume more responsibility for the welfare of both the individual nations and the global community. Therefore, a sort of global socialism develops. For instance, as developing countries of Latin America became more and more indebted during the 1980's, the institution known as the International Monetary Fund (IMF) emerged as a lender of last resort, willing to bail those drowning countries out of debt in exchange for acceptance of stringent economic structural adjustments. More recently, the IMF is now supplying about 20 African nations with \$3 billion in loans, intended to aid in debt relief and industrial developments. Money must flow into struggling nations, such as Africa and Latin America, if they are ever to pull themselves out of debt. Loans of such size would not likely be funded by any one individual country but are made possible through the networking effects of globalization (Lawrence, 2, 1998)

A cynic may wonder why industrialized nations care enough to create organizations for the sole purpose of salvaging the credit of developing and highly indebted nations. As may be suspected, their intentions are not wholly altruistic. Because of globalization, finances of a developing country are directly tied to the finances of a fully developed country, such as the U.S. In fact, the lesser developed countries owe their loans to banks in the U.S. and Europe. If the LDC's defaulted, the financial markets of the developed world would be hit very hard, if not collapse. Also, corporations in the U.S. and Europe, such as clothing manufacturers, know that they can build factories in LDC's and have significantly less overhead and labor costs, increasing their desire to protect the economies, and their opportunities, in developing nations. It is not surprising, then, that corporate America is in favor of even further IMF-style aid to Africa, and are heavily supportive of the African Growth and Opportunity Act ("Corporation," 1, 1998). Hence, another advantage of globalization is that it requires the developed and developing countries to be intertwined, ensuring that the former can not simply "write off" the latter.

A last opportunity of globalization is the institution of intellectual property rights. Since the global community is becoming so much closer and integrated, it is no longer adequate to simply honor copyrights within a nationstate. Therefore, intellectual property rights have been instituted to protect copyrights worldwide. While the ability to apply such protections is a clear advantage of globalization, the need for such protections is a disadvantage of globalization. Also, while intellectual property rights are an opportunity for industrialized nations, they are a hindrance to developing countries. Those nations that developed in the years following Britain's industrial revolution adopted Britain's technologies at will, facilitating their own development. With today's intellectual property rights, however, currently developing countries will no longer be afforded such help and will instead need to develop their own technologies.

The dangers of globalization are often tied into the opportunities of globalization; we often find that one policy that benefits one nation or social group harms another. For instance, while free trade is an opportunity for consumers to buy the best goods at the best prices, it also endangers the non-symbolic analysts (NSA's) of the nations with the highest standards of living, and hence, the highest wages and production costs. Symbolic analysts, those persons who have the ability to translate the technological languages, are often the members of industrialized society with the most vocational and economic freedom. They can work and live anywhere they wish and are unaffected by physical location of industry because they are

linked by the world wide web. They are an elite minority, about one-fifth of the population here in the United States, but they have the most political clout because they possess the majority of the country's wealth. So then, what symbolic analysts want, symbolic analysts get (Reich, 290, 1991).

What the symbolic analysts want is inexpensive service of the highest quality. What symbolic analysts know is that foreign workers are often more qualified, and almost always more affordable, than American workers. The disparity between the wage demands of the American NSA's and the compensation offered by the symbolic analysts creates what has been termed a "labor shortage." In reality, however, there is no labor shortage at all. As Robert Reich explains in his article, "The Politics of Secession" (1991), there are plenty of American workers who would be happy to work for a decent wage but cannot support families on the wages that immigrants will accept. Symbolic analysts prefer to hire the immigrants, who are often well trained, and, in doing so, abandon the NSA's of our country. The situation is further complicated by the fact that, once the symbolic analysts have come to rely on foreigners for their in-person services, there is less incentive to invest in training for American NSA's, further reducing their potential earnings (Reich, 289, 1991).

Another opportunity of globalization that also has dangers is the destruction of trade barriers involved in the process of free trade. When the IMF provides a loan of last resort, it also institutes a stringent set of economic "structural adjustments" intended to boost the economy of the ailing country in the long term, even if it is painful in the short term. One such adjustment is the forced abolition of trade barriers, tariff and otherwise. The intention of such policies is to let the free market bring wealth to all nations, in a sort of lateral redistribution of capital. In the short term, however, destroying trade barriers means leaving a developing country's infant industries unprotected in the face of international competition. This collapse of domestic industry will inevitably counteract any intentions to increase manufactured exports. In fact, since the introduction of free trade, due to IMF policies or otherwise, many developing countries have experienced decreases in their terms of trade ("Globalization," 84, 1997).

As an example of how that can happen, consider the following. In the past, developing countries modeled their trade policies after the protectionism utilized by fully industrialized nations, such as the U.S., and often used a development plan called Import Substitution Industrialization. Under such a plan, hefty tariff barriers stall manufactured imports and raw materials are heavily exported for income. Meanwhile, infant industries are being developed, which will be the eventual industrial base for the developing country. The plan worked fairly well until OPEC restricted the supply of oil, causing an oil price shock, and the developing countries suddenly found themselves with debts that they could not pay. The IMF stepped in and covered the debts, saving the nations from the economic disaster of loan default. When the IMF instituted its policies, however, the infant industries, meant to be the industrial base of the developing nation, could not compete without the protection of tariff barriers increasing the prices of manufactured imports, and they collapsed. It is yet to be seen if free trade will, in fact, pull such impoverish countries out of debt, and into prosperity, but, at least in the short term, free trade has certainly hindered independent industry in lesser developed countries.

Forced movement of people, and the resultant racial tensions, can also be seen as dangers of globalization. In his article, Tucson North and South, Robert Kaplan describes the racial and economic climate of Tucson, Arizona. The city is divided into the prosperous north, inhabited by white, symbolic analysts joined to each other and the developed world by the world wide web, and the impoverish south, inhabited by socially alienated whites and immigrant Mexicans, both joined together and divided from each other by gangs. The Mexican immigrants find low paying jobs, displacing the white NSA's of Tucson who are unwilling to work for such low wages. The whites resent their resultant unemployment, and the process produces racial disharmony (Kaplan, 56, 1998).

Immigration, however, does not always result in racial tensions. Kaplan also writes about Vancouver in his article entitled, "Canada: The Wild Card." In contrast with Tucson, which draws unskilled Mexican immigrants seeking low paying jobs that they could not find in their home country, Vancouver draws highly skilled foreign symbolic analysts, who are, in fact, a boon to the economy of the city. The difference is astounding. Whereas in Tucson, immigration is resented and considered a financial drain, Vancouver welcomes its mostly Asian immigrants with open arms. While in Tucson the whites and the Mexicans stay separated-by either gang signs or North/South Tucson divisions, the whites and the Asians of Vancouver easily intermingle, and frequently intermarry, without conflict (Kaplan, 52, 1998).

Facilitation of the activities of Transnational Criminal Organizations (TCO's) is another danger of globalization. For instance, global financial markets allow the TCO's to move money and goods from country to country with ease, allowing them to take advantage of whatever country has the most money and the most lax law enforcement. Secondly, the porous borders that have accompanied free trade ease smuggling; high trade volumes mean less chance for suspicion, inspection, and identification of smuggled goods. Thirdly, and critically, relaxed capital flows have been vital in the facilitation of money laundering. Criminal organizations can simply recycle drug profits like a multi-national corporation, and the money will be extremely difficult to trace in the global financial system (Castells, 191, 1998).

Increased action of TCO's is a particularly dangerous effect of globalization, because TCO's work with little regard for peace, democracy, or capitalism. In fact, a TCO will routinely corrupt law enforcement, politicians and judges, and kill anyone they are not able to corrupt and who dares to stand in their way. They rely on violence and corruption to achieve a single end:

profit. Often, in Latin American countries with weak political infrastructure, the TCO's have the ultimate power. TCO's stand in firm opposition to the idea of human rights, and their dictator-like regime must be brought to an end (Castells, 193, 1998). As if TCO's having power over politicians is not bad enough, globalization also allows for investors to have unchallenged power over politicians. Under the conditions of globalization, developing countries rely on the capital provided by investors to pay debts--both primary and to the IMF--and to support domestic industry. Due to the relaxed capital flows also accompanying globalization, however, investors can pull their money out just as easily as they invested it in the country. As Walter Wriston is quoted in Richard Coughlin's article "The Peso Crash and the Asian Flu" (1998), "Money only goes where its wanted and only stays where its well treated...." (page 1). Politicians of developing countries must, therefore, consider the reaction of the investors before making any decisions concerning financial policy, creating a clear conflict of interest.

A final danger of globalization is the overuse and abuse of natural resources. This danger could manifest itself in one of two ways. Firstly, while the goals of such TRF's as the IMF and the World Trade Organization is to aid development in lesser developed countries, that very development will mean increased global environmental degradation. In the long run, development means more superconsumers--people, like Americans, who consume and discard at will, just because we have the means and the "stuff." In the short run, development means guiding each developing country past the inevitable stage of "dirty" industry. When nations are first developing, they tend to put national development before international ecology, and skip the costly measures that more industrialized countries now use to cut down on pollution. The effects are cyclical, because less environmental protections means less overhead, which, in turn leads to a cheaper product. A cheaper product will have increased sales, which leads to more (dirty) production.

When industrialized nations try to prevent such products from crossing their boundaries, they are stopped short by the World Trade Organization. For instance, the U.S. wanted to prevent filthy, but inexpensive, Venezuelan oil from flooding their markets, and the Venezuelan's termed the action a non-tariff trade barrier. The dispute was brought before the World Trade Organization, who sided with Venezuela, and ordered the U.S. to either buy the oil, or simply pay Venezuela the cost of the oil each year as compensation for lost sales. Decisions such as this, that place free trade above environmental common sense, are a great danger to the future of our global ecosystem (Bleifuss, 1, 1997).

Secondly, when LDC's are forced to break down trade barriers in accordance with the policies of the IMF, and their domestic industries collapse, they have only the natural resources to fall back on for income. Once the countries begin to rely on a forest for a sole source of income, overharvest can be very tempting, or even unavoidable. The unfortunate irony is that not only does the world lose a valuable forest, but, through the process of overharvest, the underdeveloped country loses its only source of income.

These are the opportunities and dangers of globalization. As I look over my paper, the dangers seem to outweigh the opportunities, but this is not actually the case. While my list of dangers may be longer, things like TCO activity, racial tensions, and imbalance of investor power are issues of greater or lesser significance in each area across the globe, sort of site specific. On the other hand, opportunities like free trade and transnational regulatory frameworks are absolute necessities for all nations to grow and prosper in the twenty-first century. So, while the lists may seem lop-sided in one direction, my preference is for the other side. Globalization allows us to all work together for a mutually better future.

Minimizing the dangers; maximizing the opportunities.

The dangers of globalization can be minimized in a number of ways. Firstly, trade barriers could be lowered gradually in developing countries in an attempt to allow infant industries to better adjust to the international competition. The imbalance of power held by the Transnational Criminal Organizations may be deactivated by the global legalization of cocaine, reducing its value to nearly nothing. The imbalance of power held by investors may be lessened by policies that restrict the flows of money in and out of a country on a single business day. Overuse and abuse of natural resources can be reduced through the institution of "rental" policies under which developed nations pay for sections of a forest to remain intact, as compensation for lost income. Also, such nations could be encouraged to commence "ecotourism," the system by which wealthy foreigners pay large amounts of money to visit untouched areas of third world countries, again using an intact forest for income, rather than a ravaged one.

Opportunities could be maximized by creating transnational regulatory frameworks with representation of industrialized and non-industrialized countries, instead of the traditional industrialized only model. Also, the gradual destruction of tariff barriers and the environmental provisions described above could be considered opportunities of globalization as well as reduction in the dangers of globalization.

Resources

Sites that researchers found useful in preparing this package:

- <http://itech.fgcu.edu/&issues/vol2/issue1/global.htm>)
- <http://www.globalpolicy.org/globaliz/define/1031debate.htm>)
- http://www.ajc.com/opinion/content/opinion/tucker/stories/2007/09/01/tucked_0902.html)
- <http://www.sociology.emory.edu/globalization/debates.html>)
- http://www.signonsandiego.com/uniontrib/20080717/news_lz1e17samuels.html)
- <http://psychology.wikia.com/wiki/Globalization>)
- http://www.beyondintractability.org/case_studies/Globalization.jsp?nid=5102)
- <http://www.progress.org/global03.htm>)
- <http://www.free-eco.org/articleDisplay.php?id=378>)
- <http://www.slembeck.ch/pdf/Global-Quiz-English-Answers.pdf>
- <http://www.ncpa.org/iss/tra/2002/pd061902d.html>
- <http://yaleglobal.yale.edu/display.article?id=7670>
- <http://www.david-kilgour.com/secstate/globali2.htm>
- <http://www.haiweb.org/campaign/novseminar/bjorkman.html>
- <http://www.newworldencyclopedia.org/entry/Globalization>
- http://www.beyondintractability.org/case_studies/Globalization.jsp?nid=5102
- http://wiki.idebate.org/index.php/Debate:Free_trade

Useful Books / Articles:

- [General Globalization Terms, from Global Envision](#)
- [The Double Edge of Globalization, from Global Envision](#)
- [Against the Dead Hand: The Uncertain Struggle for Global Capitalism](#) by Brink Lindsey
- [The Race to the Top: The Real Story of Globalization](#) by Tomas Larsson
- [A Future Perfect: The Challenge and Hidden Promise of Globalization](#) by John Micklethwait
- [The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else](#) by Hernando De Soto
- [Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships](#) by Mancur Olson
- [Globophobia: Confronting Fears About Open Trade](#) by Gary T. Burtless
- [The Commanding Heights: the Battle Between Government & the Marketplace That Is Remaking the Modern World](#) by Daniel Yergin
- [The Changing Fortunes of Economic Liberalism - Yesterday, Today and Tomorrow \(Occasional Paper 105\)](#) by David Henderson
- [Against the Tide](#) by Douglas A. Irwin
- [The Future and Its Enemies: The Growing Conflict Over Creativity, Enterprise, and Progress](#) by Virginia Postrel
- [The Lexus and the Olive Tree: Understanding Globalization](#) by Thomas L. Friedman
- [One World Ready or Not: The Manic Logic of Global Capitalism](#) by William Greider
- [The Great Betrayal: How American Sovereignty and Social Justice Are Being Sacrificed to..](#) by Patrick J. Buchanan
- [False Dawn: The Delusions of Global Capitalism](#) by John Gray
- [The Crisis of Global Capitalism: Open Society Endangered](#) by George Soros
- [The Challenge of Global Capitalism](#) by Robert Gilpin
- [Has Globalization Gone Too Far?](#) by Dani Rodrik

