

Globalization

By Anne McDonagh

The combination of technology and the belief in the wisdom of market forces have combined to give us our current “driverless machine” running the economies of the world. It is an unfortunate union called globalization. Canadians have experienced globalization in such ways as downsizing, contract jobs with no benefits, unemployment, cuts to social services, lower or frozen wages. Most of all we observe it in the increasing economic gap between the rich and the poor in our own society and between our society and the developing countries of the world.

Globalization as we know it could not have happened without technology. Technology, in particular telecommunications, means that time and distance do not matter. You do not have to do business in your own neighbourhood or your own country. The whole world is your market. With the touch of a button, you can order a product from half way around the world and you can also transfer your money from one country to another in a few seconds.

In fact more than a thousand billion dollars a day are transferred around the world, but only a few of them have anything to do with “real” economic activity. Most transactions have to do with investments to increase capital: speculation and mergers. Companies and economies can be wrecked in a day giving no one a chance to deal with the shock of sudden job loss or devaluation of currency.

If you combine this technology with the belief that competition, efficiency and an unregulated marketplace will create a better world, you have child labour in Bangladesh, displaced farmers in India and sweatshops in Indonesia creating products and profits for the wealthy few of the world especially those in Europe and North America. You also have too many products for consumption, so you create needs. You thus put an indefensible strain on the planet by using up natural resources and damaging the environment.

The “culprits” are the transnational corporations (TNC’s), the World Trade Organization (WTO) and the International Monetary Fund (IMF).

These organizations worship at capitalism’s altar, but because capitalism is a false and unworthy god, the result has been many unforeseen

disasters; for example the rule of the Mafia in Russia and the devaluation of currencies in developing countries and the impoverishment of its citizens, to say nothing of the depredation of the environment and the commercialization of most aspects of our lives. However, rather than rethink their rationale, the TNC's and their disciples continue to "lead" the world into social and environmental ruin.

The TNC's control two-thirds of world trade. So naturally they are the chief advocates for "free trade". Because most of them are richer than national governments, they usually get their way. When they want to set up shop somewhere, they try to get the best deal in tax breaks, grants, roads etc. and go with the country that offers the most concessions. Real free marketers, aren't they?

The WTO and the IMF are tools of the TNC's. The goal of the WTO is to expand the freedoms of the corporations so that they are not subject to the rules and regulations of a nation and its people. Thus business is carried on at the expense of human beings and the environment.

The original goal of the IMF was to regulate international capital flows, but it has been transformed into an instrument for prying open the markets of developing countries to foreign capital and for collecting foreign debts.

Together the WTO and the IMF have the clout to destroy a country's special programs such as social assistance, food subsidies, protection of culture etc. National governments are forced to sacrifice the greater good of their citizens for the questionable good of satisfying the dictates of these organizations. And not one of the members of these organizations is democratically elected.

These big three also represent a real and obvious threat to democracy. The welfare of the citizens of a country are not the first concern of TNC's nor can it be the concern of national governments who are controlled by TNC's, the WTO and the IMF. Governments and TNC's try to persuade us that what is good for big business is good for us all. They say "a rising tide lifts all boats." This is Ronald Reagan's trickle down economics on an international scale. It did not work in 1980's United States, and it isn't working now around the world. The truth is that a national government cannot serve two masters.

When citizens perceive that their government is not looking out for their best interests, the result is inevitable: marginalization of the most vulnerable, cynicism about the politics and politicians, decreases in voter turn-out. Worst of all, people feel that there is nothing they can do to stop the juggernaut of free trade and globalization.

Globalization could have been a good thing; it could still be. Unfortunately, the believers in the market economy have taken complete control. We could have used technology and trade to raise the standard of living around the world. We could have become one world where the health and well-being of the people of Africa were as important as the health and well-being of our own citizens. Of course, the free marketers have seen to it that we don't as a society even care any more for our own citizens.

The mainstream media almost universally ignore criticism of globalization, but there are, in fact, many organizations dedicated to either resisting it or modifying it so that the integrity of a nation to express its uniqueness is not trampled; so that a living wage is paid in developing countries and safety standards are enforced; so that the environment is protected; so that women and children are not exploited. One of the most important achievements of these groups would be to make the public aware that there are ways to run the world's economies other than by the amoral TNC's.

Business is by definition amoral; historically it has never been the sole arbiter of how society should be run. It cannot nurture children. It cannot inspire artists. It cannot create caring individuals. It cannot feed the poor. It cannot produce a philosophy of life; getting more and more does not give meaning to life. It cannot give a society a sense of purpose; tax cuts divide rather than unite a society. We should not let this small facet of life destroy our social safety net, our public education system, our healthcare system, our culture, our way of life.

October 2002