

GLOBALIZATION PRESENTATION

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Definition:

1. Globalization is “Corporate Manifest Destiny”
 - The expansion of huge transnational firms (TNCS) into nearly every country
 - More powerful and richer than many nations, they operate almost as their own economic states
 - They fly the corporate logo out front of their offices, with the U.S. or European flag as a lesser symbol.... Cartoon: “I pledge allegiance to the flag of Monsanto Corporation and its genetically modified foods!”
 - Loyal to no government, accountable to no one....
 - They establish networks of production, finance, and culture virtually unopposed until recent demonstrations (Seattle, Davos, etc.)
2. These multinational corporations (MNCs) use their economic and political clout to invest and expand wherever they want, at whatever the costs to society, the environment, or the masses
 - They collaborate with giant, multi-lateral institutions (co-conspirators) such as the World Bank to solidify their grip on power
 - To mold a new international order that suits their agenda
3. Globalists defend their growing monopolization of power as the “natural order” of things
 - They preach...
 - The invisible hand of economic success (now becoming more visible)

- Capitalism as historical inevitability

4. Just like the “globalists” of ancient times:

- Spanish and Portuguese conquistadors who destroyed indigenous economies and cultures in Latin America
- British, Dutch, French and other colonial powers who grabbed and controlled much of the resources of Africa, Asia and North America
 - Firestone Tires seizing 15% of Liberia’s best land for its rubber plantations
 - Anaconda and Exxon taking over Chile’s copper mines

5. But today’s globalization is more sophisticated, linked tighter and more permanent:

- With high tech communications
- Rapid transportation
- Greater acceleration of political and economic trends
- So that consumers are accessed everywhere and corporate profits are maximized

6. Downsides of TNC Globalization

- TNCs produce over 50% of world’s greenhouse gasses
- TNCs control 80% of farmland that grows export crops
- TNCs drive the 50% increase since 1965 in commercial timber harvests

7. The 7 Deadly Sins of Globalization:

- Nike, IMF, NAFTA, Microsoft, WTO, World Bank, G-8 (now includes Russia)
(+ Maybe the United Nations.... The UN used to fight for sustainable development, but in past decade has cozied up to big MNCs like newly-merged corporation of Chevron / Texaco)

Deadly results:

- Sweatshops
- Third World debt
- Exploited workers
- Unequal societies

8. Issues and examples:

- Europe annually gives \$12 billion to the Third World for clean water – about the same amount Europe spends on *ice cream*!
- Center for Economic Policy Research in Washington, D.C. compared globalization from 1960-80 vs. 1980-2000:
 - Results: Growth of per capita income, life expectancy, infant mortality, literacy and education was *less* during past 20 years than between 1960-80 = Slowing Development!

9. Economic concentration:

- Today 51 of the world's biggest economies are MNCs, not countries!

- Over the past 15 years, the top 200 MNCs increased sales from 25% to 27.5% of *total* world GDP!
- Yet they employ *less* than one percent of the world's workers!

10. While globalization grows, so does hyper-poverty:

- 1.3 billion people live on less than \$1.00/day!
- Nearly 3 billion people live on under \$2/day!
 - Up from 2.4 billion in 1980

(Since 1990, extreme poverty has risen from 12 to 20% in Europe and Central Asia; from 21 to 23% in Middle East; from 45 to 47% in Sub-Sahara Africa!
- Average Third World rural women are forced to spend 3.4 hours a day just getting firewood and water for their families – lack of access to basic resources

11. NAFTA's impact in Mexico (example):

- Since mid 1990s over 100,000 small businesses have collapsed
- Wages dropped 40%!
- Cost of living has risen 70%!
- In 1995, 49% of Mexicans lived below the official poverty line
 - Today it is 69%!
- Now the *maquiladoras* are leaving for greener pastures, lower wages, etc. in Asia (+ U.S. lost a million jobs and several billion \$ too!)

12. Argentina (case): 1990s

- U.S. banks and Europe bought up 70% of private Argentine banks
- IMF and World Bank pressured nation to liberalize trade and capital flows = \$140 billion debt to international institutions...

- Established currency board and dollarized the economy
- 2002 societal and economic collapse / business failures / 5 presidents in 2 months!

13. Mega-Corporations' tyranny is greater than ever. They are huge, command-economies much like the USSR system was.... Multinational Empires

– Features:

- Totalitarian control
- Managed from the top
- Secretive strategies:
(WTO's secret dispute resolutions to subvert unions, environmentalists, and human rights activists)
- Lack transparency
 - This builds doubts and distrust
- Inter-linked with other MNCs & big government:
- i.e., Halliburton & its U.S. contracts/corruption in Iraq
- i.e., Arthur Andersen Accounting and Enron, World Com, etc.

14. Q: What do we need to do about all this?

- Globalize justice, not just economics!
 - Develop massive resistance strategies with NGOs and others as countervailing institutions and grassroots opposition such as the World Social Forum in contrast to the World Economic Forum (Its theme: “Another World Is Possible”)
 - Provide debt relief to poorest countries
 - Put the spotlight on economic concentration power of TNCs
 - Make big companies pay for damages :
 - Coca Cola’s murder and torture of labor union officials in Latin America
 - Exxon Valdez oil spill still not settled
(Alaska fishing villages)
 - Union Carbide’s mass killings in Bhopal, India
(20,000 dead and 200,000 injured)
 - Require MNCs to help fund Third World co-ops, microcredit access, and NGO development
 - Support global firms that foster social development of the poor such as Ben & Jerry’s, Worldstock.com, The Body Shop, etc.

15. Let’s unleash Civil Society – not leave the world to big business and big government:

- Rather, let’s build a new Third Way / a new Citizen Sector!

— Thank You Very Much —

FOLLOW-UP Q&A RESPONSES

(1) How is Utah's economy helped / hindered by globalization?

- There have been some benefits in terms of Utah firms growing internationally
- But we're largely victims over the years (Utah as a Third World colony)
 - Utah Valley vs. U.S. Steel... U.S.S. used our labor for 40 years and then abandoned us for cheap, foreign labor (Pohang Steel, Korea)... Employment numbers dropped from 8,000 in the 1960s to zero today. This translates into economic impact losses of \$561 million a year to Utah.
 - Kennecott – Salt Lake Valley's employment at the company has declined from a high of 10,000 workers:
 - Sold to Standard Oil Company – worker numbers dropped to 7,500
 - Then sold to British Petroleum – more jobs eliminated
 - Now owned today by Rio Tinto, a huge Australian/UK conglomerate with a reputation for abusive working conditions, anti-union practices, and environmental degradation in the U.S. and in places like Namibia, Indonesia, and South Africa. Utah is just a small part of this MNC (1,900 jobs). Last year in Utah it created an acrimonious labor dispute. The firm is currently being investigated for fraud and price-fixing, as well as toxic water pollution.
 - Utah's reputation: cheap wages / non-union labor / low corporate taxes = low household income and underfunded education system
- State is becoming more assertive now, but we're still struggling from sell-outs in the past

(2) Importance of education / High Tech?

- They are both critical ... However, we're suffering a brain drain as many young people get degrees and move away to other states with better incomes

(3) Steps to improve Utah's overall economic competitiveness?

- Stop selling us as a source of cheap, non-union jobs
- Block the flow of outsourcing jobs like Michigan and other states are doing
 - Legislation to punish those who move our jobs away
 - Reward those who stay

Another step to strengthening the Utah economy?

- Halt the "Walmartization" of Utah's rural towns that results in the decimation of small, locally-owned firms and native entrepreneurs who are gobbled up, or driven under, by large-scale, absentee owners

(4) **Winners of Globalization?**

Fortune 500 companies

1st World governments
North America / Europe

Rich classes – more wealth

Modern, artificial plastic world

Urban communities

Defense industry

Protectionist lobby –
Huge consulting fees

Economic concentration

Free trade market

MNCs' record profits

Transnational corporate power

Neoliberal economic ideology

Concepts of “privatization” & “deregulation”

Privileged big-spending consumers

Losers?

SMEs (small & medium enterprises)

3rd World governments
- The Global South

Poor classes – more poverty

Natural environment – ecological destruction

Rural communities / Villages

Peace products, education, women & children

Peasant masses –
Protest in streets

Social Justice

Fair trade movement

LDCs' record national indebtedness

Decline of the nation-state

Democratic ideology & systems

Concepts of “public good” & “community”

Underprivileged families