Globalization Creates Problems but Can Also Help Solve World Issues

Thanks to globalization, our world has become smaller and smaller. Feats of technological genius now allow corporations to conduct their business around the world with rapid speed and relative ease. Internet service providers' employment of call centers on the other side of the world no longer provokes astonished muttering. We now expect to find a "Made in China" sticker on the bottom of a toy. And the fact that the latest iSomething contains chips and parts from a dozen different countries doesn't even earn a raised eyebrow.

Certainly, globalization brings prosperity and higher standards of living. One study shows that open-trade economies enjoy a 4.5 per cent growth rate, while their closed-trade counterparts experience a measly 0.7 per cent growth rate.

Globalization also creates new jobs and supports small businesses. Ninety-four per cent of California's exports are from small- and medium-sized businesses. Eighty per cent of Mexico's jobs are supported by small businesses that rely on the global world economy. In fact, nine out of 10 exporters in the world are small businesses that, thanks to globalization, are able to create new market niches.

Unfortunately, globalization also has negative repercussions.

As Os Guinness said in a recent Missions Fest seminar, "Every order creates disorder." Guinness said that thanks to globalization, we have created a culture of "human waste." The problem isn't just capitalism, but capitalism without democracy and equal justice. There are many stories of multinational corporations bullying small farmers into unfair trade agreements or forcing competitors out of business. In the startling case of one beverage company, Guatemalan and Colombian trade union officers were allegedly assassinated with the company's knowledge and implied approval.

However, when Guinness speaks of "human waste," he means something more than just corporate business maneuvers. He literally means the waste of human beings. According to statistics cited by Guinness, it took 400 years to transport 12 million African slaves to Europe and the Americas. But in the past decade, 30 million women were the victims of human trafficking, while an additional 200 million people have been chained in bonded slavery. Guinness attributes all of this to the spread of secular globalization, in which profit and consumerism are unguided by morals and ethics.

As Christians, we can't expect God to hear our pleas when we ignore those in circumstances less fortunate than ours. As Italian prince and artist Pierre Troubetzkoy asked many years ago, "Why should man expect his prayer for mercy to be heard by what is above him when he shows no mercy to what is below him?"

A few generations ago, news of a human rights crisis in a far-off country took weeks to get to us. Now, we can watch and read about it as it unfolds. In the same way, in the past it would have been desperately difficult to be of any help to someone in Darfur, for example. But now, even if we can't personally be there, globalization makes assistance possible.

Though globalization creates problems, it can also help solve these problems. The Internet allows individuals to donate financial assistance easily, or to organize letter-writing drives to government officials. Blogs offer a forum to discuss a problem and educate others. As well, there are many opportunities to join clubs and organizations who work to build awareness of human rights issues around the world.

Guinness finished his speech by offering a solution: go back to where we went wrong in the globalization process, fix it, and trust God. We can't head for the hills, he said; the problems of globalization are ours. We need to take responsibility for the situation and start creating order in the disorder.

The Real Problemwith Globalization

by Aruni Mukherjee

If you utter the word globalization among educated circles these days, you get a overtly enthusiastic response- either making sweeping statements about the possible environmental degradations and inequities that it precipitates, or listing its boost to entrepreneurship and upward social mobility in developing countries. Both these arguments miss the key issue. The most potent and long-lasting effect of globalization as it stands today has been on the realm of ideas that has been straitjacketed into a certain mould, which reduces options for weaker countries to devise their own solutions to the various perplexing problems that they face.

Stephen Gill has defined knowledge as the principle form of production and power resource. Following on, it can be argued that particular ideas which have been privileged in the globalization discourse must hold sway over the policy processes in poorer countries which increasingly look for models to emulate from the developed world. Being in possession of most of the knowledge circulating in the public policy realm, the developed countries on the whole are in a unique position to control the ideologies and mentalities of the global ideational system.

We are often fooled by the facade of relative power. China, we are told, exports a humungous amount of goods to the world, and it is a developing country. However, it is not the export of toys and machines that make a state fundamentally powerful. The World Trade Organization is the agency that exports transnational regulatory institutions to its member states. We know that the WTO is dominated by a narrow set of ideas and attitudes. The world economic system is set up in such a manner that to maximize gains from trade, a state has to go via the WTO policy regime. And therein lies the structural power of supposedly global- but in fact ideationally very local- institutions like the WTO.

The ideological reach of this predatory globalization is not limited to concrete policy propositions between states alone. There are what many label soft transfers between non-state actors such as multinational corporations and non-governmental organizations. Therefore, the various management models and corporate structures that are being emulated by companies in the developing world are equally part of this hegemonic discourse as the ideological imports of the NGOs that protest against these very companies. The power of the British Broadcasting Corporation and Cable News Network should not be ignored too.

In other words, your laptop may have a Made in China label on it, but the various technologies that have been mastered to manufacture it, and the production techniques and management structures followed by the manufacturing company are invariably Made in USA or Made in Japan. The undisputed status of English as the lingua franca of the world is also part of this standardization process. Linguistic theory since the 1980s has argued that the language we use can shape the structure of our thought and the terms that we debate in. This power of globalization goes largely unnoticed.

The antithesis to this argument has been pointed out by Samuel Huntington who has pointed out that drinking Coca Cola does not make Russians think like Americans. Similarly, it is often said that globalization in reality leads to globalization. For example, multinational companies often have to alter their marketing strategies according to the cultural tastes of a particular country. However, this ignores the fact that the hegemonic presence of Western brands not only homogenizes the structure of the market globally, but also creates an illusion of superiority for such products. The newfound consumer culture in China and India and the hankering for foreign goods is a good example of this tendency.

The state as the monopoly of political power within defined borders is undergoing broadly similar transformations across the world as a result of globalization, and this reduces space for individual states to shape their own political systems. For example, austerity programs of the International Monetary Fund often forces states to adjust their political and economic system to a neo-liberal model in order to receive financial aid in a crisis situation. Prior to the Asian Financial Crisis, the IMF forced the countries in the region to liberalize their financial systems, despite savings rates being 20-22% higher in these countries vis-a-vis Western Europe and the United States. On the other hand, the developed world- through the WTO- often influences the trade policies of developing countries that have few choices but to join the global system. China and India were markedly different- both economically as well as politically- prior to their enmeshing in the global economic system. Now both China and India have a broadly similar economic system, and they are converging even further.

So-called international norms play a major role in states across the world altering their policies to the global practices of governance. The Heritage Foundation publishes an annual Index of Economic Freedom, while Freedom House publishes an annual Freedom in the World survey. Rating agencies like Standard & Poor and Moody's mark individual countries on their policies. The criteria for judging the policies of all these markedly different countries is rather inflexible, and no country would want to risk bad press, since they are falling over each other to attract foreign direct investment.

There have been some suggestions- notably by Randall Germain- that the developing states had re-instated themselves in lieu of the Asian Financial Crisis of 1997, and that in turn has forced the transnational forces acting on them to adjust to their changed stance. As an example we can look at the increasingly assertive stance of the Group of 20 (G-20) countries at the WTO negotiations. Moreover, the World Bank has been forced to amend its Comprehensive Development Framework after the crisis to be more sensitive to social needs of countries. This power shift, however, is relative merely. The decision-making structures of the global economy have not changed significantly, and the developing countries operate within the framework set for them by transnational commercial interests and international institutions which are heavily influenced by developed countries.

Immanuel Kant once spoke of the moral unity of mankind. However, unity is achieved through the equal consent of all participants and their equal contribution. Globalization in its current avatar does not offer developing countries the chance to make their own choices about major economic and political policies. Ardent neo-liberals would counter the above-mentioned argument by suggesting that poor labor standards and inadequate environmental regulations are in fact a source of negative marketing for countries, and hence they would not do it. Marxist critiques, on the other hand, would present a diametrically opposite argument.

What is forgotten in this quibble is that the poor countries have no say in this ideational battle- they are obliged to accept the dominant ethos of the time- in our case neo-liberalism. Orthodox Marxists often espouse Antonio Gramsci and argue for a counter-hegemonic discourse to be launched against neo-liberal structures of knowledge. The problem for them is that they too are working within a Foucauldian discourse. In other words, inexplicitly they are part of the very discourse they are trying to wriggle out of. The terminologies used to criticize neo-liberalism have nothing to do with the ideologies of the developing countries. They are stuck between two world views- the neo-liberal and the Marxist/radical. Their policy processes, in the meantime, get continuously compromised due to influences by the all-encompassing globalization process that brings the dominant ideology with it.