

UNIT 5 GLOBAL CHALLENGE AND CHANGE

Human Development Index

The Human Development Index is a statistic that takes many factors such as **human rights**, **poverty rates**, and **literacy rates** to determine a nation's "quality of life."

HDI by the numbers
Canada's ranking in 2011,
up two spots from 2010

8
The number of times that
Canada has **ranked #1**
in HDI, behind only Norway

187
The number of countries
ranked in 2011. The Democratic
Republic of Congo ranked 187th

Source: United Nations
Development Program



HDI Around the World

The darker the colour, the higher the HDI. Countries in grey weren't ranked.

In This Unit

You will study cultural, economic, and political globalization and the ways in which the changes relate to globalization are felt in Canada. You will see how social change, and the associated challenges, are felt internationally and compare those challenges to those Canadians face. Multinational corporations, human rights, and global and cultural trends—and how social theorists view global social change—are among the topics you will study.

You will also develop research and inquiry skills to communicate the results of social science research. At the end of the unit, you will communicate, in written or visual form, about a global issue that is important to you.

Global Human Exploitation

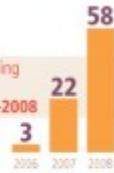
30 000 children
have been abducted
over 20 years to serve
in Joseph Kony's
Lord's Resistance
Army in Uganda.

2 000 000 children work in
goldmines worldwide.

12.3 million
children are in
forced servitude.

117 nations,
including Canada and
Ukraine, have signed
the United Nations
Protocol to Prevent,
Suppress and Punish
Trafficking in Persons.

Human Trafficking
Convictions,
Ukraine 2006–2008



Source: "Trafficking in Persons Report," United States Department of State, United Nations (Child Labour and Drug Crime)

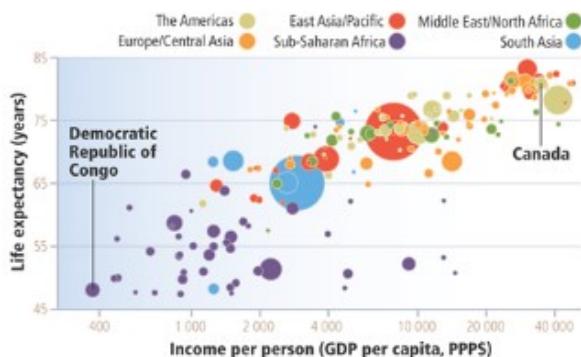
Global Health and Wealth

This is a graphical representation of the relationship between income and life expectancy. The larger the circle, the higher the population.

Japan ranks near the top in life expectancy.

Luxembourg has the highest GDP. The Democratic Republic of Congo ranks near the bottom in both categories.

Source: Various sources (2010 data), Gapminder



Big Questions

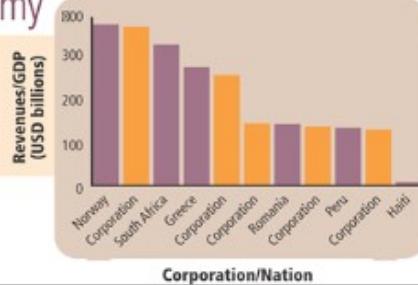
What is considered wealthy in Canada may be different from what it means in Brazil or South Africa. Social scientists use a variety of information to determine the implications of social change globally and what it means for Canadians and citizens around the world.

- How do global events and trends affect the lives of Canadians?
- What responsibility does Canada have to help address the challenges of global social change?
- What does "quality of life" mean? Is the HDI a suitable method for determining a nation's "quality of life"?
- Do multinational corporations have a responsibility to aid people in nations in which they conduct business?

The Global Economy

If the largest corporation was a country, it would rank **24th** in GDP, behind Norway. (**Canada** ranked 10th).

It's 2010 revenues were **5800%** larger than Haiti's GDP that year.



The minimum hourly wage in Ontario is \$10.25 (2010), over **30 times** the wage in Haiti.

Research and Inquiry Skills

Communicating the Results of Research

Research is not complete until the findings are shared and made available to those who can benefit from the information presented. Researchers normally communicate their results through publication in peer-reviewed professional journals. Social scientists use available research findings as a basis for developing social theories. Scholarly peer-review is a process in which an author's work, research, or ideas are evaluated by a group of qualified experts within the same field before the work is published in a journal. When errors are found in the sampling of subjects, the statistical analysis, or the inferences made, the study will often be rejected or returned to the author for revisions. The peer review method ensures that standards are maintained and that only research that has been evaluated against these standards is published. Published articles in peer-reviewed journals are usually the best source for aiding in research.

The results of research studies can be circulated through many types of media, including scholarly journals, textbooks, presentations, and newsletters. It is important to note that regardless of the medium used, certain elements remain constant when communicating research results. The following research plan elements are typically included:

- an introduction that contains the purpose and hypothesis
- a method that shows how the research was concluded
- the results of the research
- a discussion that analyzes the results

When preparing your results for publication (or presentation), you also want to ensure that your findings are presented in a way that:

- attracts the attention of your audience
- raises interest in the message or evidence you are relating
- encourages a desire to act or to know more
- prompts action and presents one or more possible solutions.

When presenting your findings in a scholarly journal, you must provide a brief summary of your research article—known as an abstract. Your message should be visible, clear, relevant, and actionable in the abstract. It should also propose a solution to a problem or issue in a way that your audience will be able to relate to. The following is an example of an abstract:

Every year, malaria claims over 1 million lives, three-quarters of these deaths occurring among African children under the age of five. Even when people survive malaria, it can lead to low birth weight, weakness, blindness, anemia, recurrent fever, and other problems, in addition to representing a high economic burden for individuals, families, communities and health systems. Yet, there exist proven cost-effective interventions that can help curtail the ravages of malaria if only they are made available to those who need them. By subsidizing the distribution of insecticide-treated bed nets at the local level, we can reduce all-cause child mortality by as much as 20% (Lengeler, 2002).

Writing a Formal Report

When you communicate the findings of your research, you must include the research plan elements (which you learned about in earlier chapters) in your formal report. When you share the results of research, it is important to objectively report your findings. Social science evidence must be either quantitative (based on statistics) or qualitative (based on observation).

Once a social scientist identifies the question they want to investigate and make a claim of what they expect to find, they must construct a method of acquiring the necessary evidence, observing, processing, and recording carefully as they research. Often, a social scientist will use a lab notebook, a field notebook, or a tape recorder/digital recorder in order to record their observations or results. When the research process has ended, the social scientist will want to report their findings in a report. The format for a social science report is formal, and should be structured as follows:

1. The report begins with an abstract, which is a short summary (100–200 words) of the purpose of the study (i.e., hypothesis), methods used, and findings.
2. Immediately following the abstract is the introduction, which should:
 - a. Review the literature on the issue
 - b. Note the gaps in the literature
 - c. Explain how this study intends to address these gaps
3. Next, the author describes their methods of research. Did he or she conduct a survey? If so, who was surveyed? When? How? What was asked?
4. Once the methods have been clearly and thoroughly described, the author communicates his or her findings. Findings must be presented clearly and without bias.
5. The author then discusses the results and what this signifies for the hypothesis or claim initially made. Here, the author interprets the results and makes evident any relevant connections or distinctions between the findings and the findings of others. In short, the author presents an argument to his or her reader concerning what these results do and/or do now reveal about the issue.
6. The author concludes the report with a brief summary of the results and implications of the study.
7. All sources are cited and a reference list should be included at the end of the report, along with the appendices.

Sentences must be well crafted but not embellished. Paragraphs must be organized and coherent, but they should not include redundant information to overstress the point. In short, a formal social science report should be clear, concise, thorough, and objectively communicate the writers' findings.

Planning a Multimedia Presentation

If you are sharing your research using a multimedia presentation, you will need to follow the same structure and include the same information as a formal report (abstract, introduction, methods, findings, and results and implications). However, keep in mind that visuals are very important during a presentation. You can create a slideshow using a program such as PowerPoint and you may want to present some of your findings using graphs and tables. You can also use videos to hold the interest of the audience.



FIGURE 9-1 Why is it important to use visuals during a presentation?

When creating your presentation, keep in mind your audience. Will you be presenting to people who are experts or to those who have no experience in your area of research? You will need to tailor your presentation accordingly. Remember to practise your presentation in advance so you are comfortable with material.

QUESTIONS

1. Research a global issue that interests you and create a formal social science report to communicate your findings. Possible topics include water quality, global poverty, free trade, effects of global warming, human rights, etc.
 - a. Identify the question that you will investigate through research and pose your hypothesis.
 - b. Construct a method of acquiring the necessary evidence to explore your hypothesis (i.e. survey/questionnaire, experiment, observation, interview, field work).
 - c. Conduct your investigation and report your findings objectively in a report.
2. Other than a written formal report, what alternative approaches can be used to create an effective report?
3. Reflect on your formal report. Answer the following questions honestly:
 - a. Does your formal report contain all the necessary sections and information?
 - b. Is your formal report clear, concise, thorough, and objective?

CHAPTER 9

Views of Our World

Have you ever travelled outside of your country, surfed the Web, or eaten at a chain restaurant? If you answered yes to any of these questions, then you have experienced the effects of globalization. Globalization involves the exchange of information and resources between nations of the world. Advances in technology, mass communication, and transportation are driving forces that contribute to the growth of globalization. The global integration and exchange of ideas and goods is producing a single, global community.

Social scientists study the global community that results from globalization and the increasing integration of the world's economies, societies, cultures, and politics. In response to globalization, a number of theories have arisen in an attempt to explain how individuals and societies function, develop, and change. While some argue that globalization brings about economic progress, others are concerned about the unavoidable loss of individual cultural identities. There is also increasing concern surrounding other issues that arise from globalization, such as sex trafficking, illegal drug trade, and human rights violations. How do changes in society bring about changes in your life? What is your role in this new "global" community?

CHAPTER EXPECTATIONS

By the end of this chapter, you will:

- identify and describe major theories within the social sciences relating to change of self, society, and culture
- demonstrate an understanding of the major questions relating to social change
- identify conditions for change and impediments to change
- identify issues surrounding human trafficking, drug trade, environmental exploitation, and human rights violations
- explain the relationship between transnational corporations and developing countries
- describe the advantages and disadvantages of global transnational corporations
- evaluate the impact transnational corporations have on Canadian society
- identify how human rights are treated from a global perspective
- communicate the results of research effectively and create a final research product

KEY TERMS

Americanization
cultural globalization
cultural homogenization
economic globalization
exploitation
free market capitalism
global commodity chains
globalization
mores
multilateralism
nation-state
political globalization
sweatshops
trade-liberalization agreements
transnational corporation



Interactive: *Theories About Globalization*



FIGURE 9-2 Globalization and its impact on the world. How is your life affected by globalization?

KEY THEORISTS

Siddharth Kara

Raúl Prebisch

Walt Whitman Rostow

Immanuel Wallerstein

LANDMARK CASE STUDY

Siddharth Kara: *Sex Trafficking: Inside the Business of Modern Slavery*

Spotlight On ...

The Globalization of the Drug Trade

Use of illegal drugs is widespread globally, and most nations consider drug trafficking to be the most serious drug offence. The illegal drug trade is a global “black market,” in which goods and services are exchanged outside the laws that govern nations. Still, illegal drug production and distribution is a lucrative business that recognizes no borders and has no national identity. The business consists of many operations, including cultivation, production, distribution (smuggling), and sale of narcotics. As a global business, the illegal drug trade employs people worldwide and across all industries, both legally and illegally. In some cases, workers are employed against their will, through threat of violence. With the spread of globalization, organized crime groups, such as the cocaine cartels based in Columbia and Mexico, have expanded to become international organizations that operate elaborate drug smuggling enterprises.

The globalization of illegal drug trafficking has made it possible for the drug industry to expand its activities on a global scale, opening new trafficking routes and production zones. In the past, specific drugs were produced only in certain countries. Today, drugs of all kinds are produced in all regions of the world in order to meet global demand. Opium, for example, was traditionally cultivated primarily in China but is now primarily produced in Afghanistan (in addition to being produced in other countries). In 1999, UNESCO's Management of Social Transformations (MOST) Programme conducted a study of the economic and social transformations connected to international drug trafficking. One finding of this study was that the countries of the former Soviet Union now produce twenty five times more hashish than any other drug-producing nation. The study also found that coca plantations, historically found in Bolivia, Peru, and Colombia, were emerging in countries such as Ecuador, Brazil, Venezuela, Panama, and Guyana. Chlorhydrate (a component of cocaine paste) production was also found to be increasing in new zones, including Argentina and Chile. The findings of this study confirm that illegal drug production is expanding globally. This is, in part, due to advances in technology and chemistry that allow drugs to be manufactured in laboratories. Opium poppy plantations are no longer limited to Southeast Asia's Golden Triangle (Laos, Myanmar (Burma), and Thailand) or the Golden Crescent (Afghanistan, Iran, and Pakistan). Although these countries remain the primary producers of opium, the drug is now also being produced in Turkey, Egypt, Eastern Europe, Mexico, Central America, and Central Asia.



FIGURE 9-3 Canada is not identified as a major narcotic trafficking route or crop area. Does this mean that Canadians have no cause for alarm? Explain your reasoning.

The consumption, production, and trade of illegal drugs have a wide variety of adverse socio-economic and political effects. Corruption is one of the most commonly cited negative effects of the illegal drug trade on societies. Worth an estimated \$400 billion annually, this black market business remains a major source of revenue for many countries, despite its illegality. On more than one occasion, claims have been made alleging that national budget deficits have been funded in large part by profits generated from the sale of illegal drugs. Similarly, it has been suggested that drug money has been used to finance so-called legitimate industries run by wealthy individuals and/or businesses. Money obtained through illegal drug trafficking is referred to as "narco-dollars." Although drug trafficking is illegal in almost all nations, narco-dollars act as an economic stimulus in countries where drug trafficking is predominant. In Colombia, for example, drug lords have used real estate investments as a means of concealing illegally obtained money. In the past, social inequality was high in Colombia, with wealth concentrated in the hands of only a few families. However, the prosperity of the illegal drug trade has produced a small revolution by changing social equations (Castelli, 1999). Drug traffickers have created an infrastructure to support their business. In Colombia, the illegal drug trade has not only created jobs for those employed in the trade, it has also led to the opening of schools and health clinics for local communities. As a result, local communities are praising drug lords for spurring economic growth in what would otherwise be a low-income society.

Violence is another negative consequence of the illegal drug trade. Drug traffickers make demands of local workers and threaten violence to those who do not comply. For example, in countries where drugs are cultivated some farmers have been forced to grow drug crops for low economic returns. The increasing violence in countries affected by the illegal drug trade hinders other areas of the economy, such as tourism. Drug trafficking also has a significant impact on social values. As illegality, corruption, and violence permeate a society, people become less inclined to accept the norms on which government consensus rests. Furthermore, drug crops that are grown on fragile or inappropriate land to avoid detection can cause severe environmental damage.

Researchers at UNESCO's MOST Programme believe that authorities tasked with combatting the illegal drug trade cannot ignore the link between the illegal drug trade and national economies. They believe that changes need to be made at the national and international level. Their research has been critical in confirming that the consumption, production, and trade of illegal drugs have a wide variety of adverse socio-economic and political effects.

SKILLS PRACTICE

Results of research studies can be disseminated in many ways, including through peer-reviewed professional journals, textbooks, conferences, presentations, newsletters, Web sites, and Web pages.

1. Conduct research on a global "drug enterprise" of your choice, and answer the following questions.
 - a. How did your selected enterprise originate?
 - b. What part of the illegal drug trade cycle does your selected enterprise take part in (cultivation, processing, etc.)? Describe any particular drugs that your selected enterprise specializes in.
 - c. For what purpose are these drugs used (medicinal, personal)?
 - d. What are the issues surrounding this particular drug enterprise? What are the positive and negative benefits of your selected enterprise? Who benefits? Who does not?
 - e. Write a newspaper article that presents your findings and warns the public about this enterprise's illegal behaviour. Be sure to include research plan elements, where applicable.

GLOBALIZATION

The term **globalization** has become a buzzword in the media, often used to denote both good and bad things. Globalization is difficult to define, in part, because it is an ongoing process that continues to affect change in the world. For this reason, globalization has come to mean many things. The following definitions from different disciplines of social science provide further evidence of the debate about the real meaning of globalization.

► **globalization:** the process by which societies, cultures, politics, and economies around the world are becoming increasingly integrated

A social process in which the constraints of geography on economic, political, social, and cultural arrangements recede, in which people become increasingly aware that they are receding and in which people act accordingly (Waters, 1995: 3).

Globalization implies, first and foremost, a stretching of social, political, and economic activities across frontiers such that events, decisions, and activities in one region of the world can come to have significance for individuals and communities in distant regions (Held et al., 1999: 15).

There are, in fact, three possibilities for defining globalization. First, it can be defined as intensification of global flows of goods and production factors, facilitated by modern transportation and communication means. Globalization can also be defined as a compression of time and space in a way that events in one part of the world have instantaneous effects on distant locations. The third approach is to comprehend globalization as a historical structure of material power. Globalization represents historical transformation in the economy, politics and culture (Mittelman, 2006: 64).

Taken together, these definitions give us a good summary of the major characteristics of globalization. Globalization is the process of increasing interconnectedness among nations and includes economic, social, cultural, political, and technological connections between individuals and groups around the world. As a result of globalization, worldwide patterns of political, economic, and social/cultural relationships form between nations.

► In a world where globalization is creating one global community, do you think societies are able to maintain their own individual identities, cultures, and values?

Economic Globalization

Most often, globalization is used to refer to **economic globalization**, which is the process of increasing economic integration between countries. Economic globalization includes the globalization of production, markets, technology, and industries. Countries are able to share capital, production, labour, markets, technology, and resources, and this, in turn, leads to lower prices for distributors and consumers. For example, the rapid spread of technologies has greatly reduced the cost of transportation and communication and has also allowed companies to employ cheaper overseas labour. As a result, consumers worldwide now have a much wider variety of products available to them and are able to buy them in many different ways, such as in a store or online.

► **economic globalization:** the increasing integration of world economies that results from the increased free trade of products and services, the growing scale of cross-border trade of commodities and services, and the flow of international capital and technologies

Free market capitalism is a market system in which producers are free to enter a line of business and sell their products at whatever price they can charge; meanwhile, consumers are free to buy whatever products they want at whatever price they are willing to accept. Free market capitalism is considered by most to be a positive effect of globalization because it leads to the global distribution of the production of goods and services through the reduction of barriers to international trade (such as tariffs, export fees, and import quotas). This, in turn, leads to economic growth in both developed and developing countries.

► **free market capitalism** : a market system in which producers are free to enter a line of business and sell their products at whatever price they can charge and consumers are free to buy whatever products they want at whatever price they are willing to accept

Others, however, believe that globalization is a source of economic domination and oppression of poor, developing nations by wealthy, developed nations. They argue that globalization does not always lead to economic growth in developing countries. Globalization can often make the differences between classes in a society more evident. A representative of Nepal attending the fifty-sixth session of the United Nations General Assembly in 2011 commented that it was disheartening to see that, over the previous decade, as globalization increased, the disparity in socio-economic conditions among nations had widened. Although it cannot be denied that globalization can lead to economic growth, wealthy countries are usually the ones that benefit from globalization. Despite, and sometimes as a consequence of, globalization, many people in developing countries are still living without access to clean drinking water, education, health care, and other services related to the necessities of life.

Other areas of concern surrounding globalization include working conditions and income inequality, as well as the possible dangers of financial interdependency among countries. Overall, globalization can have both positive and negative effects, depending on whom you ask. It is important to note, however, that the effects of globalization reach beyond economics.



FIGURE 9-4 Prosperity flourishes in unspeakable poverty. What attitude do you think the impoverished have toward the rich?

REFLECT AND RESPOND

1. Describe some of the benefits of an increasingly interconnected world.
2. Why do you think economic globalization is the most commonly discussed aspect of globalization? Explain its significance, using examples.
3. The creation of a single large global market entails certain dangers. What do you think might happen if a nation were to make a financial mistake and their market collapsed?

THEORETICAL RESPONSES TO ECONOMIC GLOBALIZATION

One of the major outcomes of globalization is the emergence of a global marketplace, or “world economy.” However, because it is primarily capitalist Western countries that drive global economic growth, globalization generally results in the spread of Western ideals and culture. It is for this reason that globalization is often explained in terms of the economic relationship between developed Western countries and the rest of the world. Social scientists have developed several theories to explain this relationship, including modernization theory, dependency theory, world-system theory, and the new international division of labour theory.

Modernization Theory

Considered to be one of the major perspectives in the sociology of national development, modernization theory aims to identify how past and present societies are modernized and how societies react to modernization. This theory emerged in the late 1940s and became popular during the 1950s. Modernization theory focuses on how “traditional” (or underdeveloped) societies are transformed into “modern” (or Western) societies.

Modernization theory is rooted in the idea that humans can develop and change their society, and that this change is made possible by advancements in technology and other areas of industry. Early societies, for example, were characterized by subsistence agriculture or hunting and gathering and had limited, if any, technologies available to them. Over time, a growing demand for raw materials led to advancements in agricultural technology. This, in turn, resulted in more jobs, increased production of agricultural equipment, and so on—what is known as “economic growth and change.” Therefore, by achieving self-sustained economic growth, low-income societies can move to middle- and then high-income societies.

Modernization theory holds that societies modernize not only through processes of economic growth, but also through changes in social, political, and cultural systems. Globalization results from the sharing of resources, ideas, and information and consequently, there is also an increase in shared customs, values, and ideals between nations.

In the 1960s, American economist and political theorist Walt Whitman Rostow (1916–2003) suggested that countries pass through five stages of economic development. Rostow’s model, known as the Stages of Economic Growth model, identified a number of conditions that were likely to occur at each stage of economic growth. Rostow considered these conditions to be forces driving economic growth and, thus, modernization. This model of economic growth became one of the most important concepts in modernization theory.

Rostow viewed traditional cultural values as a major obstacle to economic modernization in low-income countries. He claimed that traditional thinking, strong religiosity, and superstition—particularly fatalistic beliefs (believing that events and actions are determined by fate)—characterize societies in low-income countries. Rostow predicted that fatalistic individuals would view hardship and economic deprivation as an inevitable and unavoidable fact of life and would, therefore, be unlikely to take actions toward improving their quality of life. Rostow believed that low-income nations should dispose of traditional ideas and, instead, adopt the individualistic outlook of Western society in order to achieve the preconditions for “take-off” toward economic modernization.

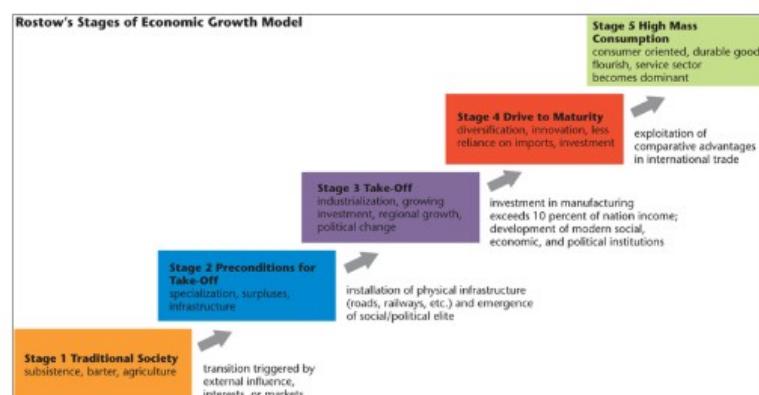


FIGURE 9-5 Rostow's model of economic growth asserts that countries pass through each of five stages fairly linearly, although the duration of each stage and transition period may vary for different countries.

According to Rostow's theory, the shift from values based in tradition toward values based in rational exchange causes people in a society to become more receptive to change and more concerned with individual rights and personal achievements. The outcome of this is market- and growth-based economic change.

When a society becomes modernized, its social, political, and cultural systems are changed. Therefore, there are many ways to analyze a society's modernization. A sociologist, for example, might examine a society for levels of urbanization, literacy, available health care, transportation, and mass media whereas an anthropologist might examine how involved members of a society are in decision-making processes that affect their political systems.

What are some of the biases in Rostow's theory? Do you think most people today would support Rostow's theory of modernization? Explain your answer.

Dependency Theory

Modernization theory proposed that all societies progress through similar stages of development. Therefore, you would expect all countries to have been in an "underdeveloped" stage at some point. According to this theory, developed countries could help accelerate underdeveloped countries to later stages of this process by investing in their economies, assisting them with integration into the world market, and consumption of higher-value goods. However, some economists were troubled by the fact that economic growth in advanced industrialized countries did not necessarily always lead to growth in developing countries.

Emerging in the late 1950s as a reaction to modernization theory, dependency theory states that wealth flows from poor and underdeveloped countries to wealthier countries. Raúl Prebisch (1901–1986), an Argentinian economist, formed the basis of this theory after conducting studies that suggested that economic activity in developed Western countries often led to serious economic problems in underdeveloped countries (opposite to what was predicted by modernization theory). Prebisch's initial explanation for this phenomenon was very straightforward. He observed that developing countries often export raw materials to developed countries for processing because they lack the resources necessary to create finished goods from their natural resources. Developed countries then manufacture goods using these raw materials and sell them back to the developing country at a higher price than that which they paid for the raw materials. In effect, underdeveloped countries provide resources, cheap labour, and a market for developed countries, which contributes to the wealth of the latter. Prebisch claimed that poverty in developing countries is due to the way in which these countries are integrated into world markets, rather than because these countries have not yet reached the stage of economic modernization (as modernization theory would dictate).

According to dependency theory, the economies and cultures of developing countries are distorted to meet the needs of developed countries. In effect, the terms of trade between developed and developing countries are unbalanced and, therefore, unfair. An example of this can be seen in poor, developing countries where small farms have been eliminated in favour of large holdings that are more efficient at growing and harvesting cash crops for sale overseas. This transition has left many peasant farmers without their traditional holdings and, has made them dependent on developed nations for their livelihood. Goods produced in developing countries are sold at very low prices in developed countries, so little of the revenue makes its way back to the local producer or labourer, and individuals in these countries remain impoverished. Dependency theorists claim that global poverty is at least partially attributed to the fact that developing countries are exploited by developed countries. They believe that, unless these unfair terms of trade change, developing and underdeveloped countries will never reach the sustained economic growth patterns of more advanced capitalist economies. Unfair trade between developing and developed countries has become an increasing social concern over the last few decades.

More to Know

You learned about fair trade and ethical consumption in Chapter 2.

"Fair trade" is an organized social movement that aims to create greater equity in international trade and to promote local sustainability. Fair trade organizations buy products from producers in developing countries at prices that exceed the existing market price. They then sell these products in developed countries at a higher price and market them as "fair trade" products that alleviate global poverty. Consumers are often willing to pay a higher price for fair trade products because they believe their money is going to reach the poor farmers in the developing countries where the products are sourced. Fair trade organizations also encourage higher social and environmental standards for exported commodities. A fair trade certification label tells the consumer that the product is produced, traded, processed, and packaged according to certain standards. Typical fair trade products include handicrafts, cotton, honey, chocolate, coffee, cocoa, sugar, tea, and bananas.

Although fair trade products are intended to ensure that farmers in developing countries receive a higher proportion of the revenue from the sale of exported commodities, there has been much criticism about how much of the money actually reaches the farmers. Nonetheless, fair trade organizations maintain that fair trade practices alleviate poverty, enhance gender equity, and improve working conditions, the environment, and distributive justice.



FIGURE 9-6 Dependency theorists believe that poor, underdeveloped countries become trapped in a cycle of structural dependency on wealthier nations because of their economic weakness. How could international trade of a commodity such as coffee be made more equitable?

Have you ever been dependent on someone? How did it make you feel? Do you think poor countries feel this same sense of dependence on wealthy countries?

World-System Theory

In the late 1950s, social theories on economic development were dominated by modernization theory, which had come under attack by dependency theory. Around this time, another new theory arose, building on the ideas presented in dependency theory.

Largely the outgrowth of the work of sociologist Immanuel Wallerstein (1930–), world-system theory states that it is world systems, and not nation-states, that should be the focus of social theory on economic development. In this model, the capitalist world economy is a global system in which there is an international division of labour that separates the world into a hierarchy of three types of nations—core nations, semi-peripheral nations, and peripheral nations. At the core of the system are the most economically advanced nations, characterized by high levels of industrialization and urbanization. These nations benefit most from the global market and are characterized as “wealthy” because they have a wide variety of resources, strong state institutions, a powerful military, influential global political alliances, and are in a favourable geographic location compared to other nations. Core nations dominate the world system and exploit peripheral and semi-peripheral nations. The United States, Canada, Japan, and Germany are considered to be core nations (Schaefer and Smith, 2005; Murray et al., 2012) because they are highly influential over world trade and economic agreements across national boundaries.

More to Know

You will learn more about world-systems theory in Chapter 10.

At the periphery of the world system are the poorest and least-developed nations. These nations have little or no industrialization, uneven patterns of urbanization, and are dependent on core nations for capital. According to Wallerstein, peripheral nations are exploited by core nations for their natural resources, resulting in the flow of wealth from peripheral nations to core nations, in the form of finished goods or exotic produce. Most low-income countries in Africa, South America, and the Caribbean constitute the periphery (Murray et al., 2012).

Semi-peripheral nations are those that are more developed than peripheral nations but less developed than core nations. These nations are typically semi-industrialized or industrializing countries that process natural resources from the periphery and manufacture them for sale in core markets. Semi-peripheral nations include South Korea and Taiwan in East Asia, Brazil in Latin America, India in South Asia, and Nigeria and South Africa in Africa (Murray et al., 2012). According to Wallerstein (1979, 1984), semi-peripheral nations exploit peripheral nations, just as core nations exploit both semi-peripheral and the peripheral nations.

Within the hierarchy of the world-system model, both upward and downward mobility is possible—meaning that a nation can move to a position of increased status or power, or to a position of decreased status or power. For example, in the 1980s Japan transitioned from a semi-peripheral nation to a core nation. Similarly, China, which has traditionally been considered a semi-peripheral nation, is emerging as a core nation. The fact that nations are able to move up or down the hierarchy does not change the overall structure of the system. Moreover, the hierarchy of positions is a potential source of conflicts as peripheral nations try to move up the system, semi-peripheral nations try to join the core and avoid falling into the periphery, and core nations strive to maintain their dominance over the system as a whole. By the late 1970s, world-system theory had become established as an alternative perspective from which to examine issues of development and world inequalities.

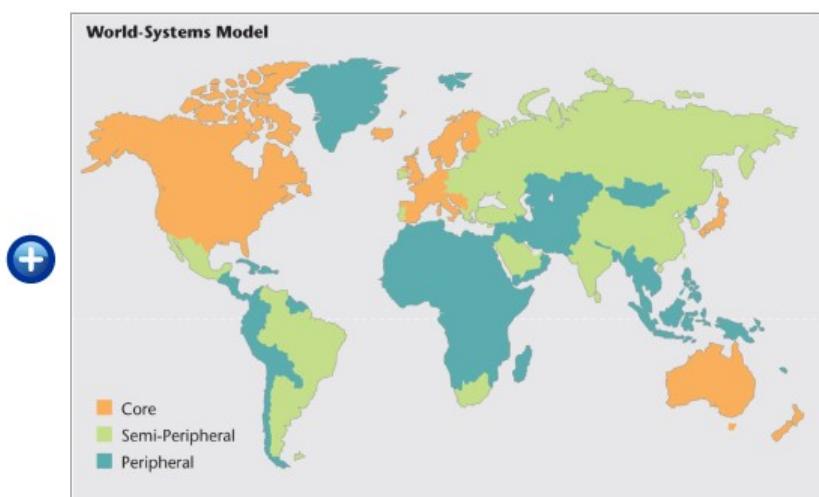


FIGURE 9-7 World-system model of core, semi-periphery, and periphery nations. What must peripheral and semi-peripheral nations do to move up in the system?

Why Canada is considered to be a core nation?

The New International Division of Labour Theory

Over the last few decades, many corporations have sought to increase their profits by "going international." Companies take advantage of advances in telecommunications and transportation to search for the cheapest locations to manufacture and assemble their goods. For example, many North American apparel retailers have relocated their labour-intensive factories to countries in Asia, where the cost of labour is substantially lower. Several companies have even modified their manufacturing processes to allow for some parts of the process to be outsourced to developing nations. The new international division of labour (NIDL) theory is the theory that commodity production can be divided and assigned to those areas of the world that provide the most profitable combination of capital and labour. This also opens up international markets for corporations. By contributing increased international trade, globalization has produced a global industrial shift toward a division of labour in which production processes are relocated from developed countries to developing countries.

This new division of labour is part of a global economy based on free trade and investment between countries. Free trade is promoted by **trade-liberalization agreements**, which are agreements between nations that remove or reduce restrictions or barriers on free trade. For example, taxes may be reduced or removed and, similarly, licensing rules and environmental regulations may be minimized. Multilateral trade agreements, such as the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA), allow the free transfer of goods and services between countries. Factories are located in Export Processing Zones (EPZs), which are regions where countries have agreed to reduce or eliminate trade barriers. In EPZs, goods may be landed, manufactured or handled, and re-exported without any intervention by custom authorities. When goods arrive in the country in which they are to be sold, they become subject to customs regulations once again. EPZs are usually located in areas with geographic advantages for free trade, such as close to borders, airports, and seaports. Governments of poor countries often create EPZs as a way of attracting foreign investment.

- ▶ trade-liberalization agreement: an agreement between countries that removes or reduces restrictions or barriers on the free exchange of goods between nations



FIGURE 9-8 An aerial view of the Haina Port in Santo Domingo, Dominican Republic. Historically, the Dominican Republic has been an exporter of sugar, coffee, and tobacco, but in recent years the service sector has overtaken agriculture as the economy's largest employer, due to growth in tourism and free trade zones.

A global economy without borders means that natural resources (for example, rubber or copper) can be extracted in one area of the world and undergo processing in another area (to produce consumer goods such as running shoes in the case of rubber, or cell phones in the case of copper). The final products, or goods, are then distributed in core markets (where they were initially designed) as well as in foreign markets. These activities make up the structure of global production, known as **global commodity chains**; a complex pattern of international labour and production processes that result in a finished commodity, ready for sale in the marketplace.

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▶ **global commodity chains:** a complex pattern of international labour and production processes that result in a finished commodity, ready for sale in the marketplace

The new international division of labour has changed the pattern of geographic specialization between countries. In theory, the introduction of foreign investment (in the form of production) would appear to be beneficial to developing countries because it creates jobs. However, in practice, the profits of foreign investment rarely stay in these countries. The majority of the profit goes to those who own the company or is used to pay expenses such as shipping and storage costs, customs duties, and sales taxes in high-income countries. Critics of the NIDL claim that there is little hope of higher wages for workers, since most of the jobs that are outsourced are unskilled and can quickly be moved to another developing country if workers begin to put pressure on the companies (Klein, 2000). In addition, labour and environmental laws often do not apply to EPZs and taxes are low to non-existent (Waters, 1995). Those who oppose the NIDL claim that these new production chains are designed for the maximum **exploitation** of labour in poor nations.

▶ **exploitation:** the mistreatment or unfair use of a person for the benefit of others

Each of these theories provides a framework that can be used to study the social phenomena of economic globalization. More specifically, sociologists use these theories to examine social behavior and the factors that cause societal change.

REFLECT AND RESPOND

1. Compare and contrast dependency theory and modernization theory.
2. What is world-system theory, and how does it view the global economy?
3. Would you be willing to drive out of your way to a specialty store to purchase a fair trade product? Explain why or why not.
4.
 - a. Explain what would need to happen in order for a peripheral nation to become a semi-peripheral nation, according to world-systems theory.
 - b. What do you think are some of the benefits to a society in a country that moves up the hierarchy?
5. Describe the new international division of labour theory and its effect on global economies.
6. What might be some disadvantages to "home" countries that assign commodity production to other areas of the world?

LABOUR LAW AND GLOBALIZATION

Although EPZs can offer benefits to the country in which they are located by creating jobs and teaching locals new skills and expertise, corporations using EPZs have come under heavy criticism from human rights groups claiming that these factories are often unacceptable and/or dangerous workplaces. Furthermore, to keep costs low and competitive, working conditions in these factories are often not optimal. One teenage worker in an apparel factory in an EPZ in the Philippines, commented "We are landless, so we have no choice but to work in the economic zone even though it is very hard and the situation here is very unfair. The recruiters said we would get a high income, but in my experience, instead of sending my parents money, I cannot maintain even my own expenses" (Klein, 2000).

Factories in which working conditions are dangerous or unfair to workers are known as **sweatshops**. A main contributor to the existence of sweatshops arises from the fact that EPZs are often not subject to the labour laws of the host country. Labour law is the body of law that defines and regulates the rights and obligations of workers, union members, and employers in the workplace. There are two main areas of focus within labour law: industrial relations and workplace health and safety. Industrial relations include labour-management relations, union certification, collective bargaining and unfair labour practices. Workplace health and safety deals primarily with employment standards (such as vacations, working hours, unjust dismissals, minimum wage, layoff procedures, and severance pay). Canada, like most Western societies, has labour laws that negotiate fair and equitable employment standards for all workers. These standards protect the rights of workers and foster positive workplace environments, which leads to greater profits for business.



sweatshops: factories in which working conditions are dangerous or unfair to workers

Open for Debate

Should international companies be forced to implement the same workplace safety standards in all their factories, regardless of where they are located? What are the implications of doing so?

In many developing nations, labour laws to protect and regulate the rights of workers are minimal, or are not enforced. Despite the fact that goods and services produced in developing countries are most often being sold to Western nations, the workplace standards do not comply with Western standards. In fact, companies with international operations are frequently accused of taking advantage of the deficient labour laws in developing countries. Studies have documented the unacceptably high incidence of child labour, forced labour, discrimination and harassment in employment.

Many developed countries are becoming more involved in negotiating international labour agreements that ensure improved workplace standards for all nations. This is especially significant as international corporations become increasingly present in overseas markets.

SKILLS FOCUS

Develop a hypothesis about the role of workers in developing nations. What kind of study could you conduct to test your hypothesis?

REFLECT AND RESPOND

1. What are the ethical implications of EPZs and how can these be resolved?
2. Use the Internet to research Canada's role in negotiating international labour agreements. Write a brief report to summarize your findings and make a recommendation about further steps that might be taken to minimize exploitation of overseas workers by multinationals.

In Focus Globalization and Trade: The Global Fashion Industry

The fashion industry is often the focus of labour law issues. Discovering that a brand of clothing was made in a sweatshop under questionable circumstances often results in bad publicity and a drop in sales. Companies often have to change a number of practices to remedy the situation. Looking at the case of Gap Inc., a well-known clothing retailer, and one of the most profitable and fastest-growing clothing retailers in the world. As of 2012, Gap Inc. had more than 134 000 employees, approximately 3100 company-operated stores and 200 franchise stores.

Much of Gap Inc.'s production takes place within the United States, including sourcing raw materials (cotton) from U.S. farmers and assembling apparel in U.S.-operated factories. However, like many transnational corporations, Gap Inc. has taken advantage of new opportunities in the international marketplace and outsources some of its production to countries overseas, which has translated into increased efficiency and profit for the company. Gap Inc. manufactures products in 3200 independent factories in 55 different countries, many of which are in the developing world (Global Eye, 2001).

In 1995, Gap Inc., along with 17 other companies, was involved in a billion-dollar class-action lawsuit by workers from a sweatshop in Saipan, a tax-free U.S. territory in the Pacific Ocean. Workers alleged that Gap Inc. had provided appalling working conditions in its factories in Saipan. Allegations surrounding working conditions included claims that women workers were housed in rat- and roach-infested barracks and forced to work 40 hours without a break. Although Gap Inc. never admitted liability, they reached a settlement of \$20 million after several years of litigation. This money went into a fund used to compensate workers and to establish an independent monitoring system to prevent future abuses.

This event marked a turning point for Gap Inc., which has since increased its understanding of the issues facing apparel factories in EPZs in recent years. In 1996, Gap Inc. wrote their first Code of Vendor Conduct (COVC) in an effort to safeguard workers' rights in the factories where Gap Inc.-branded products are manufactured. Since then, Gap Inc. has worked to ensure that these factories abide by a strict set of social and environmental criteria, and it has made some significant progress. For example, the company now has a dedicated team of Social Responsibility Specialists who monitor Gap-run factories in EPZs to ensure that they meet the COVC requirements. This involves gaining the trust of workers, understanding how a factory operates, working effectively with management to make improvements, and following up on an array of complicated details (Gap Inc., 2012).



FIGURE 9-9 Transnational companies using export processing zones come under heavy criticism for using factories that are considered sweatshops. How can EPZs be monitored to improve working conditions?

In May 2004, Gap Inc. released its first Social Responsibility Report, highlighting challenges that continue to confront apparel workers in an industry wherein "remaining competitive fuels a search for ever-cheaper production" (Global Envision, 2004). The report has earned Gap Inc. genuine, if measured, praise from several prominent anti-sweatshop organizations. Says Bruce Raynor, President of UNITE, the textiles and needle trades union: "We've had our differences with Gap in the past, and we may in the future." Raynor cites the report as a move to "create positive change for workers" (Global Envision, 2004).

QUESTIONS

1. Explain some of the reasons why workers in a developing nation might continue to work under deplorable conditions.
2. Why is it important for international corporations to safeguard factory workers' rights?

TRANSNATIONAL CORPORATIONS

A **transnational corporation (TNC)** is a corporation that has operations in two or more countries. These large corporations often have manufacturing plants in many countries and sell their goods to consumers around the world. Nike Inc., Coca-Cola, Apple Inc., and British Petroleum (BP) are a few of the largest and most recognized transnational corporations today.



transnational corporation: a business corporation that has operations in two or more countries

Transnational corporations bring increased economic activity, in the form of increased employment and additional tax revenues, to local governments in those countries where they set up operations. To attract TNCs, governments and political entities may offer incentives such as tax breaks, pledges of governmental assistance or subsidized infrastructure, or lax environmental and labour regulations.

What are some initiatives that could be put forward to counter exploitation of developing countries by transnational corporations?

The Role of Transnational Corporations in a Globalized World: A Look at Apple Inc.

Apple Inc. is a transnational corporation, founded by Steve Jobs and Steve Wozniak in 1977, that develops and manufactures consumer electronics, computer software, and commercial servers. With the successful introduction of the iPod in 2001, Apple established itself as a leader in the consumer electronics industry. By the end of 2010, the company had more than 300 retail stores in ten countries, an online store offering its products to customers around the globe, and approximately 3000 employees worldwide (Apple Inc., 2010). As of 2011, Apple was the largest technology firm in the world, with annual revenues of \$108 billion (Apple Press Info, 2012).

Like many transnational corporations, Apple has outsourced some of its manufacturing to EPZs overseas to capitalize on cheaper labour costs and reduce corporation taxes. Apple has also outsourced the production of some of its product parts to various international and national supply chain partners, primarily in Asia (Linden et al., 2007). These overseas manufacturing plants contribute to Apple's success in the global marketplace but also open up opportunities for unethical business practices. In 2011, Apple released a supplier responsibility report in which it identified unethical practices that were being carried out by some of its suppliers. In one case, a supplier had employed more than 40 underage workers—something that would be criminal if it took place in North America. In another case, suppliers in China were accused by a coalition of Chinese environmental groups of discharging waste and toxic metals into the local environment, posing a threat to public health. Because these suppliers operated as part of Apple's global manufacturing process, the unethical behaviour resulted in problems for Apple and tarnished the way it was perceived in the global marketplace (Sherman, 2010). In response, Apple issued a statement assuring customers that it is committed to ensuring that working conditions in its supply chain are safe, that workers are treated with dignity and respect, and that environmentally responsible manufacturing processes are used wherever Apple products are made (TechNewsWorld, 2009).



FIGURE 9-9 Hon Hai Precision Industry Co., Ltd. (Foxconn) is the world's largest manufacturer of electronic components and supplies many high-tech companies around the world, including Apple Inc. Employees work on the assembly line at the Foxconn plant in Shenzhen, China. Allegations of poor working conditions and several incidents of suicide have led to controversies surrounding how Foxconn manages its employees in China. What obligation does Apple Inc. have when partnering with companies that exploit workers?



How might the working conditions of employees in developing nations compare to those of Canadian employees?

Environmental Effects of Globalization

Globalization has greatly increased cross-border transportation and use of natural resources by industries. As a result, several environmental challenges have arisen, including climate change, water and air pollution, overfishing, and loss of biodiversity.

In an effort to increase global output and increase profit, industries are rapidly depleting the earth's natural resources. Whether it is damming a river for hydroelectric power, mining for minerals and metals, or drilling for oil, the effects of globalization are numerous. Corporations are often primarily concerned with cost efficiency, and not necessarily with what is most environmentally friendly. Large international corporations very rarely encounter environmental regulation in developing countries and, as a result, many of their business practices rely upon unsustainable, short-term, and ultimately destructive methods. Unfortunately, many corporations are reluctant to reconsider their business practices unless there are issues of legality or public controversy.

In recent years, there has been increasing public awareness regarding the environmental effects of globalization. As developing countries transition toward becoming developed and new markets emerge, including those of China and India, people are asking themselves how the earth's current resources will be managed to meet the demand of a growing population.



Video: *Globalization: Good or Bad?*

SOCIAL SCIENCE AND POPULAR CULTURE

Al Gore: An Inconvenient Truth

The documentary *An Inconvenient Truth* aims to call attention to the dangers society faces from climate change and suggests urgent actions that need to be taken immediately. It features former U.S. vice president Al Gore, who has become one of the most prominent public figures today speaking on the topic of climate change. In *An Inconvenient Truth*, Gore recounts how, while travelling frequently for work, he became increasingly interested in the issue of climate change. He discusses some of the effects of climate change that he has witnessed and educates viewers on the severity of the climate crisis.

The idea to document Al Gore's efforts came from Laurie David, an environmental activist, who saw his presentation at a town-hall meeting on global warming. David was so inspired by Gore's presentation that she and American producer Lawrence Bender met with film director Davis Guggenheim to discuss how to adapt the presentation into a film.

Throughout the documentary, Gore discusses how scientists view and participate in climate change, as well as the present and future effects of global warming. Gore stresses that climate change "is really not a political issue, so much as a moral one." Gore describes the consequences he believes global climate change will produce if the amount of human-generated greenhouse gas is not significantly reduced in the very near future. The documentary goes on to refute critics who say that global warming is unproven or that the effects of global warming will be insignificant. The documentary ends with Gore arguing that if appropriate actions are taken soon, the effects of global warming can be successfully reversed. Actions that can be taken to minimize the current effects of climate change include reducing carbon dioxide output and planting vegetation to take up some of the existing excess of carbon dioxide. Gore calls upon his viewers to learn how they can help him in these efforts. Gore concludes the film by saying:

"Each one of us is a cause of global warming, but each one of us can make choices to change that with the things we buy, the electricity we use, the cars we drive; we can make choices to bring our individual carbon emissions to zero. The solutions are in our hands, we just have to have the determination to make it happen" (*An Inconvenient Truth*, 2006).

Some of the scientific claims made in *An Inconvenient Truth* have come under scrutiny. More specifically, Gore's data to support the claims that global warming is real, potentially catastrophic, and caused by humans has come into question. However, Eric Steig, an earth scientist at the University of Washington in Seattle, claims that the documentary handles the science well. "I was looking for errors," he said, "but nothing much struck me as overblown or wrong" (National Geographic News, 2006).



FIGURE 9-11 How has *An Inconvenient Truth* raised public awareness of climate change?

An Inconvenient Truth emphasizes the beauty and uniqueness of our planet and is credited with raising international public awareness of climate change and re-energizing the environmental movement. Although spurring controversy, the documentary is now widely used as an educational resource in science and social science curricula in schools around the world.

QUESTION

1. How might social scientists and scientists regard documentaries such as *An Inconvenient Truth*? Explain your reasoning.
2. Why do you think *An Inconvenient Truth* may be considered by some to be too controversial to be shown in the school system?
3. Al Gore is not a scientist. Does this affect your perspective on the movie?

The Effect of Transnational Corporations on Canadian Society: A Look at General Motors

At the turn of the twentieth century there were fewer than 8000 automobiles in North America. The success of the first New York Auto Show in 1900 was a sign of the public's increasing fascination with the automobile. Over the next few years, hundreds of companies attempted to meet the demands of a growing market. One of these companies was General Motors (GM), founded by American William Durant in 1908. As the demand for automobiles grew in the 1920s, General Motors became the industry leader, setting the benchmark for production, design, and marketing innovation. In the 1960s and 1970s, GM faced new challenges as competitive pricing by foreign competition led to a reduction in automobile size across all GM vehicle lines. To address these changes, GM re-engineered its manufacturing process and brought in lighter, more aerodynamic, and more fuel-efficient automobiles. During this time, GM pioneered the use of engines that could run on low-lead gasoline or unleaded gasoline and also introduced the catalytic converter as a means of reducing fuel emissions. Soon after this, however, Germany and Japan began exporting automobiles that were smaller and more fuel-efficient compared to automobiles being manufactured by GM in the United States. As the increasing costs of fuel were driving consumers toward the most fuel-efficient automobiles, GM rushed to stay ahead.

To improve the efficiency of its operations and better compete with global automobile companies, General Motors decided to change its business model. Although GM had sold automobiles internationally since the 1920s, the company began a series of reorganizations in the 1980s and 1990s that resulted with the formation of a single North American operation. From that point onward, GM would retain its headquarters in the United States. It had, however, moved production offshore.

By the start of the new millennium, GM had built a strong presence in emerging markets, such as China and Brazil. However, in 2008, a major recession and global credit crisis drove car sales down and in June 2009, General Motors filed for bankruptcy. General Motors of Canada responded by cutting 6000 jobs from an already diminished workforce. In addition, 300 GM dealerships, or 42 percent, were shut down, greatly reducing its dealer network. Another 14 000 jobs were eventually cut as dealerships closed across the country. The cuts made by GM Canada meant that fewer cars were being manufactured in Canada and, as a result, 18 000 people working in the parts sector of the automotive industry lost their jobs. The actions taken by GM Canada had wide-reaching effects on the economy. GM Canada said it had to move “faster and deeper” on restructuring plans so it could qualify for short-term government loans (*The Toronto Star*, 2009). A new General Motors was created, with the United States Treasury, Canadian governments, and the United Auto Workers (UAW) Retiree Medical Benefit Trust as its shareholders. Globally, GM continues to grow rapidly, and more than 70 percent of its sales are generated outside the United States (see [Figure 9-12](#)). GM’s top five markets, by sales, are China, the United States, Brazil, the United Kingdom, and Germany (General Motors, 2012).



FIGURE 9-12 Crowds of visitors at the 13th Shanghai International Automobile Industry Exhibition in 2009. Why do you think automakers from across the world, such as GM, are increasing their presence in emerging markets such as China?



How has the automotive industry affected economics and unemployment in Canada? How has this had a ripple effect on other areas?

REFLECT AND RESPOND

1. Define the business practice of outsourcing, and explain how it has altered employment patterns in both developed and developing countries.
2. Explain how multinational corporations drive economic globalization.
3. Research a transnational corporation of your choosing.
 - a. What benefits does that particular TNC bring to national and local governments?
 - b. Describe the workplace standards that your researched corporation follows when employing workers from developing countries. How do the working conditions of employees in these developing nations compare to those of Canadian employees?

NON-ECONOMIC ASPECTS OF GLOBALIZATION

Economic globalization is only one aspect of globalization. Globalization also has a significant impact on world politics and culture.

Political Globalization

A nation-state is a sovereign territory that has defined borders, within which the people that make up that nation share common facets of cultural identity (e.g., race or cultural background). For example, Japan is considered one of the largest nation-states in which the people speak the same language, practise the same or similar types of religion, and share a set of national cultural values. An important feature of a nation-state is that it must be sovereign, meaning that it has its own system of law, currency, and bureaucracy under a recognized government.

▶ nation-state: a term used to describe a state or country in terms of geography, politics, and cultural identity

Globalization reduces the importance of nation states by replacing many national functions with international agreements. As a result, "world politics" are becoming increasingly more important than the politics of individual nation-states. The G8 summit, for example, is a forum for the governments of eight of the world's largest national economies to meet and discuss issues of mutual or global concern. Political globalization refers to the process in which world politics is becoming increasingly integrated, resulting in the creation of organizations that collaborate on world issues. Some proponents of globalization claim that nation-states may soon disappear due to the increased globalization of politics.

▶ political globalization: the process in which the politics of nation-states is increasingly integrated, resulting in a growing number of organizations that influence world politics

Issues such as the spread of infectious disease, financial crises, and climate change affect the well-being, security, and prosperity of all countries. Dealing with such issues calls for the joint resources and commitment of the world community through global initiatives. When countries come together to form organizations that collaborate to solve a specific global issue, it is referred to as multilateralism. The United Nations (U.N.), the World Health Organization (WHO), the World Bank, and the International Monetary Fund (IMF) are examples of multilateral organizations that have been created in response to global issues. The emergence of national and international non-governmental organizations whose aim is to work together on a given issue is an increasing trend in global politics (Moghada, 2005).

▶ multilateralism: a term used to describe multiple countries working together on a given issue



FIGURE 9-13 World leaders attend the G8 Summit 2011 in Deauville, France. Can you think of any ramifications of replacing national functions with international agreements?

United Nations

The aim of the United Nations is to maintain international peace and security, to develop friendly relations among nations, and to promote social progress, better living standards, and human rights globally. The U.N. was founded in 1945 and, as of 2012, only 3 of the world's 196 countries—Kosovo, Taiwan, and Vatican City—were not members of the U.N., either by choice or because they do not meet the U.N.'s criteria for membership.



FIGURE 9-14 What are some possible disadvantages of multilateral organizations such as the United Nations?

Although best known for peacekeeping, peace building, conflict prevention, and humanitarian assistance, there are many other ways the United Nations and its bodies (specialized agencies, funds, and programs) affect the well-being of people worldwide. The U.N. works on a broad range of issues, from sustainable development and environment protection to promoting human rights. The U.N. also promotes economic and social development, international health, expanding food production, and other initiatives to achieve its goals and coordinate efforts for a safer world for present and future generations (United Nations, 2012).



How might the United Nations be useful in minimizing human rights violations that arise due to globalization?

World Health Organization

The World Health Organization is responsible for international public health and works for the betterment of health worldwide. An agency of the United Nations, the WHO was established in 1945 when the U.N. was formed. The WHO carries out its responsibilities in a variety of areas in an effort to provide the highest possible level of health for people worldwide. This includes shaping the health research agenda and stimulating the generation, translation, and dissemination of important health-related knowledge; monitoring the health situation; and assessing health trends (World Health Organization, 2012). In addition, WHO monitors international efforts to control outbreaks of infectious disease, such as SARS and HIV/AIDS, and also sponsors programs to prevent and treat such diseases. WHO supports the development and distribution of safe and effective vaccines, pharmaceutical diagnostics, and drugs. These are all important steps toward ensuring the betterment of health for people globally.



FIGURE 9-15 A World Health Organization representative administers treatment to prevent disease. Why do you think there was a need to set up a global health organization?

World Bank

Established in 1944 in response to rising world poverty rates, the World Bank is an international financial institution whose goal is to eliminate world poverty by supporting capital development. Its primary activities include promoting foreign investment and international trade in developing countries and lending money and/or interest-free credit to underdeveloped countries for programs that will develop capital. Underdeveloped countries can use money provided by the World Bank to support a wide array of investments in areas such as education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management.

The World Bank also offers support to developing countries through policy advice, research and analysis, and technical assistance. In addition, it supports capacity development, the process through which countries obtain, strengthen, and maintain the capabilities to set and achieve their own development objectives over time. The World Bank has become known in world politics as a vital source of financial and technical assistance for developing countries worldwide. As of 2012, the World Bank had 187 member countries.

International Monetary Fund

The primary goal of the International Monetary Fund is to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world (International Monetary Fund, 2012). The IMF was founded in 1944 and had 187 member countries as of 2012.

When a country joins the IMF, it agrees to have its currency exchange rate policies and currency exchange arrangements supervised by the organization. In doing so, member states hope to avoid the sudden and large fluctuations in currency values that occurred, for example, during the Great Depression. IMF tracks global economic trends and performance, alerts member countries when problems arise, provides a forum for policy dialogue, and offers policy advice and financing (loans) to members experiencing economic difficulties. It also works with developing nations to offer technical assistance and training to help them better manage their economy and reduce poverty.



Explain the importance of multilateral debt relief to the reduction of global poverty.

REFLECT AND RESPOND

1. Identify and describe two advantages and two disadvantages of political globalization.
2. The United Nations has been criticized in the past for attempting to create a "one world government." Explain the significance of this, and why it is considered to be a negative aspect.
3. Many of the projects undertaken by the WHO have generated controversy. Conduct online research into one of these controversies and present your findings to the class in a medium of your choosing. In your presentation, include an explanation of why the issue was controversial, as well as your own opinion on the issue.
4. How might the World Bank be disadvantageous to developing countries?
5. What are some challenges faced by multilateral organizations in regards to globalization?
6. Discuss Canada's position on global issues and its involvement in multilateral organizations.

GLOBALIZATION AND HUMAN RIGHTS

The U.N. General Assembly adopted the Universal Declaration of Human Rights on December 10, 1948, as a result of the atrocities experienced during the Second World War. With the end of that war, and the creation of the United Nations, the international community vowed never again to allow atrocities like those of that conflict again. World leaders decided to complement the U.N. Charter with a document that would guarantee the rights of every individual, everywhere. The document they created would later become the Universal Declaration of Human rights. Articles of the Universal Declaration of Human Rights state:

- all human beings are born free and equal in dignity and rights;
- everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status;
- no one shall be held in slavery or servitude;
- slavery and the slave trade shall be prohibited in all their forms;
- and no one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

VOICES

It has been said that arguing against globalization is like arguing against the laws of gravity...but that does not mean we should accept a law that allows only heavyweights to survive.

—Kofi Annan

Unfortunately, the Universal Declaration of Human Rights is not always adhered to.

The effect of globalization on human rights has been controversial. In theory, globalization should result in one global village, where there is a free flow of capital, goods, and ideas. It would follow, then, that as the global community becomes more prosperous, people around the world would benefit from Western society's efforts to guarantee human rights for all. However, individuals in developing nations are often exploited and experience human rights violations due to the effects of globalization, which is dominated by powerful multinational companies whose goal is to sell goods and services in a global market for profit.

The case study on pages 302 to 303 examines exploitation as it relates to human trafficking—the illegal trade of human beings for slavery or forced labour. Sex trafficking refers specifically to situations in which women and female children are sexually exploited. With the increase of globalization, sex trafficking has become a sophisticated global business governed by global supply and demand.



How is sex trafficking an exploitation of globalization?

Landmark Case Study

Siddharth Kara: Sex Trafficking Inside the Business of Modern Slavery

Siddharth Kara was born in Knoxville, Tennessee, and grew up in Memphis, Tennessee, where he attended private school, and Mumbai, India, where he spent his summers. Kara received a Bachelor of Arts in English and philosophy from Duke University, an MBA, and a law degree. While an undergraduate student, Kara co-founded the Duke Refugee Action Project helping students to volunteer in refugee camps in Bosnia. There, he heard accounts of Serbian soldiers who raided Bosnian villages, killing the men and selling all the women and female children to brothels throughout the region as sex slaves. This experience proved to be a pivotal point in his life. Kara realized: "All these things are happening, but I see very little real, good analysis. Maybe there's a way...to apply my background in a form that would be more useful..." (TED Blog, 2010).

In an effort to understand what was going on, Kara started a campaign of self-funded research to investigate these vicious crimes. As he conducted his research, he learned about the business of sex trafficking and he met numerous people working at NGOs, who proved invaluable to him. With their help, he gained knowledge and access to areas he wouldn't have had otherwise. During his travels, he witnessed first-hand the sale of human beings into slavery, interviewed over one thousand former and current slaves, and confronted some of the individuals who trafficked and exploited them.

Below is a narrative recounting the story of a young girl whom Kara interviewed at a shelter in the Albanian seaside town of Vlora:

I was walking to my aunt's house for ironing work when I was kidnapped by three men. They closed my eyes, gagged my mouth, and threw me in their car. They said if I tried to escape, they will kill me. They drove one full day to Gjirokastra and we went to a hotel. One man stayed in the hotel with me. He raped me for two weeks. After two weeks, we went to Greece in a taxi. He paid money at the border and the guards let us through. From a village in Greece, we took a bus to Corinth. In Corinth, this man took me to a bar where I saw women in sex work. I tried to protest, but the men in the bar took me to the bathroom and raped me, one after the other, until I went unconscious. I worked in that bar for four months. Most of the men were very cruel. They shouted at me and would beat me if I did not please them. Whatever they wanted to do, I could not say no or the pimp would torture me. If I was sick or bleeding or in too much pain, I still had to work. I hated this work. I thought, "God cannot keep me here forever. One day I will be free."

(Excerpt from: *Sex Trafficking: Inside the Business of Modern Slavery*)



FIGURE 9-16 Siddharth Kara interviewing bonded labourers in northern India. How do you think Kara prepared for this interview?

Rather than simply raising awareness of sex trafficking, Kara has taken a different approach to this issue—one based on a business and economic analysis of the global sex trafficking industry. He has determined that the crime of sex trafficking consists of two components: slave trading and slavery. Slave trading is the acquisition, transport, and sale of a person; the supply side of the industry. Slavery is the coerced sexual exploitation of the individual; the demand side of the industry (Carnegie Council, 2009). Combined, these two criminal acts create a sophisticated business that has retailers, wholesalers, distributors, and consumers. The forces of supply and demand govern sex trafficking. Kara believes that understanding sex trafficking as a business will help in designing effective tactics to abolish these crimes. The key thesis that emerged from Kara's analysis was the enormity and pervasiveness of the global sex trafficking industry. The rapid growth of this illegal business over the last 20 years is driven by its ability to generate immense profit at almost no real risk. According to Kara, a criminal can generate tens, if not hundreds, of thousands of dollars per slave, per year.



Video: *Top Ten Facts About the "S" Word*

What are the penalties? Slavery is not legal anywhere in the world. However, many countries have no economic penalty stipulated in the law, or lack severe penalties for such crimes. Some countries have a very large economic penalty, but often don't prosecute and convict people charged with these crimes. If a person is prosecuted and convicted, jail times are often relatively short (TED Blog, 2010).

Kara identified seven tactics that reduce the demand, elevate risk, and shorten the duration of enslavement.

1. Create an international slavery and trafficking inspection force. Kara feels that a systematized, fully funded inspection force will not be susceptible to bribes, as are some local police.
2. Create a system of trained vigilance committees that consist of members of the community—taxi drivers, business owners, concerned citizens—who are the front-line eyes and ears of this new brand of global abolitionist movement and are trained to know the signs of potential slavery, then report back to either local police or the trafficking inspection force.
3. Hold targeted, proactive raids on establishments where there is a suspicion of slave-like exploitation and, this is important, with protections in place to minimize the adverse effects on the individuals, slaves or otherwise, who might be in those establishments.
4. Increase funding for salaries to other anti-trafficking police, border patrol, prosecutors, and judges, particularly in developing nations. According to Kara, in many of the countries he has travelled to, the average senior prosecutor makes \$150 a month; the average judge makes \$150 or \$200 a month. If an exploiter is making anywhere from \$10,000 to \$40,000 per slave, it doesn't cost much to offer a bribe equal to that judge's annual salary.
5. Establish special fast-track courts to prosecute these crimes, including international observers and judicial review to minimize corruption.

6. Fully fund witness protection for the people who have been enslaved for the duration of a trial and up to 12 months afterwards to allow them to pursue a vocation, training, or an education, so they don't end up being re-trafficked.
7. Increase the financial penalties associated with sex-slave crimes. (Carnegie Council, 2009)

Kara's research findings and his outspokenness about the research he is doing captured the interest of people, politicians, and lawmakers. He received an offer from Columbia Press to publish his research findings, and in 2009 he published *Sex Trafficking: Inside the Business of Modern Slavery*. This book is the first to discuss sex trafficking as a global issue. In the book, he calls for a new brand of global abolitionist movement predicated on a more unified targeted, overwhelming response from governments, international organizations, and individual citizens alike.

QUESTIONS

1. Explain how Siddharth Kara set about conducting his analysis on the subject of sex trafficking. What was different about his approach?
2. What can people in developed countries, such as Canada, do to help combat sex trafficking?
3. Reflecting on the economic globalization theories examined earlier in the chapter, explain how some of these theories can be adapted to represent the economic industry of sex trafficking.

Cultural Globalization

Cultural globalization relates to the way in which the world's increasing interconnectedness leads to a "shared" global culture—common values, ideas, and ways of life among individuals from across the globe. There are many factors that contribute to cultural globalization. Advancements in air travel are an example of factors that contribute to cultural globalization. People today are travelling more frequently and more widely than ever before; therefore, they are being exposed to different cultures, values, and ideas. Television is another factor that contributes to cultural globalization: a television show broadcast in North America might also be broadcast to a family in rural China. There are numerous examples of how cultural interaction and exchange have been made easier by globalization.



cultural globalization: the rapid spread of ideas, attitudes, and values across national borders

VOICES

I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all lands to be blown about my house as freely as possible. But, I refuse to be blown off my feet by any.

—Mahatma Gandhi

In the 1960s, Canadian professor Marshall McLuhan popularized the term "global village" to describe the effects that the ability to connect and exchange ideas instantaneously would have on the world. He foresaw the world as a single community, connected by its telecommunications network. Mass media and communication technologies are the primary instruments for cultural globalization.

For many people, this new diversity is exciting, but for some it is worrying and disheartening. Critics of cultural globalization fear that individual countries are becoming fragmented, their values lost as growing numbers of immigrants introduce new customs and international trade increases and modern communications media invade every corner of the world, displacing local culture (Human Development Report, 2004). Some even see cultural globalization as generating **cultural homogenization**—the blending of different cultural practices into one uniform cultural practice. An example of cultural homogenization can be seen in the increasing number of transnational corporations operating in overseas markets. Large international corporations are able to bring cheap goods to markets globally and are displacing local retailers as a result. In Canada, for example, stores such as Eaton's have been replaced by large international corporations. Some people argue that the cost of globalization and cultural homogenization is that individuals are reduced to potential consumers and cultural differences are discounted. In this sense, cultural homogenization as a form of cultural repression.

► **cultural homogenization:** the blending of different cultural practices into one uniform cultural practice

SKILLS FOCUS

Articles in newspapers reach a wide audience and can cause public debate. Read the How-To on page 307 and prepare a letter to the editor of your local newspaper about the effects of cultural homogenization on Canada's individual cultures. Start with the most important information and work down to the individual supporting details.

? What effects do mass media and communication technologies have on the world? On Canada? Do you feel that Canada is losing its ideas, attitudes, and values as immigrants introduce new customs and international trade increases? Explain.

Americanization

One of the most controversial aspects of globalization is the worldwide spread and dominance of Western, or "American," culture. American culture has penetrated every continent, largely as a result of advances in mass communication. In today's society, music, television, film, and the Internet allow the global spread of ideas and values—most of which are Western, or American. In addition, American-owned transnational companies dominate the marketplace in both developed and developing countries. The global influence of American products, businesses, practices, and culture upon other countries around the world is referred to as **Americanization**. Many people fear that Americanization will ultimately result in the end of cultural diversity.

► **Americanization:** the prevalent global influence of American products, businesses, practices, and culture upon other countries in the world

? Are you opposed to the spread of American culture? Explain.

Popular Culture

Popular culture is manifested through movies, music, television shows, newspapers, satellite broadcasts, fast food, clothing, as well as other entertainment and consumer goods (Globalization101, 2012). The American film and television industry dominates most of the world's media markets and is the chief medium by which American music, brands, and restaurants are promoted. Not only is popular culture entertainment, it also promotes the sale of goods for export.

American television shows and movies are broadcast throughout the world. As a result, teenagers from around the globe become aware of these rituals and may begin to adopt them in their own lives. According to former Canadian prime minister Kim Campbell, "Images of America are so pervasive in this global village that it is almost as if instead of the world immigrating to America, America has emigrated to the world, allowing people to aspire to be Americans even in distant countries" (Globalization101, 1998).

The dominance of the American film industry in Europe has been rapidly growing. In 1987, films from the United States held an imposing 56 percent of the European market, and less than a decade later, that share had reached 90 percent. European nations, feeling threatened by the foreign imports, raised concerns. Not only were they concerned about their own domestic entertainment industries from an economic standpoint, they were also concerned about the effect it would have on local culture.

? Describe one current popular show that portrays American individuals and deals with typical American issues.



ONLINE USA "Friends" in London. Clockwise from top left: Matt LeBlanc, David Schwimmer, Jennifer Aniston, Lisa Kudrow, Courtney Cox and Matthew Perry. © NBC, Inc.
ONLINE USA INC. P.O. Box 75, Beverly Hills, Ca. 90213. Phone 310 587 8825. Fax 310 587 8827

FIGURE 9-17 The American sitcom *Friends* is syndicated worldwide. Cast member Jennifer Aniston's hairstyle was nicknamed "The Rachel," and was copied around the world. How have you been impacted by Americanization?

The Influence of American Corporations on Local Cultures

The global spread of American corporations has various consequences on local cultures; some are visible, others are less obvious. For example, the influence of American companies on cultural identity in other countries can be seen with regard to food, which is significant on two levels. First, food itself is an integral aspect of the culture in many countries. Second, restaurants influence the **mores**, customs, and manners of a social group or culture and the habits of societies. France, for example, has unique cuisine that reflects its culture, such as crepes and pastries. As more American food restaurants open up in Europe and become popular, restaurants serving local cuisine become threatened.

► **mores:** customs and manners of a social group or culture; often serve as moral guidelines for acceptable behaviour but are not necessarily religious or ethical



FIGURE 9-18 A French café. Is France's café culture in danger of dying out?

The influx of American restaurants in overseas markets not only affects eating habits, it also influences the traditions and mores in countries where they are located (Globalization101, 2012). For example, Starbucks has caused cultural concerns in Italy because of the cultural association that Italians make between coffee and leisurely sidewalk cafés. In Italian culture, coffee is more than a drink; it is part of an Italian lifestyle. In the United States it is common for people to buy take-out coffee for drinking at home or the office, whereas in Italy people often prefer to relax at outside cafés and chat with peers while drinking coffee. Coffee is a social tool that is part of Italian culture and lifestyle, and not just an item for sale, as it is in North America. Local coffee shops offer a personal, friendly atmosphere that many Italians believe a large chain could not provide.



Reflecting on your cultural knowledge, what are some Canadian mores that are affected by the influence of the United States? How have various cultures influenced Canadian living?

REFLECT AND RESPOND

1. Explain why cultural globalization is a major aspect of globalization.
2. What effects do mass media and communication technologies have on the world? On Canada?
3. Explain how globalization leads to cultural homogenization. What is the value in preserving independent cultures?
4. What steps could you as an individual take in your lifetime to ensure that the effects of globalization are positive? How likely are you to do these things? Explain.
5. Explain why the effect of globalization on human rights is a controversial issue.
6. Give some examples of ways in which exploitation resulting from globalization can be minimized.

POINT/COUNTERPOINT

Do the Benefits of Globalization Outweigh the Disadvantages?

Globalization is a term that has become synonymous with the spread and connectedness of production, communication, and technologies across the world. It is either applauded or criticized and is debated quite readily. Is globalization advantageous?

Yes	No
<ul style="list-style-type: none">A worldwide market for companies and for customer provides better access to products from different countries.Increased liquidity of capital allows investors in developed nations to invest in developing nations.Corporations have greater flexibility to operate across borders.Global mass media in a globalized world promotes the sharing of vital information among individuals and corporations around the world. There is greater ease and speed of transportation for goods and people.Nation-states are more interdependent.There is increased environmental protection in developed nations.	<ul style="list-style-type: none">There is increased flow of skilled and non-skilled jobs from developed to developing nations as corporations seek out the cheapest labour.There is increased likelihood that economic disruptions in one nation will affect all nations.Corporate influence of nation-states exceeds that of civil society's organizations and average citizens.Control of world media by a handful of corporations threatens to limit cultural expression.
	<ul style="list-style-type: none">Globalization brings a greater risk of diseases being transported unintentionally between nationsGlobalization spreads a Western lifestyle and attitude that sees consumption as the path to prosperity.There is decreased environmental integrity, as polluting corporations take advantage of weak regulatory rules in developing countries.

QUESTIONS

1. Debate the advantages and disadvantages of globalization. Which side are you on? Explain why you chose that particular side.
2. Are there other advantages and disadvantage of globalization? What are they?

HOW-TO:

Write an Editorial or Article

The style and format of a newspaper article is distinct from a scholarly article in a peer-reviewed professional journal. For example, the research plan elements are not directly stipulated. In the case of a newspaper article, you must grab the reader's attention right away in order to ensure that they continue reading.

Steps

Use the inverted pyramid style to create your article. The "inverted pyramid" style is the practice of placing the most important, or newsworthy, information first. Next, follows the important details, followed by background and other general information. In this way, the article begins by describing the most significant information and works its way down to describing the individual supporting details. Generally, you want to keep sentences plain, simple and short. Here are a few additional tips for writing an effective newspaper article:

- use straightforward vocabulary
- avoid jargon and acronyms
- use active verbs (e.g. "research shows", rather than "it was shown by research that")
- choose words sparingly
- where possible, use quotations to bring life, examples and credit to the story

CHAPTER 9 REVIEW

KNOWLEDGE AND UNDERSTANDING/THINKING

1. To what extent does globalization shape your identity?
2. List three ways that globalization has influenced your life in the last few days. For example, consider the products you use, television programs you watch, and the foods you eat.
3. What are the main explanations of (a) modernization theory, (b) dependency theory, (c) world-system theory, and (d) the new international division of labour theory? Explain which of these models you think best explains the globalized world.
4. Does globalization contribute to sustainable prosperity for all people?
5. How does globalization affect political, economic, and cultural aspects of people's lives?
6. List the mass media and communication technologies you use on a daily basis. How do they contribute to cultural globalization?

THINKING/COMMUNICATION

7. Give one example of a way in which a technological development has led to increased global inequality. Is this inequality reversible?
8. How is globalization affecting the lives of people living in developing countries? Do you have a responsibility for the changes to these people's lives? What about Canada, or the United States, as industrialized nations?
9. Workplace health and safety standards are often posted in the workplace. What are the benefits of having them posted in the open?
10. If you were given the opportunity to attend a G8 summit, what current issues would you want addressed? Explain your reasoning.
11. Imagine you are a student ambassador for one of the multilateral organizations discussed in this chapter (e.g., U.N., WHO, The World Bank, or IMF). What message would you deliver to young people today in order to promote awareness of the world's political situation?
12. Create a poster for distribution around your school that speaks to the harmful effects of environmental exploitation. What can you do to alleviate your carbon footprint?
13. Create a role play in which students discuss "life in the global village."
14. Organize a class debate on the following statement: "Globalization is inevitable and beneficial." Whatever side of the debate you are on, be sure to include social science evidence to support your position.

COMMUNICATION/APPLICATION

15. Using the theories discussed in this chapter, devise a plan to alleviate poverty. Assume that you have the necessary means, including wealth, political power, and natural resources. Share your plan with others in your class and create a consolidated plan that represents the best ideas and suggestions presented.
16. Research a developing nation and discuss why individuals of that nation might be experiencing human rights violations and/or exploitation. What action can you take that would aid in the minimization/halting of the exploitation and violation of human rights?
17. Research four transnational corporations and their North American and overseas operations.
 - a. Which corporation offers the best workplace healthy and safety standards in their North American operations?
 - b. Which corporation offers the best workplace healthy and safety standards in their overseas operations?
 - c. Why might a corporation's standards be different depending on whether they are situated in a developing or developed nation?
 - d. What can be done to raise the standards of these corporations?
18. Every two years, the Drugs and Crime office publishes a report that describes global trends in the proliferation, manufacture, export, and use of illicit drugs. In recent years, Canada has received negative attention from the United Nations' Office on Drugs and Crime. Conduct online research to find out what Canada's role has been in the global black market of illicit drugs. Present your findings in the form of a newspaper editorial and include your own suggestions for what action should be taken by the Canadian government in the future.
19. The illegal drug trade continues to thrive in countries troubled by war and oppression. Farmers who can no longer grow legal crops for profit have turned to growing illegal crops to make a living. One way to combat this is to promote and develop legal business opportunities for workers in countries affected by drug trafficking. For example, non-profit organizations often host projects aimed at reviving the traditions, arts, crafts, skilled trades, and architecture of local communities. Conduct online research to find out what Canada's role is in developing business in countries affected by the illegal drug trade. Describe what is being done to provide lawful opportunities for business development for local workers in these countries.
20. American television is broadcast globally and focuses on American individuals and issues. Write a script for a Canadian television show that portrays and deals with what you consider to be "real" Canadian individuals and issues.
21. Create a pamphlet or poster to promote and raise awareness in your school of the issue of sweatshops. Your poster should illustrate working conditions. Suggest practical steps that young people can take to tackle the problem.

CHAPTER 10

Growing Global Social Trends and Challenges

With increased globalization, local issues become global issues. Where is Canada's place within this world of nations? Currently, nations compete to produce goods, and exploitation both of individuals and nations is part of the cycle of product creation. Education becomes even more important because of its role in a knowledge-based society and the power it provides to people who possess it. Lacking education leads to poverty and difficulty securing work. Deviant behaviour may flourish in societies where consumption is highly valued.

CHAPTER EXPECTATIONS

By the end of this chapter, you will:

- examine theories and schools of thought of social change relating to the self, society, and culture
- demonstrate an understanding of the conditions for social change and assess their importance as tools for studying social trends
- identify population trends and demographic changes in Canada and worldwide and how they impact immigration to Canada
- identify ethical issues related to exploitation, including those surrounding human trafficking, the drug trade, and human rights violations
- compare statistics on literacy rates and explain the impact of literacy rates on standards of living
- synthesize findings, formulate conclusions, and create a final product

KEY TERMS

fertility rate
gross domestic product
income quartile
materially based social groups
Panopticon



Interactive: *Factors Relating to Poverty*



FIGURE 10-1 The products we buy come from all around the world. How has globalization affected social issues around the world?

KEY THEORISTS

Jeremy Bentham

Michel Foucault

Adam Smith

Immanuel Wallerstein

LANDMARK CASE STUDY

Adam Smith: *The Wealth of Nations*

Spotlight On ...

The 100-Mile Diet

The world is living in an ecological deficit. Worldwide demand for resources exceeds the current supply or regenerative capacity of the Earth. People around the world are working to reduce the amount of waste produced and the type of goods consumed. One movement is the 100-mile challenge in which a person can only consume the foods grown within 100 miles of his or her home. Switching to locally grown food creates a more sustainable model and helps make Canada less reliant on other countries for its food supply. Local food is often healthier, too, since it is less processed.

Take, for example, grocery store produce, a commodity that can be grown locally and imported. Most grocery stores carry food delivered from around the world. Many of these foods can be grown locally, but are instead purchased from large companies that can ensure consistent product shipments for stores. Large corporations are able to get produce from producers all over the world, with longer growing seasons and in different climatic regions. Local producers may not be able to keep up with the volume needed to supply a large grocery store, so they are not considered reliable suppliers. Purchasing food that has been grown locally benefits the local economy and reduces the carbon footprint. A carbon footprint is the total amount of greenhouse gases produced to directly and indirectly support human activities, and it is usually expressed in equivalent tons of carbon. Another ecological benefit of locally grown produce is that Canadian winters kill common insects and diseases that affect plants and allow the ground to rest. Significantly less pesticide (by volume), and less powerful ones, are needed to grow such crops, reducing their impact on the environment by lessening groundwater contamination.

However, there are some positive benefits to importing food. Canadian consumers have greater access to food products, such as coffee and olive oil, that they would not otherwise be able to consume. Canadians also have more choice in their diet. Local foods have to be consumed in season, which can limit food choices, particularly in the winter. Importing food also increases competition, lowering the price of food, and making it more affordable for those with a limited income.



FIGURE 10-2 Where are locally grown foods available within 100 miles of you?

There are also different environmental concerns to weigh. Some feel pesticides and chemicals have a greater impact on the environment and that it is better to import food that has been grown organically than to buy local food that may be using pesticides. Others look at the wages paid to the farmers and conclude that fair trade, and making sure that those who work to produce the food are paid a fair wage, is a more important consideration than where the food comes from.

The 100-mile diet continues to be a trend. In 2009, Alisa Smith and J.B. MacKinnon, co-authors of the book *The 100-Mile Diet*, enlisted six families from Mission, British Columbia, located overlooking the Fraser River, to take the 100-mile challenge for 100 days to promote healthy eating, support of local businesses, and a "green" lifestyle. Some of the most fertile land in Canada is located in the Fraser Valley, yet much of the food these families ate was shipped in from elsewhere.

After becoming accustomed to the diet, the participants found there were a lot of food choices available to them. Blogging allowed residents to share their experiences and knowledge. Switching from one-stop grocery stores to local co-ops and markets was a welcome change for many participants. The greatest barriers were not knowing where to access the locally grown food or how to prepare it and how to substitute locally grown food for non-local foods.

SKILLS PRACTICE

When results have been collected from research, they must be organized and presented in relation to the research question. In writing about the results, it is important to place them in the context of current research, which is presented in the review of literature.

Summarizing Results

Summarizing results is a necessary skill because it allows readers who are less familiar with the research to see the practical application of the results in a familiar context. Interpreting statistical results helps the casual reader understand the significance of the research findings. Readers trying to quickly find the results of a research study read this section to learn about the findings without having to read the entire report. Results from the research are compared to existing findings to support or refute the findings.

Here is an example of a summary of research results:

Johnson and Johnson (2010) found that an increase in income of \$10 000 decreases the chance of marginalization of a person by 8 percent. In this study, Canadian teens were found to be marginalized, but income was not a significant factor.

1. Find a research study online related to global food production. Record the research question.
 - a. Using the same study, write a one-paragraph summary of the findings.
 - b. Next, summarize the results of the study in a visual format.
2. What are the advantages and disadvantages of a written summary compared to a visual one?

Comparing Results

Comparing the results of a study with those of other studies is important because it helps to support or refute the findings. For example, if other studies show the same results, this affirms the study's findings and shows a trend.

3. Find one or two other research studies online related to global food production. Record the research question for each, and summarize the findings of each in a paragraph.
4. How do the findings of these studies relate to those of the first study you looked at? Write a paragraph that compares and contrasts the results.

UNDERSTANDING GLOBAL INTERACTIONS

When examining interactions on a macro scale, it is important to understand how larger structures influence a person's immediate surroundings. In the global market, geography becomes less of an impeding factor, and corporate forces may play a larger role in shaping human interactions. To be successful on a global scale, people need the necessary tools to facilitate change, such as literacy. Canada also needs to be focused on national as well as foreign policy to compete in the global marketplace and be able to effectively help people around the world who need assistance.

World-System Theory and Exploitation

As you read about in Chapter 9, Wallerstein's world-system theory is a macro theory that examines the world economy as a capitalist system, and its impact on global social systems. Wallerstein followed some of the sociological ideas of Karl Marx, such as the idea that social conflict occurs among **materially based social groups** and the certainty of competitive class struggles. The world system is characterized by fundamental differences in wealth and power among nations. According to Wallerstein's world-system theory, poorer exploited countries become dependent on the richer countries' investment capital, technology, expertise, and manufactured goods.

▶ **materially based social group:** a group that follows and adheres to the idea of material consumption and collection of goods as a key component to most interactions

Landmark Case Study

Adam Smith: The Wealth of Nations

In 1776, Adam Smith (1723–1790) was concerned with the accumulation and organization of wealth in countries and how those factors changed over time. Many people classify Smith as the first theorist of capitalism. Smith believed that, provided there is a stable system of commerce and evaluation of goods, humans will respond to the incentive to earn more wealth, which requires having specialized skills. Smith's macro view tried to explain how countries became powerful in relation to other countries. According to Smith, capitalism, consumption, production, and labour play important roles in defining what a nation values and how it functions. Many working groups supporting a similar production goal both creates a reputation and instills in people a work ethic that benefits the country. Working people consume goods as well as produce them. According to Smith, when goods are traded, the item being traded is seen as being less valuable than the item received, and the sign of a healthy economy is that the value of exports exceeds the value of imports. Consumption drives an economy in which work is its support mechanism.

In Smith's view, the annual labour of a nation is the fund that supplies the nation with the necessities of life and the conveniences it consumes, such as cars, telephones, and food. Smith differs from Marx in the concept of accumulation of goods. To Smith, wealth is the annual flow of goods and services, not an accumulation of goods as Marx sees it. He also emphasized the idea that exports are necessary to pay for imports to local markets (Scarlett, 2009). Money must be generated from external sources to fuel the economy to ensure that buying and consuming continues. Smith saw labour as the source of wealth for a nation, and that wealth can be understood through production (Scarlett, 2009). Exporting goods brings money into the country to support national businesses, which in turn keeps the nation working and consuming. Prosperity is the result.



FIGURE 10-3 Adam Smith developed his theory over 200 years ago. How does it apply to today's global market?

Like Marx, Smith believed that capitalism hinged upon the belief that a division of labour was necessary to make production more efficient. Increased efficiency leads to lower prices, allowing the nation to compete more efficiently in a world market (Kibel, 2011). Extending markets and further increasing production leads to new ways of producing, resulting in lower prices (Kibel, 2011). Competition and growth secures the "wealth of nations."

There are two factors that create a wealthy nation. First, the nation must have productive labour and, second, the labourers must be usefully employed. Productive labour refers to the efficiencies associated with the division of labour. Efficiencies refer to the specialization of labour processes and simplification of the labour process itself. Working on an assembly line manufacturing a specific component for a car is an example of performing a specialized task in a simplified process.

The disadvantage of division of labour to the population is that labour tasks become monotonous, and labourers become dehumanized through the boring, repetitive tasks they perform (Scarlett, 2009). Workers are denied the ability to be creative and take ownership of the production process because their jobs are so specific and do not allow the worker to have any input in the final product. Each workstation performs its job and nothing more, turning workers into living machines.

Through hard work and efficient planning, a country can be successful if its workers contribute to the production of goods. Smith understood the importance of this model in the world market: countries following this model put themselves in the core because of their advanced methods of production and because they can import goods and transform them into more expensive products for sale on the world market.

QUESTIONS

1. Using the example of a manager and line cook at a fast-food restaurant, explain how you think the division of labour creates a more efficient production process.
2. Compare Karl Marx's idea of the division of labour and Adam Smith's understanding of the division of labour. What are the similarities and differences between the two theories?

For Wallerstein, the differences in power exist between core and periphery nations. In this system, commodities are assigned a value based on their demand and availability. The world-system theory highlights the exploitation between the core nations and the periphery nations. The periphery is forced to sell its products at a low price to the core, where the products are processed and sold back to the periphery at a much higher price. A social gap is created and maintained between the rich core and the poor periphery, since goods produced to improve quality of life are inaccessible to the periphery because of their price. The poorer countries are also highly indebted to the richer countries because of foreign aid, loans, and trade deficits. In Wallerstein's model, this exploitation happens on a global scale.

More to Know

You read about Wallerstein's world-system theory in Chapter 9.

VOICES

A man grows rich by employing a multitude of manufacturers: he grows poor by maintaining a multitude of menial servants.

—Adam Smith (1776)

Keeping this system working requires a hierarchy of exploitation and unequal exchange. Consider the following example of how coffee grown in Ethiopia makes its way to a North American grocery store:

- Beans are grown in Ethiopia and sold to coffee distributors in Mexico. The price the Ethiopian grower receives is low. The Ethiopians represent the periphery, which is the most exploited group.
- The distributors in Mexico represent the semi-periphery. They sell the coffee beans to a larger coffee company in North America, which represents the core. The Mexican distributor exploits the periphery but is also being exploited by the core.
- The North American coffee company uses its technology and specialized processes to create the final product. The final product will then be sold in grocery stores in the North American market and around the world at a significantly higher price than the cost of producing the beans on the farm.

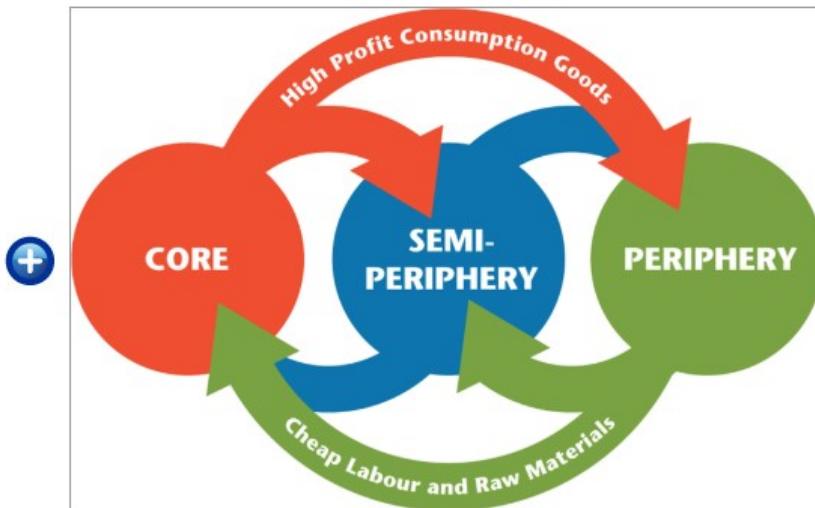


FIGURE 10-4 According to Wallerstein's world-system theory, how can the periphery stop being exploited by the semi-periphery and the core?

As long as the periphery, the semi-periphery, and the core act in accordance with this model, the world-system model will work. However, if the natural resources become unavailable, the entire system falls apart. Without a supply of coffee beans to purchase, the distributors and coffee companies will not be able to produce a product. Exploitation cannot occur without a resource (e.g., coffee) to exploit.

Wallerstein and Marx would agree that the system, at this point, would need to evolve into a more sustainable one based on equality and the sharing of wealth, not the accumulation of capital. Sharing resources would ensure that countries that have the natural resources can benefit fairly from their production. Countries in the periphery would benefit from the technology used to process the products, which could be sold in local markets. Exploitation would not exist because resources would be fairly distributed.

? If the world-system theory depends on exploitation, what happens to the world system when one of the exploited groups refuses to supply their resource or product?

VOICES

In general, in a deep conflict, the eyes of the downtrodden are more acute about the reality of the present. For it is in their interest to perceive correctly in order to expose the hypocrisies of the rulers. They have less interest in ideological deflection.

—Wallerstein

Canada's Role as a Global Citizen

Global interactions are not just economic; they are often charitable. Canada is a fortunate nation in that we are in a position to help our global neighbours when disasters strike. This assistance may be in the form of volunteers, food, or other supplies. In 2004, the Canadian government donated \$425 million to relief efforts after the Indian Ocean tsunami. This money went toward rebuilding permanent housing for families, supporting vocational programs and business training, and strengthening local non-governmental organizations and local government agencies. The focus of this aid was on building a strong societal foundation upon which the society could rebuild.

In 2010, Haiti was devastated by a huge 7.0 magnitude earthquake. Canadians donated \$220 million to charitable organizations in support of Haiti's recovery. This amount was matched dollar-for-dollar by the Canadian government (Foreign Affairs and International Trade Canada, 2011). Technical experts' time was also donated to the disaster relief efforts. Victim identification experts, engineers, medical personnel, logistics personnel, rescue technicians, and humanitarian identification experts were among the group of Canadians dispatched to the Haiti disaster zone. Even the Disaster Assistance Response Team (DART), consisting of 2046 Canadian Forces personnel, was deployed (Foreign Affairs and International Trade Canada, 2011). Canada also offered to help stabilize Haiti's economy. Canada and 11 of the world's major lenders have promised to cancel Haiti's foreign debt obligations, including the \$2.3 million debt owed to Canada. As of 2008, the International Monetary Fund estimated Haiti's debt to be about \$1.8 billion (Govender and Ortega, 2010).

SOCIAL SCIENCE AND POPULAR CULTURE

Celebrity and Social Activism

Many celebrities use their fame to promote positive change in the world by supporting causes they believe in. For example, Bono from the band U2 supports many charities including the Global Fund—which fights AIDS, tuberculosis, and malaria worldwide—by appearing in videos and endorsing products that give a portion of their sales to this cause.

Some artists use their singing talent to promote social change for different causes. For example, the Canadian band Nickelback wrote a song that addressed the food shortages around the world. The song, "When We All Stand Together," sends the message that when we all stand together, we all win, and when enough people want social change, it can happen:

"We can feed the world with all we throw away, but all we serve are empty words that always taste the same."—Nickelback

"We Are the World" is probably one of the best known songs written and performed for a charitable cause. Since its release in 1985, it has raised over \$60 million for humanitarian causes, with most of the money being spent in Africa.



FIGURE 10-5 Do you think celebrities have a responsibility to use their fame to promote social change?

QUESTIONS

1. What is your impression of celebrities who use their fame to promote social change?
2. Would you be more inclined to support an organization because a celebrity supports it? Why or why not?

Marc Kielburger, a well-known Canadian social activist and co-founder of the aid organization Free the Children, said, "We don't have a money problem, we have a priority problem." According to Kielburger, it would take \$18 billion dollars to offset the world's hunger and malnutrition problem. This is about the same amount that is spent on hair and makeup products in one year worldwide. According to the United Nations Population Fund (UNFPA), as of 2011 the money spent by the U.S. and Canada on the Iraq and Afghanistan wars was almost \$500 billion (UNFPA, 2011). Where do our priorities lie?

In June 2010, according to an Angus Reid public opinion poll, 61 percent of Canadians felt that the amount of money spent on international aid should be increased (Make Poverty History, 2010). This poll also found that 77 percent of Canadians want to be known as world leaders in funding solutions to reduce poverty and advance child and maternal health. Dennis Howlett, the national coordinator of the anti-poverty coalition, stated, "Canadians have always seen themselves as global citizens with a strong sense of fairness...[we are] not prepared to abandon our commitments because we are in an economic downturn" (Make Poverty History, 2010).



FIGURE 10-6 Canadian soldiers work with Haitians to distribute aid resources. What would happen to the Haitian population without disaster relief?

Canada's 2005 International Policy Statement had pledged 0.7 percent of its gross domestic product (GDP) to support development assistance (Canada and the World, 2011), but in 2010, the actual amount of support was 0.33 percent of GDP because the instability of world markets meant that the aid budget was not increased as planned.

POINT/COUNTERPOINT

Should Canada Remain in Afghanistan?

Canadian troops first entered Afghanistan in January of 2002. Canada's role in this conflict became much greater during 2006 when troops were redeployed in Kandahar province. At the start of the invasion, the Canadian government stated that the reasons for participating in the conflict were to help Afghanistan rebuild, defend Canada's national interests, and ensure Canadian leadership in world affairs.

In the process of trying to contain violence while reestablishing a functioning society, the role of peacekeeper would often shift to tactical operations. In May 2006, Canada committed to a two-year extension of the mission, replacing its original commitment to withdraw in 2006. Troop withdrawal would not happen until July 2011. In September 2010, Canada pledged to continue training troops in Afghanistan and to continue to train the Afghan National Army and Afghan National Police force.

Yes	No
<ul style="list-style-type: none">1900 Canadian troops made gains in reestablishing civil infrastructure in operation Athena to rebuild wells and repair buildings in northern Kabul.Canadian soldiers are some of the best-prepared troops, having learned about Afghan customs, cultural practices, and politics.	<ul style="list-style-type: none">There have already been too many casualties; 158 members of the Canadian forces and 4 civilians were killed in Afghanistan between 2002 and 2011.In 2004, Canada committed \$250 million in aid and \$5 million to support the 2004 Afghan election. This money could be better spent in Canada.
<ul style="list-style-type: none">Canadians are training local police and military agencies to police themselves.Providing safety and stability in the world is a humane way to help countries.Terrorist cells supported by the Taliban will be removed or weakened before they can cause more harm throughout the world.Canada is creating the building blocks for a democratic society by building schools and immunizing against polio, for example.	<ul style="list-style-type: none">It's not in Canada's best interest to have troops in Afghanistan.Canadian presence in the country led to more violence. Taliban resurgence, in response to Western intervention, increased civilian casualties.Canadian military equipment is not up to standard or functional for desert combat.We don't have the right to impose our values on people in other countries.

QUESTIONS

1. Should Canada become involved in conflicts in other parts of the world?

Worldwide, there are 72 million children that are not able to go to school and 1 billion people who are undernourished (Barr, 2010). Aid from countries such as Canada would help these people escape poverty and provide a level of human dignity. Change is possible as long as there is a will for it to happen. Canadians seem to have the will and the means to help. So what is stopping us?

REFLECT AND RESPOND

1. How does world-system theory explain child poverty?
2. According to Adam Smith, how do countries become wealthy?

GLOBAL MARKET TRENDS

Participating in the global market requires the ability to compete in a large-scale market. Competition for resources and sales leads to the exploitation of vulnerable (less developed) economies. People want products, and some people are willing to use alternative means, outside the regular markets, to meet their wants. This demand and the potential for profit encourage some people to provide goods to satisfy the unmet supply through illegal means.

The Global Population

How many people can our world sustain? With more and more people competing for a finite amount of resources, conflict is inevitable. In China, where the population is large and growing quickly, the government has implemented a one-child policy to keep the population growth under control. In Canada, however, women are having fewer children without government intervention.

More to Know

You read about the global illegal drug trade in Chapter 9.

According to population statistics, the world's population may soon be correcting itself (Pearce, 2011). Across the world, women today are having half the number of children their grandparents had, and the global average number of children is 2.5 per family, but this number is falling (Pearce, 2011). The number of live children a woman bears in her lifetime is the **fertility rate**—in Iran, that rate has fallen from 8 to 2 in one decade. China's fertility rate is below 2 because of government policies that limit the number of children per family to 1. Statistics Canada reported in 2007 that the fertility rate was 1.66 in Canada. This is far below the world average (Statistics Canada, 2010). This trend of fewer children being born also emerges in Taiwan, Vietnam, southern India, Singapore, Burma (Myanmar), and parts of the Middle East (Pearce, 2011). In general, fertility rates tend to decrease when countries get richer and when women become better educated. People also tend to have fewer children when they live in cities and more when they live in the country (Pearce, 2011).



fertility rate: the ratio of live births in an area to the population of that area; expressed per 1000 population per year

However, there is also a concern that the world population is too high. In 2011, the world population reached 7 billion, sparking concerns that we are overburdening our planet. At our current rate, the world population increases by 1 billion every 13 years.

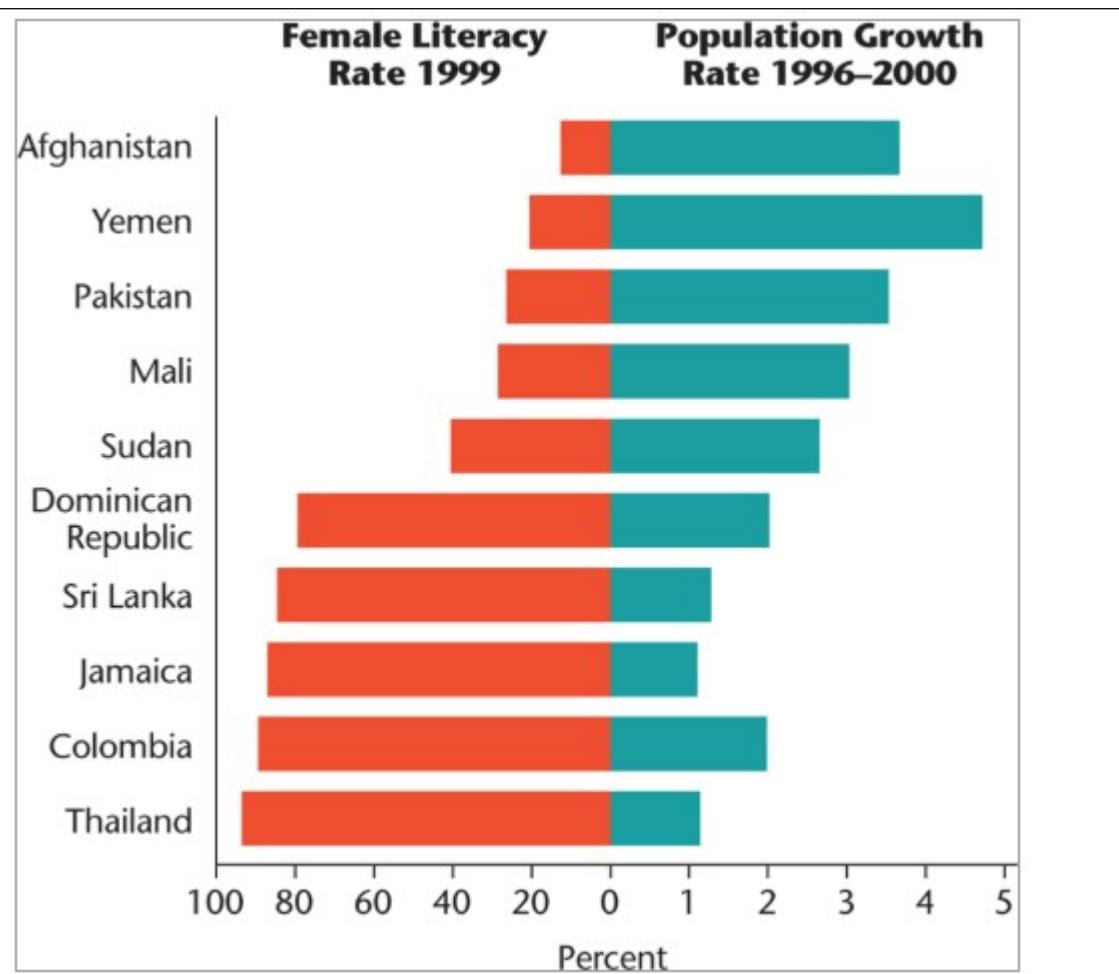


FIGURE 10-7 Can education be the tool needed to change population growth patterns?

The decline in fertility rates is a global trend that spans geographic, cultural, and secular boundaries. Whether they are rich or poor, socialist or communist, or have strict government birth control policies, many countries are showing the same birth rate trend—worldwide, families are becoming smaller.



[Video: Distilled Demographics: The Birth Rate](#)

Food Production

Agriculture is a core sector of the Canadian economy. It contributes 8.2 percent of Canada's GDP, which translates into over 2 million jobs (*Maclean's*, 2011).

However, the way we grow food has changed over time. Farms used to be family businesses, but the new focus is on large-scale production. The production and processing of food products today is a multi-trillion-dollar industry worldwide. For the small, local Canadian farmer, it is increasingly difficult to compete with prices offered by large-scale farming industries. As a result, some families on smaller farms are more dependent on non-farm income to survive (Camilo, 2010). This trend is also happening on a global scale.

Canada has the second-best ratio of arable land to population ratio in the world: 1.3 hectares per person. This means that Canada has the land needed to grow and produce food and expand its capacity to produce, and it has a relatively small population. In contrast, Japan has limited area and a large population. Therefore, less land is available to expand production. It would make sense that Canada should be a major production force on the world stage, but this is not the case. According to the Canadian Agri-Food Policy Institute (CAPI), Canada needs an "overhaul of its agricultural policy" to compete on a global scale. In 2000, Canada was the world's third-largest exporter of food, but as of 2009, it had fallen behind China and Brazil. Canada needs to increase its global competitiveness in food production again, but what, if any, environmental costs will be associated with increased production?

How and Why Agriculture in Canada Needs to Change	
Agri-Food Performance	
Chronic unprofitability	Farmers/ranchers have lost money from the market seven times in the last ten years. Funding programs are not resolving what is causing such chronic unprofitability. A new approach to risk management is required.
Rising food imports/falling exports position	Food product imports have increased by more than 50% since 2000. Canada used to be the third-largest exporter of manufactured foods—it is now seventh. An overall agri-food trade surplus is maintained by robust commodity exports, but Canada has been surpassed by Brazil and [...] by China and Argentina in the ranking of total global exports.
Diet and Our Health	
Unsustainable health care costs	Health care funding is in crisis. Some 70% of provincial budgets could be consumed by health costs in several years, squeezing funding for everyone. The next Canada Health Accord and agri-food sector's Growing Forward agreements should be linked.
Role of diet and prevention	Some 80% of coronary heart disease and stroke, type-2 diabetes—and at least 50% of cancer—could be prevented with healthy eating as part of a healthy lifestyle. Over 50% of Canadians are obese/overweight. Prevention (diet) can be a solution.
Our World	
Increasing resource demands	With the global population expected to exceed 9 billion people, global food demand is expected to rise 70% by 2050; global energy demand is expected to rise 40% by 2030. Food production is dependent upon fossil fuels, which needs to change.
Intensity of environmental impacts	Environmental stresses are increasing across the country; climate change could increase the risk of desertification in the southern prairies by 50%. Being a reliable supplier requires adaptation and investments in science and technology.
Our Capacity to Respond	
Falling research and development	The Canadian government's total expenditure on R&D (including agriculture) has fallen from approximately 35% to 9% since the 1970s, relative to all R&D funding in Canada. After years of growth, business R&D has declined steadily by roughly 8% since 2001.
Regulatory response	Global sustainability standards are being set by the private sector, not governments. Regulations are seen as unresponsive, inhibiting innovation. New voluntary and regulatory approaches are needed. As a G8 country, Canada's innovation capacity ranks nineteenth (slipping recently from eighteenth).
Deficits	
Financial	Canada's fiscal situation, while better than most countries, faces consecutive projected deficits over the mid term.

FIGURE 10-8 Do you find these arguments for changing agriculture in Canada compelling? Why or why not?

Increased global production of food means increased demand for other resources such as oil and fresh water to produce it. The environmental footprint created by the production and consumption of food and energy is a global concern. For instance, increased food production in India led to a 30 percent reduction in the country's water resources (*Maclean's*, 2011). Alternative water sources must be found to compensate for the increased use. Naturally occurring water tables are not able to handle the increased demand, so water must be taken from other areas, depleting those resources. Fuel is also necessary for agricultural production. From planting to final processing, all the machines involved in food production require energy. Finally, the environmental cost of transporting food around the world puts stress on other finite resources like fuel, oil, and electricity.

Canada is becoming less self-sufficient, relying less on its own resources and more on imported food products. If Canada focuses too much on imported goods, it could lose the capacity to produce its own food and become dependent on other growers to feed Canadian families. CAPI suggests that Canada should become more self-sufficient in its food production and produce more than 75 percent of its own food by 2025 (*Maclean's*, 2011).

In a report from 2011, CAPI stated a number of reasons why Canada needs to change its agricultural policies to become more globally competitive and ensure that Canada is self-reliant (see [Figure 10-8](#)).

The Black Market

Simple economics dictates that wherever there is demand, supply will follow. Because of our global economy, supply can come from anywhere in the world. If there is a large enough demand, there will be more than one supplier competing to meet the need.

The sale and smuggling of illegal substances such as drugs is a major problem worldwide. Countries spend millions of dollars tracking, seizing, and prosecuting people working in the illegal drug trade, but the drug trade can be very profitable for those involved in it. In Afghanistan, for example, the Taliban's principal source of income is the control of the illegal opium trade (Tierney, 2010), which is used to produce heroin. The Taliban offers "protection" for the smugglers, farmers, and drug distributors in exchange for operating in Taliban territory. That is, the Taliban demands a portion of the profits earned by the people it "protects." If a farmer does not buy protection from the Taliban or if that farmer supplies another group, that farmer is perceived as competition for the Taliban's drug trade profits and as undermining the Taliban's position of authority. It is estimated that the Taliban earns nearly \$300 million each year from the opium trade, which is used to fund their organization (Tierney, 2010).



FIGURE 10-9 Every year, the illegal trade of opium, a drug derived from poppies, generates millions of dollars worldwide.

One factor influencing drug sales is demand. For instance, low demand for opium in 2009 deterred opium poppy farmers from planting the poppy crop, and they began planting alternative crops such as wheat (Tierney, 2010). Since then, opium prices have tripled. Lower wheat prices, opium plant disease, and higher opium prices (because of decreased supply) have since motivated farmers to plant more poppies. Given the opportunity, farmers want to earn a good wage for their families. Growing a crop that commands a high price makes economic sense (ethical considerations aside). But do the social problems associated with the production of crops such as opium poppies outweigh the farmers' desire to take care of their families? There is too much money to be made from the drug trade for it to disappear. The only way to solve this problem is to eliminate the demand for this product. No demand means few incentives to grow and produce it.

IN THE FIELD

Research Assistant/Economist with the International Monetary Fund

As you learned in Chapter 9, the International Monetary Fund (IMF) examines global economic trends in developed and developing countries. Hania Dawood graduated from Pennsylvania State University with a BS in economics and a BA in political science. After deciding she wanted to develop a career in the world of international development, she joined the prestigious Research Assistant Program at the IMF in Washington, D.C.

Responsibility for maintaining the IMF's relations with its member countries is divided among five area departments. Working within the Sub-Saharan African department, Hania worked closely with top economists on variety of projects and her responsibilities ranged from preparing documentation for country missions to conducting debt sustainability analyses to researching macro-economic reports and summaries.

The Research Assistant Program at the IMF is intended for recently graduated BA students who hold a superior academic record. The program offers applicants useful work experience before they pursue further studies or move on to other employment opportunities. During her time in the program, Hania worked in a team of economists that covered countries including Nigeria, Angola, Gabon, and Guinea. She works closely with economists to project national income accounts, conduct econometric analyses of various economic sectors and indicators, assess countries' debt sustainability, and monitor programs through missions to countries and data received on a regular basis by finance ministries and central banks.



FIGURE 10-10 Christine Lagarde is the head of the IMF. What traits do you think would be helpful for a person working at the IMF?

QUESTIONS

1. Explain how social science skills might be useful to someone working in international business or international economic development.
2. If you had the opportunity to work at the IMF, in which area of the world would you want to focus your attention? Explain why.

One product in Canada that requires a constant supply stream is cigarettes. Demand for this product outpaces its production so outside sources are also needed to grow tobacco. In Ontario, tobacco production and processing are tightly regulated. Cigarettes are highly taxed, making them expensive to purchase. The purpose for the tax is to deter buyers and raise revenue for the government.

A heavy smoker, someone who smokes one pack a day, will pay \$1127.85 in tax on cigarettes in one year. Raising the tax on a product too much can encourage buyers to seek illegal sources for their tobacco products. Research shows that an increase of 10 percent in tobacco tax reduces lawful cigarette sales by 3 percent to 10 percent (Gabler and Katz, 2010).

The black market consists of unregulated sellers who do not have to follow any health or safety standards when producing their product. In 2008, the Royal Canadian Mounted Police seized 965 668 cartons of illegal cigarettes. This equates to almost a \$3 million loss in tax revenue, which, realistically, represents only a small portion of the illegal cigarettes produced and sold (Gabler and Katz, 2010). The Fraser Institute estimated that the black market holds a 27 percent share of the overall tobacco market in Canada (Gabler and Katz, 2010). In addition, the black market dealers do not pay tax to the government. Goods and services can be obtained for a lower price but there is a greater risk for the consumer without government guarantees and protection standards. Governments must determine how much tax they can impose on a product before consumers feel like they are overpaying.

As more Canadians are looking for sources of less expensive cigarettes, illegal tobacco sales have gained the attention of international criminal organizations. Between 2001 and 2008, federal tobacco tax revenue generated nearly \$204 billion (Gabler and Katz, 2010). With revenues like this and a constant customer demand, it is not surprising that criminal organizations would want to enter this market.

Proceeds of tobacco smuggling and sales are used to fund other illegal activities such as narcotics sales and gun smuggling (Gabler and Katz, 2010). The profit is so great that competing criminal organizations fight for sales areas. This becomes a societal problem when groups openly fight for territory. Police and health services need to be increased to deal with the consequences as the flow of unregulated products becomes available on the market. It is ironic that raising the tax meant to reduce the use of an unhealthy product can contribute to an even greater problem by encouraging organized crime.

 What is the relationship between Canadians' attitudes toward crime and the price of cigarettes?

REFLECT AND RESPOND

1. How has globalization changed the supply of illegal goods?
2. Explain the relationship between Canadian government policy and the willingness for Canadians to participate in illegal activities.
3. Why are people concerned about lower fertility rates when the world population is growing at a rapid rate?
4. How has globalization changed how Canadians produce food?

WEALTH AND POVERTY

Economic systems worldwide require money to function. To gain access to more money, people often seek training so they can get higher-paying jobs, but access to this training is limited to people who have the means to pay for it. When fewer jobs are available and the ones that are available are more difficult to obtain, employers can demand more from the people applying for work.

Income Disparity

The gap between people who "have" and those who "have not" is growing every year. For instance, in 2011, the top 10 percent of Canadian income earners earned ten times as much as the bottom 10 percent of Canadian earners (Flavelle, 2011). The people earning the highest salaries receive a disproportionate amount of money, while the common worker sees no change, no increase or decrease, in real wages. When the difference between the top wages earned and the average worker's wage becomes too great, buying power is affected; it decreases for lower wage earners and increases for the few who earn the highest salaries.

Ratio of Rich Earnings to Poor Earnings by Country

Country	Ratio of Rich Earnings to Poor Earnings
Germany, Denmark, Sweden	6:1
Canada, Italy, Japan, South Korea, United Kingdom	10:1
Israel, Turkey, U.S.	14:1
Chile, Mexico	25:1

FIGURE 10-11 What trends do you notice in this data?

Technology and globalization are two major factors contributing to the difference in wages. Information technology has eliminated many middle-level jobs such as filing and administration. Globalization has allowed companies to move high-paying manufacturing jobs to countries that pay lower wages to their workers. This helps keep company profits high and costs low (Flavelle, 2011). Workers must now compete on a global level, and the top workers in a given field can demand higher compensation for their work because it is being sold on a global market. At the other end of the earning spectrum, workers are experiencing a weakening of their income because they face the threat of having their work outsourced to workers who will accept lower wages. Marx would view these working conditions as the bourgeoisie controlling the means of production and maintaining the exploited and powerless working class because the working class is too afraid to lose their jobs by complaining about the pay discrepancies.

In 2011, Canadians with the highest incomes earned approximately \$103 500 on average, while the lowest-earning group earned an average of approximately \$10 260 (Flavelle, 2011). Tax cuts and government assistance programs for lower-income earners helped offset the wage gap in the past; however, social programs such as social welfare have been cut, so the discrepancy is increasing. As a result, the income gap is widening according to the Organization for Economic Co-operation and Development (OECD).



How could the difference between the earnings of the rich and poor be bridged?

Literacy

Literacy, the ability to read and write, is closely linked to poverty. For an individual, possessing basic literacy skills provides greater access to higher education and higher paying employment.

At the national level, having a population with adequate literacy skills is necessary to compete in the global market. However, Canada is facing a literacy crisis. Today, almost half of the adults in Canada—48 percent—have below-standard literacy skills. The Canadian Council on Learning is predicting that, by 2031, this number will remain almost unchanged at 46 percent. That represents 15 million Canadians who do not have the literacy skills needed to get by in modern society (CanWest Mediaworks, 2008).

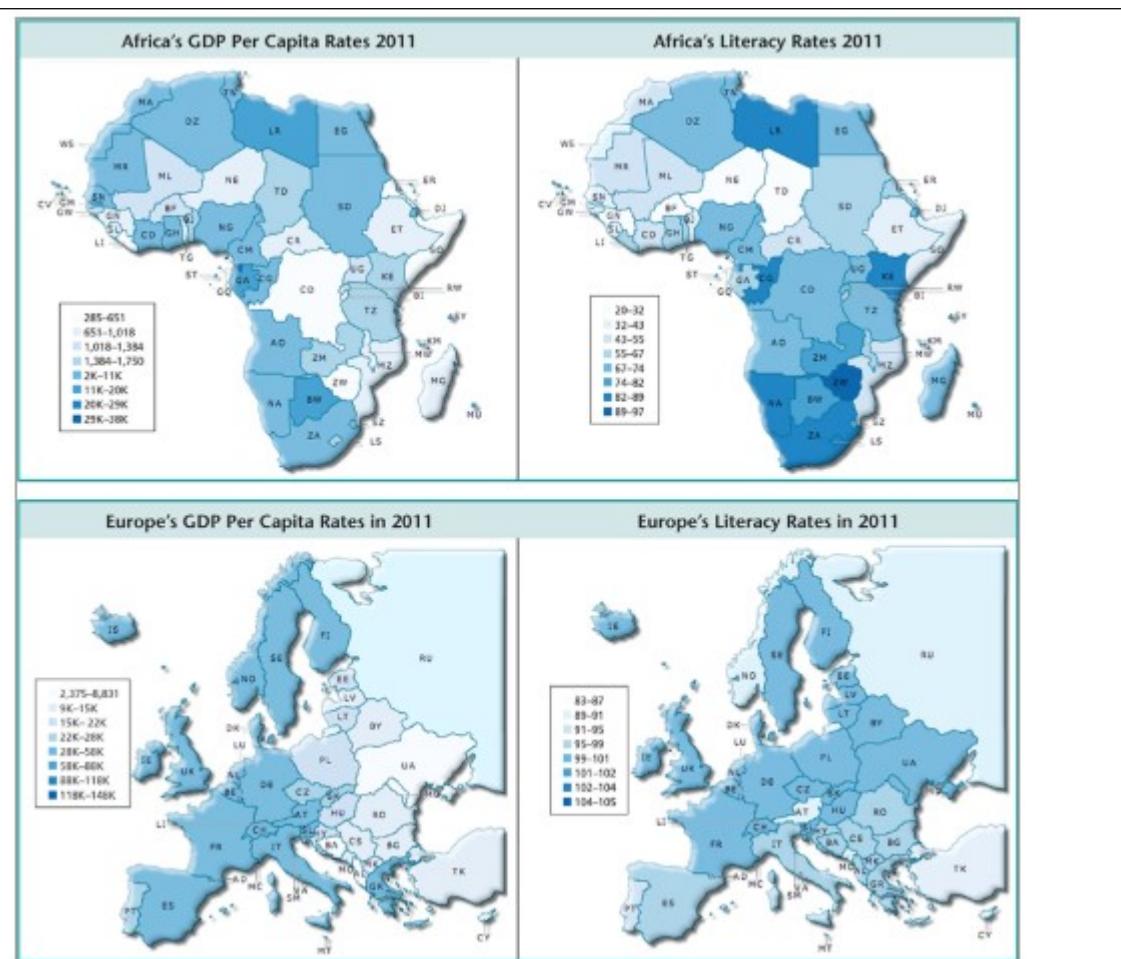


FIGURE 10-12 Compare the GDP per capita and literacy rates in Africa and Europe. What trends do you see?

The number of adults with high literacy skills is predicted to increase by 2031, but not enough to compensate for the number of people with below-standard skills, particularly seniors and recent immigrants (CanWest Mediaworks, 2008).

Schools and school boards have made great efforts to focus on literacy as one of the key pillars of education. This strategy focuses on creating a strong foundation for learning before focusing on specific content. The idea is that once the foundation has been created, other learning can be built upon it.

Literacy has an effect on income at the international level as well. **Gross domestic product (GDP)** is the total dollar value of all goods and services produced in a country over a specific time period. Typically, GDP is used to gauge the health of a country's economy. As Figure 10-12 illustrates, higher literacy rates are associated with higher GDP.

► **gross domestic product (GDP) :** the total dollar value of all goods and services produced in a country over a specific time period

Aside from the economic benefits literacy provides, a literate population has other advantages as well. To individuals, literacy brings a sense of self-confidence and empowers learners to take individual and collective action in their households, workplaces, and in the greater community. Self-reliance and control over everyday situations is another benefit of being educated and literate (UNESCO, 2005). People become more politically active and ethnic equality rates become higher as groups become more educated and literate. Cultural benefits include the transmission and transformation of social values through dialogue and reflection. Attitudes toward the role of women, family planning, and healthy eating are only some of the benefits of having a literate society (UNESCO, 2005).

SKILLS FOCUS

Select one country from each of the following continents: North America, Europe, Africa. Research statistics from each country (economic, political, cultural etc.) and compare them to the literacy rate. Create a multimedia presentation explaining your findings.

- ?
- How would your day-to-day life change if you were not literate?

Employment and Education

Aside from pay differences that workers face, Canada is also focused on a knowledge-based economy. Therefore, to be qualified to work in this economy, additional training in a post-secondary institution is necessary. Paying for this training is expensive. According to Statistics Canada, on average, university tuition in 2010 cost \$5138, and medical school tuition cost \$10 244 in 2011 (CBC, 2011). Students who come from outside of Canada face even higher costs to attend post-secondary institutions. In 2009, tuition fees for international students were more than three times those for Canadians. At some universities, international students pay up to \$20 000 a year for an undergraduate degree and tuition can reach as high as \$40 000 for professional programs such as medicine and law (Canadian Federation of Students, 2009).

These growing costs will limit the number of people who can afford to learn the skills needed to enter higher-paying professions, and the divide between the "haves" and the "have-nots" will continue to increase. Government funding of post-secondary schools has been reduced, and this means that schools have had to find alternative sources of income (CBC, 2011). Tuition fees have increased as a result.

The level or amount of education a person possesses is closely linked to the income that person earns, in Canada as well as in other countries (Canadian Education Statistics Council, 2011).

Average Undergraduate Tuition Fees for Canadian Full-time Students, Selected Disciplines			
	2009/2010	2010/2011	2009/2010 to 2010/2011
	\$ current		% change
Agriculture, natural resources and conservation	4697	4791	2.0
Architecture and related services	4826	5140	6.5
Law	8229	8697	5.7
Social and behavioural science	4431	4590	3.6
Nursing	4558	4679	2.7

Source: Statistics Canada.

FIGURE 10-13 This table shows the disciplines with the highest and lowest increases in tuition, as well as social behavioural science. Would these figures affect your decision about what program or career path to take?

It is clear that not having a high school diploma is a disadvantage to a worker when seeking employment. In 2009, the employment rate for people with less than a high school education was 55 percent, compared with 77 percent for a high school diploma. The employment rate for those with non-university certificates and community college diplomas was 81 percent, and 82 percent for those with a bachelor's or master's degree (Council of Ministers of Education Canada, 2011). Students who have to leave high school to work and support their family have less earning potential later in life, further widening the gap between the haves and have-nots in Canadian society (Statistics Canada, 2011).

Where Universities Obtain Their Funding (as % of total operating revenue)

Government		
Year	Funding	Tuition Fees
1977	84.0%	13.7%
1987	81.4%	16.3%
1997	67.1%	29.0%
2007	57.1%	34.2%

Sources: Statistics Canada and CAUBO

FIGURE 10-14 Do you think this trend toward less government funding will continue? What might happen if universities obtained no government funding at all?

Poverty: A Social Problem or a Money Problem?

Poverty affects everyone. It can be a social problem, in that there are not adequate social supports in place to help people in need, or a money problem, in that these social structures may exist but are not properly funded. Addressing the problem of poverty is central to facilitating long-term change in a society. Facing this challenge is difficult because poverty has no single cause.

More to Know

You learned about poverty and inequality in Chapter 5.

Aside from the human costs, which are significant, poverty has a monetary value attached to it. In Ontario, poverty is estimated to cost between \$32 billion and \$38 billion a year (5.5 percent of the province's GDP) (Laurie, 2008). This cost is calculated based on the increased usage of the health care system, increased crime, and lost tax revenues. For each household, the cost is calculated to be between \$2299 and \$2895 each year. Early intervention programs for low-income families such as affordable child care, increased skills training, and recognition of the current credentials of new Canadians are all strategies proven to have a significant beneficial impact on the health and social welfare of low-income wage earners. If 25 percent of adults moved from the first income quartile to the second income quartile, the monetary benefit to Ontario would be between \$1 billion and \$1.5 billion (Laurie, 2008).

► **income quartile:** a measure of the mean household income of residents, from the poorest to wealthiest, grouped into four quartiles, the first quartile being the poorest quartile and the fourth being the wealthiest, and each quartile includes about 25 percent of the population

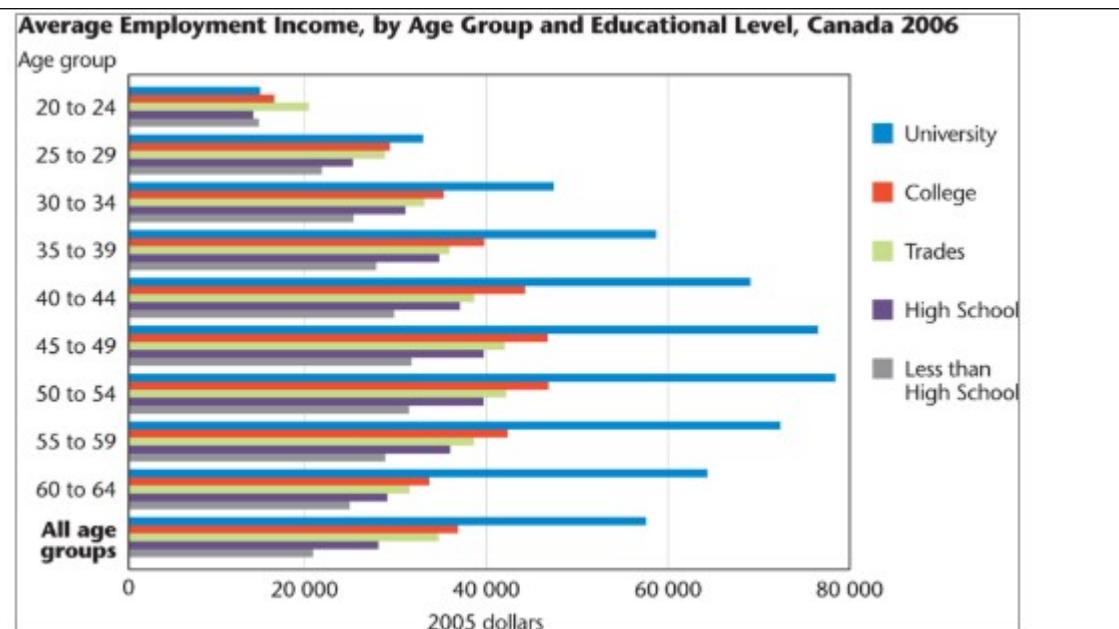


FIGURE 10-15 At what age does level of education have the greatest impact on employment income?

Poor people who want to raise their political voice encounter many barriers. People with a set address are able to get a voter's card and support the politician that will protect their own interests. However, a person caught in the cycle of poverty may find it difficult to keep a permanent address, making it more difficult to vote. A homeless person faces even more barriers to participating in the political process. Even people who are working may face barriers. For example, although employers are legally required to give employees time off work to vote, workers may be hesitant to exercise this right for fear of losing their jobs, especially in an environment where jobs are hard to come by. People who are economically marginalized by poverty are often prevented from voting for politicians who would support their interests, which means that they are often politically and socially marginalized as well.



Imagine that a politician based his or her campaign on supporting the interests of the homeless, who would not be able to contribute financially to the campaign and who face many barriers to voting. Would that politician be likely to win?

Fighting Poverty on a Global Scale

Fighting world poverty requires money. The World Bank was created in 1944 to meet the needs of developing countries by providing technical assistance and financial aid, and its the goal was helping countries develop sustainable economies. The organization seeks long-term solutions to battle poverty and to help people help themselves (The World Bank Group, 2012). This is done by providing resources, building capacity, and forging partnerships in both the public and private sectors.

This organization is not a bank like the one where you keep a chequing account; the World Bank comprises two separate entities that focus on different economic needs of countries. The first part, the International Bank for Reconstruction and Development (IBRD) works to reduce poverty in middle-income and creditworthy disadvantaged countries. The second arm is the International Development Association (IDA), which specifically focuses on the world's poorest countries (The World Bank Group, 2012). Profit is not the goal of the World Bank. Low- or no-interest loans and grants are used to stimulate countries requiring assistance. War, drought, and financial mismanagement have created dire economic situations in some countries.

In Focus Mark Carney and the Financial Stability Board

In 2011, Canadian Mark Carney was elected as chairman of the Financial Stability Board. The board is charged with the responsibility to promote global financial stability by developing strong regulatory, supervisory, and other policies and fostering a level playing field among the G20 countries. Some other members include Argentina, Australia, Brazil, China, France, Germany, Hong Kong, India and the United States.

Carney leads the group that informs and makes recommendations about national monetary policy for all countries in the G20. His position includes the enforcement of global monetary reforms as well as global financial regulation. These regulations include making sound investments and restricting the accessibility to credit. In this key leadership role, Carney will work to clamp down on commercial banks around the world. He helped protect Canada's central bank and financial institutions by safeguarding them using tight regulation. In his new position he will be creating policies for banks around the world, helping to stabilize the world economy and increase trade among nations. He will try to create tighter regulations for countries in the European Union that are experiencing a severe economic downturn.

An example of a banking system that would benefit from new, tighter loan regulations would be the system in Greece. During times of economic hardship, European leaders and the IMF worked together to assist countries like Greece to pay their basic bills. After years of unrestrained spending, cheap lending, and failing to implement financial reforms to turn the tide of their debt woes, in 2011 Greece's economy teetered on the verge of collapse. A total failure of the Greek economy would have a cascading effect on Greece's trading partners in the European Union.



FIGURE 10-16 What is the correct balance between tightening lending from banks and expanding economies?

To fix the money problems of the countries within the European Union, fundamental changes are needed regarding access to credit. The rules and regulations must be strict yet allow for economies to grow. Suggestions from Mark Carney will help these countries set national policy and provide long-term solutions for their economies.

QUESTIONS

1. What are some possible benefits of having a uniform monetary policy among all the G20 countries?
2. What might be the impact on people's day-to-day lives of increased regulation of banks and lending institutions?

Child Poverty

The increasing interconnectedness created by globalization policies means that political decisions are being driven more and more by multinational corporations, institutions, and influential people rather than the country's population (Shah, 2011). Worldwide, 1 billion children—or 1 in 2—live in poverty, and 640 million children live without adequate shelter. About 400 million children have no access to safe water (Shah, 2011).



FIGURE 10-17 These children live in Congo DR in central Africa. Almost two million people are estimated to have been displaced by war, half of them children. What effects do you think years of war have on a country's economy?

In the global arena, countries are judged based on their ability to serve and protect their populations, particularly their most vulnerable members. Protecting the lives of vulnerable individuals strengthens the country as a whole, since a healthy population requires fewer medical resources and less policing of laws and rules. In 1989, the House of Commons passed an all-party resolution to end child poverty in Canada. In 2000, Canada once again focused on the goal of reducing child poverty to create healthier individuals and encourage prosperity for future generations. Achieving this goal is not easy, however. Legal policy was enacted to guide agencies and interest groups working toward a common goal. Bill C-233, An Act to Eliminate Child Poverty, was passed to identify key roles for all levels of government to recognize how to achieve this goal (Family Service Toronto, 2011). Some of the strategies in this act included:

- a public system of high-quality early childhood education
- affordable child care services
- higher tax benefits for low-income families
- increased Federal Work tax credits of \$2400 per year
- a poverty education strategy developed with First Nations and urban Aboriginal communities
- federal funding for post-secondary opportunities for students on a needs-based system
- proactive strategies including equity in the public and private sectors to level the playing field for groups of historically disadvantaged individuals (Family Service Toronto, 2011).

Despite these measures, Canada spends less on benefits such as unemployment and family than most Organisation of Economic Co-operation and Development (OECD) countries. Canada ranked twelfth out of 17 countries in 2009 (Institute of Well Being, 2009).

Reducing poverty is not a quick fix. This is a complex problem that can require multiple sources of intervention. Fixing the problems is a long-term strategy for a successful and healthy nation. As of 2011, seven out of ten provinces had a poverty strategy.

VOICES

Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life.

—Nelson Mandela

More than two decades since the House of Commons' resolution to eliminate child poverty, that goal has not been achieved. Canada's role as a world leader in poverty reduction remains strong, but more time and resources are needed to realize this long-term goal.

REFLECT AND RESPOND

1. What are the social implications of having a difference between the top and bottom wage earners? How will this difference shape the day-to-day lives of Canadians?
2. One of the ways to access the highest paying jobs is to have higher education. What realistic solutions can you suggest to allow for greater access to higher paying jobs?
3. How is child poverty being addressed in Canada? Describe the difficulties in implementing the steps to eliminate child poverty.

HOW-TO:

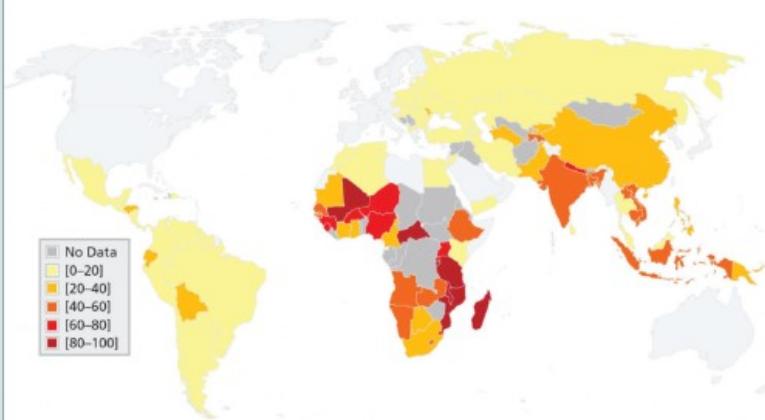
Analyze Global Poverty Trends

Look at [Figure 10-18](#), which shows the percentage of the population in each country that lives below the poverty line, a poverty indicator known as the poverty headcount. These maps show the percentage of people living on \$1.25 or less (PPP means purchasing power parity—that is, the figures have been adjusted to illustrate equal purchasing power across countries).

What trends do you observe about poverty around the world? Follow the steps below to analyze the data and answer this research question.

**Global Poverty Indicators—Poverty Headcount Ratio
at \$1.25 a Day (PPP) (% of population)**

(a)



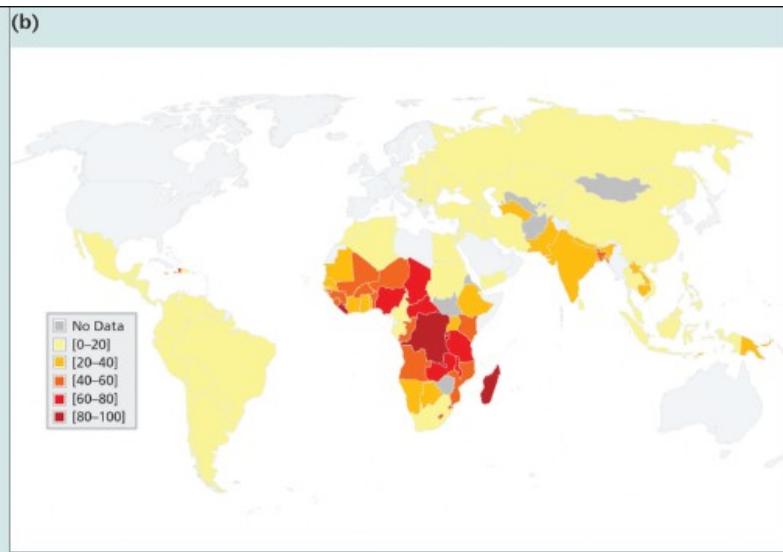


FIGURE 10-18 Maps showing global poverty in (a) 2000 and (b) 2010.

1. Look at the maps illustrating poverty headcount ratios in 2000 and 2010. What general global trends do you notice? What trends do you notice across time?
2. Choose one country from the map and research the state of people who are poor in that country from 2000 to 2010. What factors affected the economy in the country you chose (for example, war, famine, low literacy rate)? Are these changing factors reflected in the maps?
3. Think of some ways that poverty could be reduced in the country you studied. What challenges would be faced? What are some ways that you or your community could help people in that country struggling with poverty?

SOCIAL CONFORMITY AND HUMAN RIGHTS

Why do people choose to conform to social rules? Michel Foucault (1926–1984) theorized that governments controlled individuals through fear. The government bureaucracy is able to get further into the private lives of individuals by giving themselves power and control over observation laws—rules about observing and collecting data about people. By observing people, government can ensure that people are following the rules. Making the rules about observing behaviours allows the dominant group to control the use of this evidence to serve the dominant group's purposes. Foucault believes that our society has evolved from a “culture of spectacle” to a “carceral culture;” that is, a culture in which people correct their own behaviour out of fear of being observed (Foucault, 1995). In the late 1700s, public displays of torture were commonly inflicted on citizens to ensure rules were followed. Today, punishment and discipline are internalized for the most part and are directed toward the rehabilitation of non-conformists (Foucault, 1995). Before, the public display of power was used to keep people in line. Now, a more subtle form of population control through constant surveillance and information collection and storage is used to keep people following society’s rules.

More to Know

You learned about conformity in Chapter 2.

The Panopticon Model

A model of a nineteenth-century prison reforms suggested by Jeremy Bentham (1748–1832) is considered the most efficient way to ensure conformity within a prison. Bentham was an English philosopher and jurist who pushed for reforms supporting individual and economic freedoms. He was considered the founder of modern utilitarianism, which is the theory that the best course of action to take is the one that maximizes overall happiness. The moral worth of an action is determined only by its resulting outcome and that morality can only be assessed after the action has occurred.

The Panopticon was a theoretical model of a prison with cells that were clearly visible from a centralized tower. In this model, a person in a cell cannot interact with other prisoners and is constantly visible to the central tower. Prisoners cannot see when they are being viewed and believe they can be viewed at any moment. This constant threat of observation keeps prisoners following the rules. The power lies with the people in the tower because they can decide to observe at any time.



Panopticon: a model of a prison where the inmates can be observed at all times, but cannot see who is observing them



FIGURE 10-19 Would you act differently if you knew you were always being watched?

Through the prison model, Foucault theorized that society functions in a similar way in that the citizens are being observed and that the fear of being observed keeps them in line (Foucault, 1995). People would internalize the model of panoptic power. Control of people has been augmented and enhanced through technology. Government agencies have more sophisticated tools to track people that are integrated into everyday life. Items such as cellular phones, telephones, social security numbers, ATMs, passwords for any type of machine, credit cards, Internet, and an increasing number of surveillance cameras in public and private spaces track and record actions of people and can be used together to follow movements of a person throughout the day. In this modern example, the panoptic model of observation is diffused throughout society.

Foucault (1995) sees the following changes to society as a result of the panoptic observation:

1. Internalization of rules and regulations: Conformity becomes important to the point where people are willing to follow authorities even if it means committing violent acts.
2. Rehabilitation rather than cruel and unusual punishment: The enforcement of the status quo crosses over into private aspects of peoples' lives. A person's body, gestures, behaviours, aptitudes, and achievements are all subject to evaluation by the ruling group.
3. Surveillance in more private aspects of life: New surveillance technology assists this process.
4. Information society: Information is organized for retrieval, processing, organization, and storage on a grand scale.
5. Bureaucracy: A new white-collar workforce is necessary to process the new, vast amount of information collected.
6. Efficiency: Mass production and dissemination of goods and information occur even at the expense of exploitation or injustice.
7. Specialization: Workers are organized into increasingly specialized fields; therefore, society becomes increasingly reliant on "experts" to complete tasks that were previously common knowledge.

Human Rights in Canada

The Canadian human rights code was modelled after the United Nations Universal Declaration of Human Rights. It includes rights such as the right to life, liberty, and the security of the person, the right to not be kept in slavery for any reason, and the right to be represented by the law, among others.

More to Know

You learned about the Universal Declaration of Human Rights in Chapter 9.

When are laws applied and when can an individual claim freedom of expression as an explanation for his or her actions? This issue continues to be debated in Canada. One example of this issue involves the right to wear head or face coverings. For example, as of December 2011, Muslim women cannot wear the traditional niqabs or burkas during the swearing-in ceremony to become a Canadian citizen (Cohen & Smith, 2011). Their faces must be shown when taking the Oath of Citizenship. Immigration Minister Jason Kennedy stated, "Allowing a group to hide their faces while they are becoming members of our community is counter to Canada's commitment to openness, equality and social cohesion" (Cohen & Smith, 2011). It has been argued that to become Canadian, an applicant must openly and freely declare his or her intentions; something that is required by Canadian law. Currently, women can vote without showing their faces and have the option to show their faces to a female security officer only. At what point do laws trump an individual's freedom to religious expression?



FIGURE 10-20 Should people be allowed to wear face coverings during the Canadian citizenship ceremony?

In a related case, the Supreme Court of Canada has questioned the right of a witness to present testimony without showing his or her face. Lawyers use every resource at their disposal to prove their case. Seeing the facial expression of a person testifying is important for lawyers as well as the jury, since nonverbal cues such as facial expressions can provide evidence. Along with the right of a witness to cover his or her face, what about the accused person's right to a fair trial?

In Ontario, the Human Rights Code was created in the mid-1940s (Casselman, 2006). The Code prohibits discrimination in the areas of goods and facilities, services, housing, employment, contracts, employment, and membership in associations or trade unions on the basis of ancestry, place of origin, race, ethnic origin, creed, sexual orientation, age citizenship, marital status, receipt of assistance, and disability (Casselman, 2006). The Code is quasi-constitutional in nature—it is not a constitutional law but is treated like one—and has primacy over most laws in Ontario. The Code is not meant to be a punitive tool. Instead, financial compensation and changes in practice are applied to perpetrators. It is easier to prove and try a Rights Code violation than it is to prove other types of crimes like those addressed in a provincial or federal court. The tribunal looks at the "balance of probabilities" rather than the more strict level of proof "beyond a reasonable doubt" (Casselman, 2006).

Human Smuggling and Human Trafficking

Human smuggling is the act of illegally bringing people into the country, as well as providing false documentation for them. People sometimes decide to enter a country this way because they want to avoid complex immigration restrictions or lengthy wait times in the application process. Globalization and the search for work and a better life have created a demand for smugglers to transport desperate people to countries like Canada. In 2005, 47 Chinese nationals were smuggled on a cruise ship destined to the East Coast. In 2009, a boat of 492 Sri Lankans landed off the coast of Canada seeking a better life and a safe place to live. Many of these illegal immigrants are desperate for a better life for their families and are willing to face danger and hardship to have a new life in Canada.

Human trafficking involves the recruitment, transportation, and harbouring of a person for the purposes of forced service by the means of deception, debt bondage, or coercion. In the United States, at any given time there are an estimated 40 000 to 50 000 slaves (Bales, 2011). This is a difficult number to calculate because of the underground nature of human smuggling and trafficking and is based on projections from seizures and known cases of human trafficking.

Men, women, and children can all fall into the hands of traffickers, who deceive, coerce, and use violent means control their victims. Forced labour and sexual exploitation are the most common purposes for trafficking. Human trafficking is most prevalent in poorer countries—a common tactic is to offer a person living in poverty a good job in another city or country. Once they arrive, they are forced into prostitution or another form of slavery. Children often end up as victims when they are sold by their parents to traffickers to pay off debts or to gain income for the family. Every country in the world is affected by trafficking, whether as a country of origin, transit or destination for victims.

CHANGE IN ACTION Microfinance

How can one person in Canada help someone on the other side of the world living in poverty? Microfinance is one solution. It involves the lending and saving of relatively small amounts of money. It is a form of financial service accessible to people who do not have access to traditional loans through formal banks.

Kiva is a non-profit organization that connects lenders and borrowers from around the world using a global network of microfinance institutions. Through Kiva, individuals can lend as little as \$25 to a borrower, and can choose the entrepreneur or project they would like to support in a variety of sectors, from agriculture to housing to transportation. Almost 700 000 lenders have provided over \$290 million in capital to entrepreneurs, with an average repayment rate of about 99 percent (Kiva, 2012).

Rosalinda Matea is an artisan who makes women's sashes. She lives in Totonicapán, Guatemala. Through Kiva and one of its partner organizations, she received a loan of \$725, with contributions from over 20 lenders from several countries, including Canada, the US, Belgium, and Portugal. This loan enabled her to buy supplies and grow her business, and was paid back in full.



FIGURE 10-21 A woman in Egypt, at work in her home-based embroidery workshop, funded by a microfinance loan. How might supporting women entrepreneurs in particular benefit communities as a whole?

Simply providing money to those in need does not address the cycle of poverty. Making long-term, sustainable change requires people to have the tools and resources necessary to support themselves.

QUESTIONS

1. How would Marx describe Kiva's microfinancing system?
2. How does microfiance fit into the world-systems theory model?

REFLECT AND RESPOND

1. Under what circumstances could some of the human rights in the United Nations declaration conflict with the laws of a country?
2. How can freedom to practise religious beliefs conflict with existing Canadian laws? Explain which set of freedoms or laws take precedence.
3. How is poverty connected to human smuggling and human trafficking?

CHAPTER 10 REVIEW

KNOWLEDGE AND UNDERSTANDING/THINKING

1. Summarize Adam Smith's views about wealth. How does his theory relate to Wallerstein's world-system theory?
2. Mark Kielburger has described the world's hunger and malnutrition problem as a "priority problem," rather than a "money problem." What does this mean? If it is a priority problem, how could it be fixed?
3. What are some examples of local charities that would benefit from the support of a celebrity?
4. Explain how supply influences demand in the global market, using an example.
5. What are some competitive advantages to being able to read for people living in Canadian society?
6. List five high-paying jobs and five low-paying jobs. What is the difference in education required between the two?
7. Worldwide, what impact is the number of children being born each year having on the world economy?
8. List ten basic human rights you believe all people should have.

THINKING/COMMUNICATION

9. Use Karl Marx's theory to explain the world-system theory.
10. What are the weaknesses of the world-system theory? Explain a situation in which this theory would not apply.
11. Explain how food production now follows global trends. What must Canadian farmers do to remain competitive in a global market?
12. What can Canada do to increase its population? Create different scenarios to attract skilled immigrant workers to Canada.
13. What suggestions would you make to the Agri-Food Policy Institute to make Canada more self-sufficient and ready to adapt to world changes?

COMMUNICATION/APPLICATION

14. Research a local charity organization (that helps globally) and how they contribute to the global community. Create a podcast or radio advertisement supporting the charity and explaining the services they provide to places or people in need.
15. Conduct research to determine how the literacy rates in Canada compare to the literacy rates in other countries. List the factors that you believe affect a population's literacy rate and present your findings in a multimedia presentation.
16. Canada specializes in the production of certain foods and food products. In 500 words or less, discuss the globalization of food production and the impact it has on Canadian farms.
17. Research Canada's immigration policy. With the influx of people seeking a better life and/or political asylum, should changes be made to this policy? Write an editorial expressing your views.
18. Research examples other than those listed in the textbook of situations in which the beliefs or traditions of a Canadian citizen may conflict with existing rules and laws. One example is the *sgian-dubh*, a small dagger worn in the sock of Scottish dress uniforms. It is legal to wear in Scotland and England as part of cultural dress but not legal in Canada. Should Scottish Canadians be able to wear their traditional cultural dress to a high school graduation ceremony even though weapons are not allowed in schools? What was the outcome of the situation you studied? Did Canadian law change as a result?
19. Explain the relationship between smoking legal or illegal cigarettes in terms of Bentham's concept of the Panopticon.
20. Choose a job that you might want to have. Using appropriate software, create a chart showing the education required to get the job and the rate of pay. Write conclusions about the findings.
21. Research trends in poverty levels across Canada. Write a paragraph summarizing any trends you observe. Do additional research to determine what social forces affected these poverty rates, such as government legislation, reduction of services, or recession.

A Call to Action

Advocate for a Global Issue

Today's youth are becoming increasingly involved in global issues. Globalization and technology increase awareness of events and crises happening around the world. Many organizations today offer young people from around the world an opportunity to affect positive change through participation in programs that facilitate global education, social entrepreneurship, and civic engagement. For many of these programs, the goal is to empower youth to understand and act on the world's greatest challenges. One such organization is the Global Youth Action Network (GYAN).

Global Youth Action Network

The Global Youth Action Network evolved from the United Nations Youth Assembly Project, an annual conference dedicated to youth leadership and involvement in global issues. During the 1996 conference, 18-year old Ben Quinto proposed that a not for profit organization led by youth be developed to increase youth involvement in decision-making. After several years of consultation with U.N. bureaucrats, international organizations, and youth from all over the world to re-shape the project, the Global Youth Action Network was launched in 2000 and had its doors opened in New York City. The GYAN aims to increase youth participation and intergenerational partnerships in decision-making, to facilitate greater collaboration among youth organizers, and to create support and recognition for positive youth action. Through its partnership with TakingITGlobal, an online community that facilitates global education, GYAN offers its members a social network with web-based project management tools and the opportunity for greater visibility in the global community.



Today, GYAN is one of the largest networks of youth organizations in operation. It brings together more than 22 000 non-profit organizations in over 190 countries, uniting young people in their efforts to improve the world through advocacy, volunteerism, and community development. Membership is open to any organization that supports young people and which does not advocate hatred or violence in any form. To date, more than 1200 organizations have applied to join GYAN. In Canada alone, there are over 35 organizations listed with GYAN, including Amnesty International Canada, Kidz Helping Kidz, and 27 Million Voices.



FIGURE 10-23 Giving a speech is an effective way to advocate for an issue.

GYAN empowers young people with the knowledge, skills, resources and opportunities they need to enact change. One way in which it encourages global youth social action is through its many initiatives—including Youth Movement for Democracy, Global Youth Coalition on HIV/AIDS, Chat the Planet TV, and Global Youth Services Day. These programs promote youth participation and collaboration toward achieving a more peaceful and sustainable world. GYAN believes that youth are key stakeholders in the global picture, and that they should be active participants in shaping the future.

It's so easy to feel defeated when you look at the size of the problems that face the human race, to feel like there is nothing you can do. My message to young people now is that every individual can make a difference. The collective influence of groups of individuals is unbelievably powerful. The Global Youth Action Network harnesses the energy of young people and provides them [with] tools and resources for change. Its work is critically important.

Dr. Jane Goodall, Primatologist; Founder, Jane Goodall Institute and GYAN Advisor

The Challenge

Youth-serving international networks such as GYAN are built on volunteerism and promoting awareness. There are many global issues that need attention and many organizations working for change. Advocacy involves bringing attention to an issue with the purpose of informing others and influencing their decisions. Your goal is to advocate in the most effective way for an issue, organization, or event. Consider the following questions:

- How can you play a leading role in the development of your community?
- What global issues are you interested in becoming active in?
- How can you bring awareness to these issues?
- What is the most effective way to bring attention to these issues?

Your Task

As a class or in small groups, generate a list of ways in which you can raise awareness and advocate for global issues in your community. Research an issue or organization you care about and want to become involved in. Take your research and create a multimedia presentation, write a speech, or write a letter to the editor that advocates your cause or organization.