**The economic dimension of globalization by Manfred B Steger**

This week we will play a short lego game in class. I will explain the exercise in class, but briefly:

**In-Class Exercise:** **Connecting the end of colonial rule in Asia and Africa to Economic Globalization**

To illustrate this theme, we will play a Lego game.

The class will be divided into four groups. Two of the groups will represent the Portuguese in Angola. Your task is to use your assigned Lego pieces to create a model of a mode of transportation that is useful for transporting oil to other countries in the world.

* Consider public transport: Are you incentivized to create a public transport system? What will that look like?

The remaining two groups will represent the British in India. Your task is to use your assigned Lego pieces to create a model of a mode of transportation that is useful for transporting people and agricultural goods to war-affected areas within India and to India's borders.

* Consider shipping soldiers to fight international wars: How will you do that?
* Consider public transport: Are you incentivized to create a public transport system? What will that look like?

**Tutorial questions**: neoliberal policies that encourage privatization and opening up the economy to the global market can have both positive and negative effects. Consider how these policies would impact you if you were:

(a) A worker in the service industry, coming from a working-class family, and living a moderate but comfortable life.

(b) A manufacturer of copper wire looking to expand your business, with familial wealth and a business that is performing well in its initial phases.

(c) A manufacturer of small cars who has developed some innovations but cannot compete with larger car companies.

(d)An undergraduate with a full scholarship who wants to graduate and work in tech.

Concluding remarks for each group: What did this exercise teach you about how societies are affected by neoliberalism? What were the characteristics of people who were most vulnerable? What were the characteristics of people who would benefit?

What is economic globalization?

“ [it] refers to the intensification and stretching of economic connections across the globe. **Gigantic flows of capital** mediated **by digital technology** and **standardized means of transportation** have stimulated trade in goods and services.” (p. 39)

\*\*Can you think of an example that illustrates the meaning of each one of the phrases in bold?

Transnational economic organizations are now essential in the regulation of global markets (i.e. this process is not just controlled and regulated by governments).

\*\*The hidden story here is that some countries (or states) are more powerful than others. Therefore, they have more of a say in how transnational economic organizations operate. Even in economic globalization, power inequalities are reproduced.

**Section 1: The emergence of the global order**

Your reading discusses the Bretton Woods Conference (1944). This is important because this is the conference that led to the formation of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD). The IBRD later became the World Bank.

Extra information: At this time (1944) the main role of the IMF was to maintain a fixed exchange rate pegged to both gold and the US dollar. The role of the IBRD was to **provide assistance to European countries that had been affected by the war.**

Through the 1960s, all the way to 1989, there were 4 other institutions that joined the IBRD in making the World Bank Group as it is called today.

\*\*Why did the Bretton Woods conference happen?

What your reading refers to as the “Bretton Woods Regime”(BWR) was characterized by “controlled capitalism”.

\*\*What is capitalism?

This referred to capitalism with state intervention as the famous economist, John Maynard Keynes argued was essential.

In the 1970s, the golden days of controlled capitalism (and the BWR by extension) came to an end shortly after President Richard Nixon abandoned the gold standard (p. 41 in you reading). This, according to your reading, was the time when neoliberalism and neoliberal policies came to replace the economic policies referred to as “controlled capitalism”. The rise of Margaret Thatcher in the UK and Ronald Reagan in the US were an important corollary to this.

\*\*What is neoliberalism (answer on p. 41).

**Section 2: The internationalization of trade and finance**

The main concepts discussed here are economic integration and the controversial policies that promote free trade.

Privatization, reducing the power of unions, reducing the amount of tax people have to pay, increasing the power of international agencies to intervene in trade without having to go through too much red tape are all policies which, theoretically promote free trade and neoliberalism.

\*\*do these policies sound like a good thing or a bad thing for ordinary people? What kind of impact would they have for individuals in a country? (these questions relate to the tutorial questions at the beginning of the document.

On p. 47 your reading describes the “financialization of global capitalism”. What does this refer to?

**Section 3: A global era of economic volatility**

This section discusses the Global Financial Crisis of 2008. This was preceded by economic policies put in place between the 1980s and 1990s which deregulated financial services allowing for much more speculation in financial affairs than before. This speculation, based on predictions of what would become more viable in the future or betting on stocks and investments that did not even yet exist, was one of the main reasons why companies like major lending and financial institutions in the US were left vulnerable when the downturn in American real estate hit in mid 2007. Their predictions were wrong and major organizations like Goldman Sachs had to declare bankruptcy (p. 49-50).

The GFC spread across the world, but most in Europe and the US.

**Section 4: The power of transnational corporations**

This section discusses how giant companies manage to gain a foothold and become major players in the world economy. Their ability to spread their manufacturing and portion out tasks to create a global value chain is crucial to understanding how they command the power that they do in the globalized world economy.

\*\*Can you think of an example?

\*\*how is power and exploitation an important part of the story of the rise of these corporations (we will look at No Logo by Naomi Klein).

**Section 5: The enhanced role of international economic institutions**

**Second set of tutorial questions**

\*\*Read the box in this section that talks about Nokia. What is the point of telling the reader that Nokia managed to bounce back from the GFC?

\*\* What about major players who are planning lay-offs, like google (see here: <https://blog.google/inside-google/message-ceo/january-update/>) Do you think they will be affected more than Nokia was?

**Second reading – The postcolonial perspective: an introduction, by Charlotte Epstein.**

The main point we will explore is how norms, ideas and assumptions were crafted during **colonial rule** and how they, in turn, affect how we view the world.

Your reading says **colonial officials** were “norm entrepreneurs” (they were in the business of constructing and selling norms (p. 296). What does Charlotte Epstein (the author, mean by by this)

Questions to think about (that I will answer for your in class):

1. what is “colonial rule” in a global sense? If you were asked to give a 5-10 minute primer, to a group of people who had never heard the term before, how would you explain “colonial rule” to them?
2. Who is a “colonial official”?
3. How was colonial rule (and colonial officials) involved in the formation of the modern world as we know it today?

Definitions:

**What is settler colonialism?**

[Patrick Wolfe](https://www.tandfonline.com/doi/full/10.1080/14623520601056240) discusses “settler colonialism” as the systemic elimination of indigenous peoples. It can take the form of genocide but did not have to.

For [Glen Coulthard](https://www.cambridge.org/core/journals/canadian-journal-of-law-and-society-la-revue-canadienne-droit-et-societe/article/abs/glen-coulthard-red-skin-white-masks-rejecting-the-colonial-politics-of-recognition-minneapolis-university-of-minnesota-press-2014-229-pp/B48CC746EF7F095FB6B41D636F68368A) settler colonialism is a “form of structured dispossession” of indigenous peoples in which their land and authority is taken from them. It is maintained in the contemporary period not be state violence, but by the politics of “recognition”. In other words, Coulthard says this idea that to recognize authority is the same as giving back authority is the way in which colonialism continues to dispossess. He calls for a rejection of the “politics of recognition.”

So, settler colonialism is the dispossession of indigenous peoples from land, title and authority. It is ongoing. It requires constant reproduction.