I. Globalization Theory

A. Theorist: Thomas Friedman (“The World is Flat”)

B. Thesis: world is in the process of becoming completely integrated system.

C. Characteristics

1. Inevitable (unavoidable)

2. Integrated economic system

3. Common political institutions

4. Countries:

a. view national goals within system

b. good for countries and good for people

D. Previously known as

1. Modernization Theory

2. Developmental Theory

E. Argument

1. systems integration

a. economic system

i. free market capitalism

ii. model: US

b. political institutions

i. democracy

ii model: US

c. cultural model:

i. consumerism

ii. model: US

2. Means: free trade

a. free trade agreements

i. examples: NAFTA, GATT, FTAA, CAFTA

ii. eliminate trade barriers (tariff/ non tariff)

b. establish global regulatory system

i. World Trade Organization

ii. NAFTA Ch 11 Tribunal

3. Aid to developing nations

a. IMF: International Monetary Fund

b. World Bank

4. Consequences

a. Global free market will be best for all nations

b. Democracies will lead to peaceful cooperation

c. Consumerism will allow everyone to achieve

high standard of living.

4. Resistance: Why?

a. Regressive cultures: McDonalds vs Jihad

b. Dictators

c. Solution to resistance: strong military

II. Theory of Maldevelopment

A. Definition: world is in the process of becoming an integrated system but one of domination and subordination.

B. Characteristics

1. Not inevitable or unavoidable but being driven by

powerful economic and political forces.

2. Establishes a integrated system of dependence mainly

through economic means.

3. Should be called neo-colonialism.

C. Previously known as:

1. Colonialism

2. “White Man’s Burden”

D. Powerful

1. Multi-national Corporations:

2. First World governments

3. Third World Elite

E. Globalization real goal: create a global system for profit taking of MNCs.

1. natural resources

2. cheap labor

3. open markets

a. no subsidies

b. no tariffs

c. eliminate “non-tariff barriers”

4. agreements on intellectual property rights

5. privatization

6. create 3 billion consumers and 3 billion expendable

human beings to serve them

F. Method

1. Establish and support certain compliant TW governments

a. elites govern in interests of FW

b. historically: dictators

c. “formal” democracies

2. Put country in debt through “developmental loans”

a. elite and military

b. infrastructure (dams, highways, bridges, ports,

harbors)

c. 40% of WB loans: coal, oil

3. Demand “structural adjustment”

a. privatize profitable industries

b. privatize government services

i. water

ii. transportation

iii. fire, police

iv. education: users fees

v. health care: users fees

c. no subsidies to agriculture

d. Create and maintain an environment for sweatshops

i. no unions or labor organizers

ii. no occupational safety and health regulations

iii. no environmental laws

iv. low wages: below subsistence

v. “export processing zones”

5. WTO and NAFTA Chapter 11 Tribunals

a. decisions regarding trade disputes

b. accept penalties

G. Consequences (Maldevelopment)

1. Inequality

2. Poverty

3. Hunger

4. Disease

5. Conflict

6. Refugees

7. Forced emigration

a. 80% of TW were tied to agriculture

b. No agricultural subsidies: forced off the land

i. forced to farm marginal land

ii. work on plantations

iii. desperate global labor force

iv. sweatshops

v domestic and migrant labor in

FW

vi. sell children into forced labor

3. Resistance

a. Reject Free Trade Agreements

b. Populist/Socialist Governments

c. Popular movements: Landless Peasants Movement

4. toxic dump

II. NAFTA: Chapter 11

1. Foreign corporations (or a single shareholder) can

sue the US government if they feel a regulation has

diminished their right to profit

2. Not a suit in court, but a secret tribunal

a. closed to public

b. no limit on amount

c. claims for $13 billion have been filed

3. decision is binding

a. professional arbiters

b. No appeal

4. US can be sued by foreign corps doing business in

US for US environmental laws, worker safety laws,

laws protecting US businesses

5. Examples:

a. MTBE and Methanex

b. Ethyl Corp sued Canada MMT, nerve toxin