Corporate Globalization and Its Impact on National Economies, Communities, Workplaces, and Environments

Video “Global Village-Global Pillage? (Narrator: Edward Asner)

At the end of this session, you should be able to understand
- Positive and negative sides of economic globalization
- What globalization choices do we have?
- Destructive forces of purely corporate-driven globalization ➔ "Race to the Bottom" = job loss, unemployment, pollution, "sweat" shops and jobs, cuts in public services
- Global struggles for jobs, environment, and democracy ➔ "Globalization from Below"
- New global social movements, grassroots rebellions, local coalition-building, transnational networking, and the creation or reform of international institutions to control corporate globalization ➔ "The Liliput Strategy" (from: J. Swift Gulliver’s Travels) = Reversing the Race to the Bottom

The Video “Global Village-Global Pillage? is a documentary exploring what the global economy means for ordinary people -- and what they are doing about it. “The global economy . . . for those with wealth and power means big benefits. . . . but what does it mean for the rest of us? Can we shape its future -- and our own?

Objectives of the video documentary
- Demonstrates the value of grassroots democratic initiatives
- Explains why and how to link such initiatives across national borders
- Shows the connection among environmental, labor, human rights, farm, and women’s issues
- Provides an understanding of and response to globalization
- Connects local conditions/issues to broad/transnational democratic concerns
- Replaces the simplistic view of winners and losers, of nations pitted against each other—instead it recognizes the transnational dimension of corporate globalization and citizen action

Talking Points 1
What is Globalization? What does the term mean? Does it mean different things to different people?
- Creation of global corporations
- Growing power of international economic institutions (WTO, IMF, WB)
- Growth of international finance—movement of money, not of goods and services

Talking Points 2
- How is the global economy affecting the lives of people around the globe?
- Who is benefiting and who is not?
- What are some of the positive aspects of globalization?
Challenges of globalization to our current political, economic, and societal structures?

Talking Points 3
- What is the role of the nation-state or of democratic decision-making in an era when global institutions increasingly make the rules and decisions that were once granted to national and state governments?
- If people or communities want to change policy set by global institutions, how can they influence the decisions that affect their lives?

Talking Points 4
- Millions of people around the globe are questioning the assumptions of globalization. Are they making a difference?
- What new techniques for building bridges and reaching across national borders are being pioneered by grassroots movements responding to globalization?

THE RACE TO THE BOTTOM
- Multinational Corporations move to “Off-Shore” Production in export processing zones (EPZ)
- Examples: garment, shoes, soft furnishings, toys, semiconductors, electrical goods in Mexico (maquiladoras=labor intensive), China, Caribbean, Mauritius
- They produce where labor is cheap and the business environment is “flexible” (limited controls, incentives)
- They sell where prices are high
- Characteristics of MNC’s/TNC’s: Mobility in production, investment, management (located in developed nation-state but with a multi-national work force, often young women)

Today's global economy lets corporations pit workers and communities against each other to see who will provide the lowest wages, most abusable workers, cheapest environmental costs, and biggest subsidies for corporations.
- The result: "RACE TO THE BOTTOM" in which conditions for all tend to fall toward the poorest and most desperate.
- But that gives people around the world a common interest in opposing the race to the bottom. This movie shows how they are doing so.

COMBATTING SWEATSHOPS
- The campaigns to pressure corporations to establish basic standards in their workplaces around the world.
- The campaign which led the Gap to establish a code of conduct with independent monitoring.
- The 1999 student sit-ins for a livable wage for those who make university licensed clothing.

WORKERS HELPING WORKERS
As corporations go global, workers in different parts of the world are increasingly giving support to each other
Workers in Japan, Latin America, and Europe pressured Bridgestone/Firestone to rehire locked out workers in the United States

RESISTING GLOBAL OPPRESSION
- The global economy is largely governed by highly undemocratic international institutions, but people are learning new ways to control them.
- Local people in India, with support from environmentalists around the world, blocked a huge dam that would destroy their homes and livelihood.
- Religious groups around the world have forced governments to start canceling the crushing debt of the poorest countries.
- Activists in 70 countries joined to block a new "Multilateral Agreement on Investment" that would have given global corporations power over national governments.
- Unions and allies are campaigning to include basic human and labor rights in international trade agreements.

REVERSING THE RACE TO THE BOTTOM
- Through grassroots organizing combined with mutual support around the world, ordinary people are beginning to find ways to counter the race to the bottom.
- Based on the book Global Village or Global Pillage by Jeremy Brecher and Tim Costello

Comments: Ralph Nader
"The inherent power of the people is more than enough to turn the tide if people realize what's at stake and that they've got the power, with trade unions and environmental groups and consumer groups, to prevail and win. So that we have global cooperation with the maximum of democracy, a respect for local institutions and community initiatives, instead of these mega-corporations that are strategizing and lobbying to control our world."

Comments: Charles Kernaghan
"The companies roam the world with no checks and balances in search of misery and poverty and unemployment, because they will tell you in their own testimonies that naturally in those areas you will find the lowest wages."

Comments: Dennis Brutus
"Third world countries are being forced to race to the bottom. they have to compete with each other, outbid each other, in offering cheaper labor than their competitors and also offering more stringent legislation to control labor. So you get both repression and increased poverty. You depress the economy, but you also repress the freedom of the people."

Comments: Thea Lee
"If our only choice is to have globalization that means drastic cuts in social security and lower wages and lower benefits, we don't want that kind of globalization. But we can define a different kind of globalization, with ground rules that protected both social services and basic labor and human rights."

Comments: Loretta Ross
“You have to care because they affect the jobs in your community, they affect your standard of living, your quality of life. Whether if you have an accident and you get laid off, will there be any kind of social safety net there for you? This is why you need to care about human rights and issues of globalization. Workers in Mexico and their well-being is important to your well-being. Because if they can maltreat them, they can maltreat us."