

HANDOUT 11c: GLOBALIZATION TERMS

See if you can match the correct globalization term to its definition. Then answer the discussion questions at the end.

- Austerity measures
- Bailout
- 'Battle in Seattle'
- Colonialism
- Cultural imperialism
- Economic globalization
- Economic imperialism
- Economic liberalization
- Economic protection zone, special economic zone, maquiladora
- Fair trade
- Free trade
- Globalization
- International Monetary Fund (IMF)
- Laissez-faire economics
- Multinational/transnational corporation
- Multilateral Agreement on Investment (MAI)
- North American Free Trade Agreement
- Outsourcing
- Privatization
- Race to the bottom
- Tariff
- World Trade Organization

- 1.) _____ The increasing connectedness among countries and regions, including the integration and interdependence within the economic, social, technological cultural, political, and environmental spheres. Globalization is the outcome of many factors such as advanced technology, communication, and economic structures. Anti-globalization group "Anti-Marketing" says, is "the process of exploiting economically weak countries by connecting the economies of the world, forcing dependence on (and ultimately subservience to) the western capitalist machine."
- 2.) _____ Growing economic connection of economies over the world because of more cross border movement of goods, services, technology, and capital. Includes reducing trade tariffs and regulations and the increase of integration of nations' economies.
- 3.) _____ Policy of reduced government regulations and restrictions in the economy to increase private business. Examples include free trade, privatization, outsourcing, and economic protection zones.
- 4.) _____ Business that has operations in more than one country. Often have budgets bigger than many countries. Proponents argue they create wealth and jobs. Critics argue they often have too much influence over government, exploit poor countries, and create job losses in their home countries. Examples include: Wal-Mart, Nike, Sony, Monsanto, Coca-Cola, Apple, and Starbucks.
- 5.) _____ Idealized trade model where goods and services between countries flows without government regulation or taxes. Would be the final result of trade liberalization, and would be characterized by a trade system with no tariffs or any other restrictions to trade.
- 6.) _____ Taxes on imported products imposed by governments. The goal may be to protect domestic industries, punish foreign nation's products for assorted reasons, or to increase government revenue.
- 7.) _____ Financial rescue packages for large private institutions such as banks or manufacturing companies after a financial or economic crisis. Proponents argue the bailouts protect jobs. Critics argue bailouts protect CEOs at the expense of public funds. Some argue bailouts socialize costs while privatizing the profits.
- 8.) _____ Attitudes, policies, and practices that result in the exploitation or subjugation of a nation or group by a larger or more powerful group.
- 9.) _____ Promoting or imposing one culture over another, usually an invading culture over and indigenous culture.
- 10.) _____ Economic dominance of one country or group (e.g., a corporation) over another country or region, resulting in the dominant power having increased control over natural resources, labour forces, and the marketplace.
- 11.) _____ Refer to requirements by lenders like the IMF and World Bank that nations cut public spending in order to receive loans. Proponents argue the measures are necessary to control government debt. Critics argue the programs most often cut are education, public health, and other social safety nets which hurt local populations.
- 12.) _____ Movement that promotes international labour, environmental, and social standards for the production of traded goods and services. This focuses primarily on exports from poor countries to rich countries. It works against sweats shop labour, slave labour, and environmental degradation

- 13.) _____ A guiding principle of capitalism. Idea that an economic system should not be interfered with by government. Believes people are motivated by self interest and that if they are left alone in their economic activities a balanced system of trade based on mutual benefit will emerge. The 'invisible hand' that guides the marketplace. Became the dominate thinking in 19th century western business and government. Critics point out its failings in terms of disparity of wealth, treatment of workers, monopolies, environmental degradation, and human rights abuses.
- 14.) _____ Contracting out of work to a third party. May include relocating work to another country. Savings on labour rates is often a motivation for outsourcing.
- 15.) _____ Outcome of globalization, free trade, and economic liberalization. Countries or groups compete to recruit foreign investment by cutting labour standards, environmental regulations, taxes or other laws.
- 16.) _____ Process of moving ownership of a public service or property from the government sector or ownership to private sector (privately owned business). Can mean outsourcing of services to private firms. Often to reduce labour costs.
- 17.) _____ International organization created in 1945 to help repair the post war monetary system. Member countries contribute money to a fund, and then others can temporarily borrow from it. Criticisms center around repayment of debt schemes that seem to reward wealthy nations at the expense of poor ones, and over 'structural adjustment programs' that may require governments to adopt domestic policies that may not benefit citizens in order to qualify for loans.
- 18.) _____ Was the international agreement drafted that would govern how governments were supposed to protect investors' rights and facilitate investment entry. Not concluded because of a combination of intense public opposition in the US and Europe, and France's refusal to support the agreement.
- 19.) _____ Free trade deal signed between Canada, the US, and Mexico. Proponents argue the deal has increased Canadian and US investment opportunities and increased trade; critics argue the deal has caused outsourcing of manufacturing jobs to Mexico, threats to national sovereignty from corporations, threats to indigenous land rights, and export of resources like water.
- 20.) _____ Areas of production in a country where the normal policies regarding tariffs, taxes, labour standards or environmental laws may not apply. Goal is to attract foreign investment. Manufactured goods are then exported to the foreign nation. In Mexico, these areas employ mostly women.
- 21.) _____ WTO Ministerial Conference held in Seattle, Washington, USA. Outside saw massive demonstrations and violent dispersals of protestors by police. Inside, saw major tension between members over process and declarations that led some member nations from Latin America, Africa and the Caribbean.
- 22.) _____ International intergovernmental organization. Job is to oversee the

implementation of the various international trade agreements, including the WTO Agreement, in pursuit of trade liberalization and free trade and to serve as the permanent place for global trade negotiations.

DISCUSSION:

- 1.) What impact does economic globalization seem to have on workers?

- 2.) Do any of the terms seem similar? Which ones?

- 3.) Which of the terms seem to be CAUSES of economic liberalization?

- 4.) Which terms seem to be EXAMPLES of economic liberalization?

- 5.) Which terms seem to be RESULTS of economic liberalization?