

GRADE 12 HISTORY

GLOBALIZATION

CHARACTERISTICS OF GLOBALISATION



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WHAT IS GLOBALIZATION?

This is a summary taken from: Shuter's History, Grade 12. 2007. Pages 338 & 339.

Since the 1960s, the world has seen significant political, economic and social change. The most obvious impact on all aspects of life, has been the technological revolution, the collapse of the USSR and the ending Cold War tensions. The end of the Cold War left capitalism unchallenged and the ramifications of unfettered global capitalism have been devastating. In response to this, many civil society organizations are now active around the world, monitoring the world environment, as well as the acts of governments and TNCs (transnational corporate).

The technological revolution has transformed the speed with which information is disseminated around the world. Today it is possible to watch a war being fought, in real time, in the Middle East from the comfort of your living room. This has been made possible by the microchip, developed in the 1960s in conjunction with the space programme. The microchip made it possible to reduce computers from the size of a room to the size of a pinhead. Since then personal computers have proliferated and the Internet now makes it possible for knowledge to be dispersed throughout the world. E-mail and broadband make immediate communications possible. The cellular phone, took has made it possible to be in touch with other people all the time: to send pictures, play games and to conduct banking. The speed with which technology is developing means equipment is out of date almost as soon as it is purchased.

Globalization has also revolutionized world communities and economies. Wealth in western countries has reached spectacular heights, never before experienced or dreamed of. As "westernization" spreads, people throughout the world are subjected to the same influences: they wear the same name brands, listen to the same music, watch the same movies and eat the same fast foods. Fast food outlets have revolutionized people's eating habits. In combination with TV and computer games, young people of today tend to live less active lives and this has resulted in serious health (weight) issues in developed countries. Bear in mind that people are starving in developing countries, as poverty has reached levels never before experienced. The extremes between the haves and the have-nots is vast and expanding. Millions of people all over the world have become refugees from hunger due to failed crops, natural disasters (the result of global warming?) and political unrest. Many countries have to deal with migrants and refugees resulting in xenophobia, mistrust and resentment.

The spread of western culture has rejected many traditional societies, religions and cultures. The divide, for example, between America and Muslim fundamentalism is a serious threat to world peace. The world has become less safe as the threat of terrorism

spreads. Airports now have to be secured and passengers are subject to long delays. Easy access to transport (a typical feature of globalization) doesn't come without its own negatives. Since 9/11 public transport has become a vulnerable target.

The last decade has seen a shift from western dominance in the economic market. The emergence of Asian countries, especially China and Korea, as well as India and the Middle East, offers a challenge to the USA and Western Europe. China has pledged aid to African countries in return for access to Africa's oil and markets, promising millions of dollars in aid and loans. China is not like the World Bank; it doesn't have a set of criteria for aid, nor does it have an endless list of conditions. At a summit in Beijing in 2006, China entered into a new alliance with 48 African countries, including South Africa.

The Western donor countries have carefully constructed aid policies tied to good governance: namely the support of democratic and capitalist ventures and access to natural resources. China's policy is to provide aid to whoever needs it and in so doing, communism and socialism are manifested.

The last three decades have witnessed an increase in the number of HIV/AIDS sufferers. Children, left without parents and homes, without prospects and futures will become dependent on a country's goodwill for survival. There is a growing awareness that health budgets and medical aid will not be able to cope with the demand.

Overall, the world is a very different place for that of the 1960s. While many of us living in the developed world enjoy the privileges and comfort of modern equipment, we should never lose sight of the fact that others are suffering and living in poverty. We need to ensure that our actions, thoughts and attitudes do not take for granted what we have, at the expense of others and we always need to be asking the question; what can we do to make the world a better place for all?



This is a summary taken from: Moments in History, Gr12. 2007. Pages 166 – 172

With the fall of the Berlin Wall in 1989, many thought an era of borderless freedom had dawned. To achieve this many of the challenges of globalization affecting economic, social, cultural and political had to be faced. And whether in the end everyone has benefitted needs to be re-evaluated....

ECONOMIC ENVIRONMENT

Until the 1970s, unemployment and the needs of the poor were seen as the responsibility of governments and their public works programs. However, with the introduction of structural adjustment programs (SAPS), initiated by the IMF and the World Bank, the role of individual governments has been reduced.

Globalization and the move from demand-based to market-based economies benefitted the developed, industrialized countries. Trans National Businesses could move their activities around the world, where they could best benefit themselves. For example, factories and production were created in developing countries where labour costs were lower. Such business could also acquire companies in other nations. Eg. Shipping lines, airlines, factories, waterfront shopping malls and tourism sites. Nationals (governments) would no longer own these. * Cape Town V&A just been sold.....

The widening gap between advanced economies and developing nations needed strategies to bring together global expectations and the needs of the developing countries. Issues emerged such as worker rights, and the lack of adequate investment or technical expertise. International financial institutions had to reform and understand the perspectives of the poorer nations.

A Jubilee 2000 campaign mobilized thousands to demand the abolition of developing nations' debt. Many such countries had had to hand over part of the control of their own economies to international financial institutions. These would then manage their debt repayments. At the 2002 World Summit on Sustainable Development (JHB) a major issue was the fact that most of the world's poor lived in sub-Saharan Africa. The gap between the rich and the poor continued to grow.

SOCIAL ENVIRONMENT

The globalized world increasingly impacted on human rights and social relationships. Traditional practices and beliefs were challenged by global influences. Many communities lacked access to the technical knowledge or skills necessary to allow them to participate in the wider world. To keep pace with the changes required lifelong learning. Without adequate education, places and people of developing countries could not hope to compete.

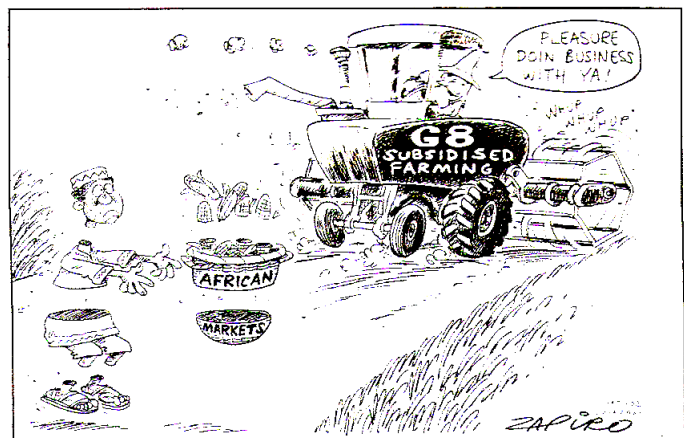
Millions migrated to areas of perceived better opportunities. This impacted on rural communities. In Europe, villages occupied for hundreds of years became ghost villages, left to the elderly. Cities strained their budgets to provide for increased demands from recent migrants for housing, transport, education and job opportunities.

In the developing countries many abandoned traditional social environments and left for the industrialized developed nations. The skilled among them were welcomed. The response to the unskilled was less happy. Often there was increased racism. Ethnic and cultural attitudes influenced the way people interacted with the migrants. Governments tightened border controls or made entry visas more difficult for the unskilled migrants or refugees seeking a new life in another country.

NATURAL ENVIRONMENT

Globalisation has expanded the activities of the industrialized world. New roads, aircraft runways and developments in shipping, such as container ships, very large ore carriers and oil tankers opened up previously remote regions to expansion. Developing countries could offer cheaper rates and won contracts (eg. to dismantle old computers, or ships) but some contractors had little regard for the pollution effects or safety of the workers. Large companies in developed countries could negotiate the transfer of toxic products, such as nuclear waste, to developing countries. Market demands encouraged smaller entrepreneurs in developing countries to undertake mining activities with minimal control and safety precautions, such as surface mining of diamonds and other precious minerals.

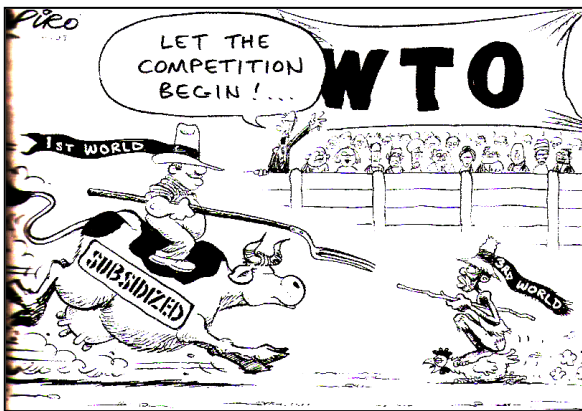
The earth's resources were pillaged. Rain forests were cut down for timber, and exotic animals were hunted and captured. Major corporations exploited resources and took little account of the effects on the local communities. Toxins and chemicals polluted underground water. The poor were the most affected by the degradation of the land. One in seven African children die before their 5th birthday. Under developed farming was uncompetitive. New methods of cultivation pushed out traditional subsistence farming and made people dependent on processed foods. Developed countries subsidized their farmers, developing countries did not. Developed countries could therefore afford to sell their products cheaper and in bulk. Developing countries could not compete. Excessive use of fossil fuels (oil and coal) increased pollution and global warming, affecting weather patterns and rainfall. Changes in sea levels threatened the survival of coastal towns.



Movements of civil society, such as Greenpeace, drew world attention to the increased degradation of the natural and built environments. International summits such as Kyoto required commitments from the world's nations to reduce pollution such as greenhouse gases. Some of the world's most developed countries such as the USA and Australia, responsible for the largest emissions of pollutions, declined to sign this protocol because it would affect their industries.

CIVIL SOCIETY AND THE POLITICAL ENVIRONMENT

A turning point in the globalization debate came in Seattle in the USA in 1999; 50 000 protestors staged massive anti-globalisation demonstrations. They were there to speak up for developing nations. They strongly criticized the WTO's actions calling them undemocratic and nontransparent. They argued that only the global elite received the benefits of globalization whilst the rest of the world bore the cost.



In 2000, about 30 000 protestors threatened a meeting of the IMF and the World Bank in Washington. Similar protests have since occurred around the world. As a result of mounting pressure from civil society, the World Bank and the IMF finally debated economic reform. The G8 agreed to partially reduce the debts of 41 Highly Indebted Countries.

SUMMARY

In the 1960s countries traded with each other and world economy was international (between nations) but controlled by governments. Trade barriers and tariffs protected local home-based industries and agricultural products. Communications were slow. The world was dominated by two major super power blocs: USA and USSR. Commercial contact between these blocs was limited. Foreign policy activity did not interfere with local government. African states won their independence during the 1960s and entered into loan agreements with international bodies like the World Bank and the International Monetary Fund. Racism and discrimination were experienced in many parts of the world. **Then from 1990, globalization as the 'new capitalism' changed economic patterns. Cross border trading was made easier. Many protectionist measures and trade barriers ended. Large multinational companies and investors operated beyond their country's control. Enormous advances in technology and communication accelerated the process of trade and industrialization. And the gap between the rich and poor grew wider. Developing nations hampered by past debt were unable to improve their competitiveness. Millions of people migrated to seek new lives and employment beyond their home base. The world had changed.....**

The following are important characteristics of Globalisation and you need to know the impact and importance of THE FIRST THREE:

1. Financial institutions and a global economy
Role of the WTO, IMF, WORLD BANK AND G8
2. Role of trans national corporations (brands)
3. Free trade (as opposed to protectionism and tariffs and government subsidies)
4. Technology: computers, internet, media communications and an increasing “digital divide”
5. Migration: forced and voluntary (refugees) and changing boundaries
6. Civil Wars and Genocide
7. Global culture and a global village (spread of multi-culturalism)
8. Exploitation of resources and man power
9. Widening gap between developed and developing nations
10. Environmental issues
11. Terrorism
12. Emergence of opposition groups and NGOs (mass demonstrations)

DEFINITIONS ON GLOBALISATION

There is no definitive definition for globalisation, but the following can be used....

“Globalisation refers to all those processes by which the people of the world are included in a single world society, a global society” (Martin Albrow, author.)

“The world is becoming a global shopping mall in which ideas and products are available everywhere at the same time.” (R M Kanter, author)

“Globalisation is what we in the Third World have for centuries called colonisation.” (Martin Khor, historian)

“Globalisation is the way that social, cultural and political relations have gained relatively distanceless and borderless qualities.” (John Bayliss, author)