

GLOBALIZATION IS

BRINGING JOBS AND

PROSPERITY FOR MORE

AND MORE PEOPLE.

GOVERNMENT

There's been a lot of talk about "globalization" in recent years. Powerful business and government leaders are pushing it. They say it's necessary — that it's good for the whole world.

worldwide — ordinary folks like you and me — are worried. Good-paying, unionized, manufacturing jobs are disappearing in some countries, while non-unionized low-wage jobs are growing in others. The gap between rich and poor is

widening, with more billionaires
and more homeless and hungry people
every day. The middle class is disappearing
in many countries. Public education and
health care and our social and income
security programs are being de-funded,
and privatized. There are fewer regulations
to safeguard air and drinking water or
forests and farmlands. Young people
see no future for themselves or
the planet. So people are in the
streets by the thousands to say

NO to globalization.

C'MON, CAN
GLOBALIZATION REALLY
BE THAT BAD? I'M
SURE OUR LEADERS
KNOW WHAT'S BEST
FOR US.

IT WILL LIFT

MILLIONS OUT

OF POVERTY.

BIG BUSINESS

GLOBALIZATION
IS DEFINITELY GOOD FOR
SOME, BUT I'M NOT SO
SURE IT'S GOOD FOR US
WORKING PEOPLE. LET'S
TAKE A CLOSER LOOK AT
GLOBALIZATION...

O

IT'S INEVITABLE,

SO YOU ALL HAD

BETTER JUST

ACCEPT IT

CORPORATE MEDIA



MULT IS GLOBILIZATIONS

In some ways, globalization has been with us ever since the first explorers set off in search of new lands and trade routes. Trading with other countries in natural resources and consumer goods has helped make Canada a strong industrial nation. Today, with computers, satellites, and the internet, the planet is becoming more and more interconnected.



JUST LIKE I TOLD
YOU, GLOBALIZATION
IS GOOD — THE WAY
OF THE FUTURE. ALL
THOSE PEOPLE ARE
STUPID FOR BEING
OUT ON THE STREETS
FIGHTING IT.

HOLD YOUR
FIRE. THERE'S
A MUCH NASTIER
SIDE TO
GLOBALIZATION.

THE PROBLEM IS ...

Corporations use these new technologies to increase their bargaining power over workers, communities and governments. Big business uses this new-found power to impose global **rules** that will guarantee its **rights**, now and in the future.

"I WOULD DEFINE GLOBALIZATION AS THE FREEDOM FOR MY GROUP OF COMPANIES TO INVEST **WHERE** IT WANTS, **WHEN** IT WANTS, TO PRODUCE **WHAT** IT WANTS, TO BUY AND SELL **WHERE** IT WANTS, AND SUPPORT THE **FEWEST** RESTRICTIONS POSSIBLE COMING FROM LABOUR LAWS AND SOCIAL CONVENTIONS."

> HERE'S A GLIMPSE OF THE UGLY WORLD CREATED

BY CORPORATE GLOBALIZATION



Percy Barnevik
President, ABB Industrial Group
(a multinational corporation
operating in over 100 countries)

THAT IS

"CORPORATE GLOBALIZATION"

Under corporate globalization, corporate profits come first....

...before human rights and basic needs...



...before our labour rights, and our right to a living wage...



...before our right to a clean, healthy environment...



...before our right to good public services like health care...



...before our democratic rights to decide what we want...



IS PURE
INSANITY!!
NOW I GET
WHY PEOPLE
ARE FIGHTING
IT ALL OVER
THE WORLD!!

WHEN DID ALL THIS START? HOW ARE THEY GETTING AWAY WITH

LET'S DIG DEEPER FOR THE ANSWERS.





STARTS WITH BLIND FAITH IN THE "FREE MARKET



SOME USEFUL TERMS

Today, we call people with these ideas... NEO-LIBERALS

The really nutty ones we call. FREE MARKET FANATICS

And often we call their ideas THE NEO-LIBERAL AGENDA

And sometimes we call it... TRICKLE-DOWN ECONOMICS

Many business and government leaders today believe we should let business make profits without interference from government rules and regulations. They believe that if business is free to make profits in any way it wants, the "free market" will magically take care of everybody's needs by producing what

WILTHE "FREE AURIET"



SO WHAT DO THEY REALLY MEAN BY GIVING BUSINESS MORE FREEDOM AND GETTING RID OF GOVERNMENT INTERFERENCE?

people will pay for.



IT COVERS PRETTY MUCH EVERYTHING. JUST LOOK AT THEIR AGENDA.



What governments do...

...they provide important public services to make sure all citizens have access to certain basic needs - things like health care, water testing, education, mail, public pensions, just to name



What neo-liberals want...

...they want to privatize public services GOVERNMENTS

SHOULD OPEN **ESSENTIAL PUBLIC** SERVICES TO PROFIT-MAKING



...they set rules in many different industries. These rules do everythina from protecting people's jobs. to making sure local businesses can survive against foreign competition, to protecting the environment and people's health.



...they want to deregulate all industries



ALL INDUSTRIES SHOULD BE OPENED UP FOR ANY COMPANY, DOMESTIC OR FOREIGN, TO MAKE MONEY. NO RESTRICTIONS.

COULD BE

MAKING

SERIOUS

...they set rules about their country's money, like who can take it out of the country, when and how much at one time. One thing these rules do is make sure wealthy investors can't suck all the money out of a country's economy overnight, leaving its people in ruins.



...they want to deregulate financial markets



PUTTING RULES ON MONEY AND INVESTMENT WILL SCARE AWAY INVESTORS!!

...they make labour laws that ensure workers have certain minimum rights. The right to work in a safe workplace, the right to take time off, the right not to be abused, the right to a minimum wage, and the right to join a union and bargain collectively for wages. benefits and working conditions.



...they want to make labour more "flexible"

LABOUR LAWS AND UNIONS MAKE **OUR ECONOMY** UNCOMPETITIVE. WITHOUT THEM WE COULD MAKE MORE MONEY.



"FLEXIBLE" LABOUR IS ABOUR THAT'S CHEAP AND EASY TO LAY





BUT HOW DO WE KNOW THEIR AGENDA IS BAD FOR THE WORLD'S PEOPLE? WON'T THE INCREASED BUSINESS BE GOOD FOR EVERYONE LIKE THEY SAY?

HISTORY CAN TELL US A LOT. LET'S TAKE A LOOK AT HOW ALL THESE IDEAS CAME ABOUT. AWWW!! I HATE HISTORY!





HOU LIE GOT HERE... A GHAN HISTORY LESSON

1900

LIFE FOR MOST WAS JUST PLAIN UGLY

A century ago, capitalism was uncontrolled, unregulated, and just plain ugly for most people. Corporations were all powerful, and workers lived in terrible economic and social insecurity. There was no health care, no unemployment insurance, no pensions, no workplace safety standards — nothing. The view of the ruling class was that governments should stay out of the "free market". If the economy crashed, and

THE NEO-LIBERAL WORLD BEING CREATED BY BUSINESS ELITES TODAY IS STARTING TO LOOK LIKE THE WAY THINGS WERE A HUNDRED YEARS AGO.

people became unemployed — well, too bad. Unemployment was something "natural", and all that governments had to do was wait for the economy to get going by itself.



1930 TO 1940

THE GREAT DEPRESSION

Then, in 1929, the economy did crash — big time. Poorly regulated stock markets crashed. Banks failed, taking people's savings with them. Companies went bankrupt, leaving millions out of work. The misery and poverty were so bad, that this lead to social and political breakdown, and even contributed to a world war.



SOMETHING MORE THAN "LEAVE IT UP TO THE MARKET" WAS NEEDED HERE.



ACCORDING TO
KEYNES, GOVERNMENTS HAD
TO GET OFF THEIR BUTTS AND
ACTIVELY PROMOTE FULL
EMPLOYMENT.



ALONG COMES KEYNES WITH SOME BRIGHT NEW IDEAS

In the 1930s, economist John Maynard Keynes came up with a new economic idea. Governments didn't have to sit around and wait for a sick economy to get better. They could **do something concrete** to help it recover. **Keynesian Economics** was born.



GOVERNMENTS
CAN STIMULATE THE
OVERALL DEMAND FOR
GOODS AND SERVICES BY
USING THEIR ABILITY TO
TAX AND SPEND.



GOVERNMENTS CAN LOWER THE INTEREST RATE TO HELP THE ECONOMY GROW



MEANWHILE, WORKERS WERE FED UP WITH POVERTY AND UNEMPLOYMENT. THEY ORGANIZED INTO UNIONS AND FOUGHT FOR IMPROVEMENTS.

> WE OWE SO MUCH TO THEIR COURAGE.

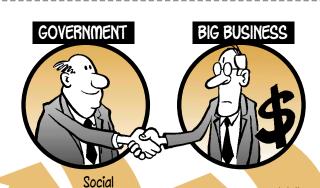


LABOUR TURNS UP THE HEAT

Unions and other groups began fighting for improvements in work and social conditions. With massive strikes, protests and social unrest, bit by bit they pressured governments to make big changes.



940 TO 1970



Taxes

programs, income security, labour laws and rights

Skilled labour. consumer market

Wellpaying Jobs with good benefits

THE GREAT POSTWAR CONSENSUS

With the war over and Keynes' ideas catching on around the world, things started getting better in many countries. Workers in industrialized countries like Canada saw thirty years of growth and improvements **in living standards**. Workers shared in the prosperity.

Business leaders didn't really like the idea of governments managing economies for full employment. But they went along with it. After all, well-paid workers became paying customers for their products. Also, they feared that if life under capitalism was too ugly for most people, the protests and social unrest of the Depression vears would come back.

So with business, government and workers more or less working together to improve life, we had consensus — the great "Postwar Consensus."

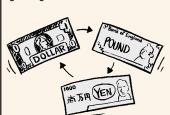
of economic growth and improvements in living standards!!



NEW INTERNATIONAL INSTITUTIONS HELP WITH THE CONSENSUS

Keeping with Keynes' ideas, governments created the International Monetary Fund (IMF) and the World Bank in 1944 to prevent the return of worldwide economic depression like the one that gripped the 1930s.

The IMF originally had two major roles — one was to ensure that exchange rates and money trading between countries remained stable. The other was to lend money to countries with high trade deficits. This was intended to keep all economies growing.

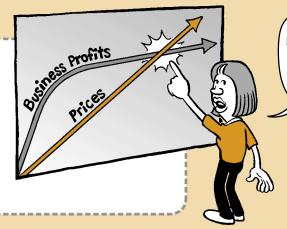


The World Bank's role was to make loans to rebuild war-torn countries. Eventually it moved into lending money to developing countries to help them build their infrastructure such as roads, water systems and education.



THE CONSENSUS GETS INTO TROUBLE

Things started to turn sour in the 1970s. **Prices** began to rise for a number of reasons. One was the Vietnam war. It cost the US billions, and they printed money to pay for it. Also, in 1973 the oil-producing countries suddenly raised the price of oil. Workers demanded better wages so they could keep up with rising prices. The cost of living was rising fast but the economy was slowing down at the same time. The profits of big business were falling, and they didn't like it.

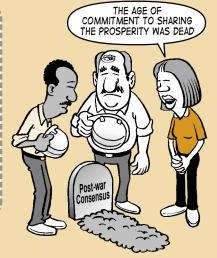


RISING PRICES PLUS ECONOMIC SLOWDOWN LEAD SOME TO QUESTION KEYNES' THEORY

BIG BUSINESS DECLARES WAR!

Bosses decided the time had come to make big changes. They blamed government programs, regulations and full employment for the situation. They also blamed "greedy" unionized workers who dared to bargain for better wages. Big business wanted to get their profits back. Their solution? Get rid of government rules and regulations, get rid of social programs, and get rid of unions. It was time to "set the market free." Neo-liberalism was born.





HEY, I REMEMBER THESE BUMS. THEY WERE PRETTY BRUTAL TO WORKERS AND POOR PEOPLE





CONSERVATIVES LEAD THE ATTACK

The British and US governments, under Margaret Thatcher and Ronald Reagan, were the first to openly push for this kind of pro-business program. They weakened their labour laws and viciously attacked unions in order to "teach them a lesson". Other countries started getting in on the act, including Canada under Brian Mulroney.

IN THE INTEREST OF SQUASHING LABOUR.

Then, governments began raising interest rates sky-high. They said it was to try to lower inflation. But guess what? It also caused mass unemployment! With so many people out of work and desperate for any job, workers were willing to earn less and accept poor working conditions.

HEY! COULD YOU PLEASE LOWER THAT? CAN'T YOU SEE YOU'RE CAUSING A RECESSION?

SORRY FOLKS, BUT WE MUST GET INFLATION **UNDER**

NOT TO **MENTION DEPRESS THE** COST OF LABOUR AND SQUASH THE POWER OF UNIONS.



why high INTEREST RATES CAUSE UNEMPLOYMENT

DELIBERATELY CAUSED UNEM-OYMENT TO TAKE THE WIND OUT OF LABOUR'S SAIL?



PRETTY NASTY EH?



When interest rates go up, the economy slows down. This is because it becomes more expensive to borrow money. Businesses and individuals stop investing in production. Businesses lose money and begin to lay off workers.

GOV

THE WAR ON THE DEFICIT WAS A WAR ON THE POOR AND WORKING CLASSES.

HIGH DEBTS AND DEFICITS: CREATING THE PERFECT CRISIS

Not only did high interest rates cause unemployment, they also did something else. They caused many countries' national **debts** and deficits to grow out of control. But this was perfect for neo-liberals. All they had to do was scare people into believing they were spending too much on health care, education, unemployment insurance, income security, social programs and environmental protection. Then the neo-liberals could do all the cutting and slashing they wanted — and get away with it! The cuts were deep and brutal.



ОН MY GOD! CUT , CUT!!

NEO-LIBERALISM REACHES SOUTH

High interest rates also created chaos in the developing countries. When interest rates were low, northern banks and investors had urged developing governments and private business in the south to take out loans. When interest rates sky-rocketed in the early 1980s their debts also sky-rocketed. Many poor-country governments were going bankrupt and threatened non-payment of their loans.

Now in their new role as global bullies, in stepped the IMF and World Bank, pressuring poor countries to keep up their debt payments. This kept money flowing into the pockets of their buddies at the banks and on Wall Street — the same ones who had made bad loan decisions in the first place.

The IMF and World Bank offered help on debt repayment — but with conditions. Countries had to make corporate-friendly changes to their economies. They called it "structural adjustment." But these and other changes pushed millions of people deeper into poverty. What little access they had to health care, education, public services, jobs and income security was wiped out for most people. Poor countries became so desperate for foreign investment they were now ideal targets for transnational companies to do business.

Today, developing countries have repaid far more just in interest than they ever borrowed. And each year, far more money flows from poor countries to rich countries than the other way around.

RIGHT AROUND THIS TIME THE IMF AND THE WORLD BANK TURNED INTO SERIOUSLY NASTY CHARACTERS THUGS, ENFORCING NEO-LIBERAL POLICIES ON THE SOUTH

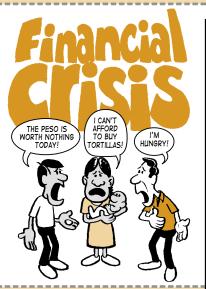
RUCTURAL

- privatize your state companies, utilities and public services
- deregulate the movement of money across your borders make deep cuts to health care, education, and public pensions
- remove subsidies that help poor farmers
- weaken labour laws and protections
- stop protecting local industries get rid of trade tariffs · forget staple foods for people to eat, produce more cash crops for the world market

BUT THAT'S GOING TO DRIVE MILLIONS OF DO IT! OUR PEOPLE FURTHER IF YOU WANT HELP INTO POVERTY! WITH YOUR DEBTS, HERE'S WHAT YOU HAVE TO DO ..

CURRENCY SPECULATION... A GAME THAT RUINS WHOLE ECONOMIES

Countries around the world have always kept strict rules about the movement of money into and out of their borders. But in the early 1980s neo-liberals began weakening the laws that regulated **financial markets**. This helped reduce the costs of doing business around the world, which was good. But it also opened the door to a new and dangerous business: **currency speculation**. Currency speculation is a game played by wealthy investors around the world (see right). It can cause serious damage to a country's economy. Remember the sudden financial crises that hit Mexico in 1994, Asia in 1997, and Brazil in 1999? Millions lost their jobs and their savings and were driven into poverty.



WHAT IS CURRENCY SPECULATION? With the YEAH, DUMP IT stroke of a FAST. EVERYONE YA THINK, computer key, ELSE IS. DUMP THE investors and PESO? traders quickly buy and sell huge sums of foreign currency from different markets. By taking advantage of small changes in interest rates, they can make millions in profits literally in seconds. Today, financial institutions make about 1.5 trillion dollars every day around the world, just by

playing this deadly game!!

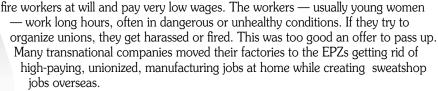
FREE TRADE: THE RACE TO THE BOTTOM BEGINS

Some countries began negotiating "free trade" agreements. The idea was to get rid of taxes and tariffs on goods crossing borders. This meant that companies could pick up and move production of these goods to countries within the "free trade area" with the lowest costs — the lowest wages, the worst labour laws, the lousiest social programs, the slackest environmental rules, and the weakest unions.

At the same time, the IMF and World Bank were ordering poorer countries to open up their economies. They told these governments to use their "comparative advantage" to compete for badly-needed investment. Many countries began setting up Free Trade Zones (also called Export Processing Zones, or EPZs or "Maquiladoras"). These are special

areas where foreign corporations can operate factories

outside the laws of the country. They're exempt from most taxes. They can pollute the air, land and water. They can hire and



When companies start moving away from places with good standards, it puts pressure on those countries to **lower their high standards to compete**. It becomes a "race to the bottom".

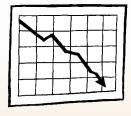


SO HOLL DOES THE LICKLY LOOK TODAY?

After twenty years of neo-liberal economic policies — doing things big business' way — is the world better off? Do we have more jobs? Better economic growth? More equality? The answer is: "**NO!**"

ECONOMIC GROWTH RATES HAVE DECLINED!

After 1980, the global economy* has grown at half the rate it did under the "Postwar Consesus".





GLOBAL UNEMPLOYMENT IS HIGHER!

HEY! COME BACK!
HOW ABOUT SOME MORE TAX
BREAKS? WE'LL CRACK DOWN

ON UNIONS!!

orporatio

In virtually every country, the unemployment rate has been higher than before.

* GDP per capita

THE INCOME GAP IS WIDER THAN EVER — AND GROWING!

Over 550 million workers and their families around the world are living in poverty, on less than one US dollar a day!
One fifth of the world's population controls 90% of the world's wealth. The impacts have been hardest

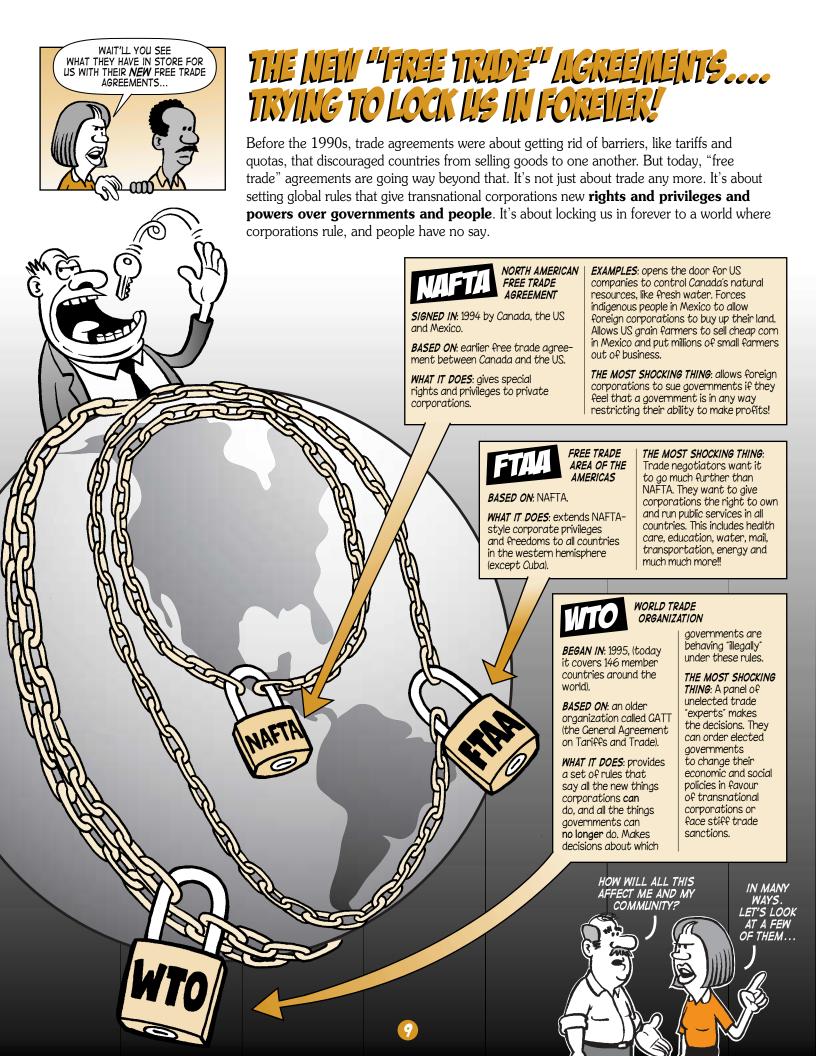
on people in developing countries, where poverty and inequality have grown massively.

Women are the worst hit — they're more economically vulnerable than men!









HOW "THEE TRIDE" AGREEMENTS AFFECT US

THEY TELL GOVERNMENTS WHAT THEY CAN AND CAN'T DO IN THEIR OWN ECONOMIES

We used to be able to put conditions on foreign companies operating here. We could make sure that their activities **benefitted** the Canadian economy, and that Canadian workers got some decent jobs out of the deal. But more and more, under the rules of "free trade," these kinds of economic strategies are **not allowed on pain of trade sanctions**.

EXAMPLE

THE WTO KILLED THE AUTO PACT — AND FUTURE CANADIAN JOBS!

In 1965 we signed the Auto Pact with the US. It allowed US automakers free access to the Canadian market (that meant they could sell their vehicles here without paying tariffs). In return for this free access, they had to produce a **fair share** of their vehicles **in Canada**.

Thanks to that treaty

Thanks to that treaty, Canada's auto industry boomed, creating tens

of thousands of high-wage jobs. It helped make Canada's auto industry the most successful in the world. THAT'S
ILLEGAL!!
Dispute Resolution Panel

But in 2001, the WTO ruled that it was no longer legal under free trade rules for

Canada to put conditions on free access to our auto market. They ordered Canada to kill the Auto Pact! Now big US automakers could close Canadian plants at any time, throwing thousands out of work!!





2. THEY PROVIDE A WAY FOR CORPORATIONS TO CHALLENGE AND CHANGE A COUNTRY'S ECONOMIC AND SOCIAL POLICIES

Corporations can now complain about a country's policies at "dispute resolution panels" set up under free trade agreements. If they win their case, a company can force the country to change its laws, or have the country pay millions in compensation.



NAFTA PUT CORPORATE PROFITS BEFORE CANADIANS' HEALTH!!

In 1997, to protect the health of Canadians, our government banned imports of a toxic chemical called MMT. Ethyl Corporation, the U.S. chemical giant which makes MMT, used NAFTA to sue the Canadian government for \$250 million for lost profits. Our government backed down: **they removed the ban, and paid Ethyl \$19 million!**









HERE'S ANOTHER

SHOCKING



IT'S BETTER

OWN MILK

para crecer

sano y fuerte

EXAMPLE

THE WTO PUT CORPORATE PROFITS BEFORE THE HEALTH OF GUATEMALAN BABIES!!

Transnational food giants like Nestlé or Gerber have long used unethical marketing practices to promote sales of baby formula in Third World countries. International organizations like UNICEF have pushed companies to remove images of chubby, healthy babies from their advertising. Until recently, Guatemala had a law prohibiting such advertising. But Gerber, backed by the U.S. government, threatened to take Guatemala to the WTO. Guatemala backed down. They got rid of their law, and Gerber continues its unethical advertising!



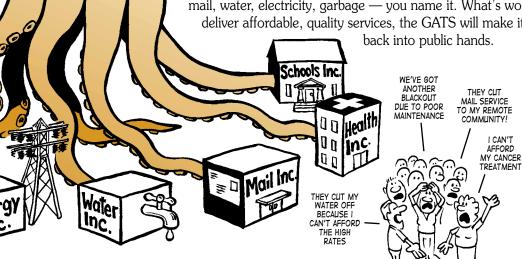
NAFTA very nearly gave foreign corporations the right to buy up Canada's fresh water supply.

U.S. companies are gradually getting control of Canada's energy supply. If trade negotiators, get their way, governments will soon give everything over to corporate control.

EXAMPLE

THE GATS AND FTAA WILL GIVE CORPORATIONS CONTROL OVER PUBLIC SERVICES.

WTO trade negotiators — especially from Canada and the US — have been pushing for the General Agreement on Trade in Services (GATS). This agreement will pressure governments to get out of the business of providing public services to citizens. Private companies would be allowed to provide all services **for profit!** Health care, education, mail, water, electricity, garbage — you name it. What's worse, if privatization fails to deliver affordable, quality services, the GATS will make it very difficult to get services





ACTION CHANGE!

THEY TELL US THERE IS NO ALTERNATIVE SO WE WON'T RESIST, BUT WE KNOW WE CAN BUILD A BETTER FUTURE THAT FOCUSES ON PEOPLE, NOT PROFITS

UH-OH, I THINK THOSE PEOPLE ARE ONTO US.

I. GET YOUR UNION TO JOIN THE GLOBAL RESISTANCE!

The corporate elite won't give up what they've taken from us without a fight. We've got good momentum going, and they're feeling the heat! It's important to keep up the pressure. Make sure you keep informed about upcoming actions in your area.



Back in the late 90s corporate globalizers were negotiating a secret deal called the Multilateral Agreement on Investment (MAI). It was a shocking list of new rights for corporations, and a big blow to the democratic rights of people. When word of the deal got out, civil society

and labour organizations spread the news around the world and organized anti-MAI protests — both in the streets and on the web. In the face of strong global opposition, countries began backing out, and the deal call arount!





2. HELP BUILD AN ALTERNATIVE GLOBAL ECONOMY!

Acting locally is vital, but we also need to challenge the threat of corporate globalization on a global scale. Already trade unionists from around the world have started working together with allies in the social movements. They're pushing forward an alternative global economic agenda. Find out what your union is doing and get involved!

ALTERNATIVE GLOBAL AGENDA

- Full-employment with jobs that provide dignity and a living wage
- Respect for basic human and labour rights before corporate profits
- Universal access to essential services such as health, education, water and sanitation
- Safety nets to help those experiencing
 Landchins
- Ecologically sustainable growth (that means growth that won't kill the planet like we're doing now)
- A better deal for billions of poor people in the global South

4. PRESSURE CANADA'S FEDERAL GOVERNMENT TO STOP ADVANCING CORPORATE GLOBALIZATION!

Write letters to MPs. Vote for candidates who support alternatives to corporate globalization. We can force



our government to STOP helping create a global constitution of rights for corporations. Remember, institutions like the WTO are incredibly powerful, but they can only exist and exercise their power if governments like ours continue to play the game.

MONEY WHERE YOUR MOUTH IS!

3. PHT YOUK

If we don't buy their stuff, their system will collapse. Let's send a message to transnational corporations: "consumers won't support violations of human, labour and environmental rights." Where do we start? Why not with the clothes we wear? Join the No Sweat Campaign to ensure that the clothes and uniforms you are wearing are not made by sweatshop labour. Check these sites: www.clc-ctc.ca www.maquiladorasolidarity.org

5. GET ON THE WEB AND ORGANIZE!

Check the CLC Globalization web site to see what's happening and what social justice coalitions are planning around globalization and trade issues: www.clc-ctc.ca/globalization

THE GLOBAL
ECONOMY IS NOT
BEYOND OUR CONTROL
AS LONG AS WE
BECOME INVOLVED







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Union made

Canadian Labour Congress

Congrès du travail du Canada

