

The background features a stylized globe with a grid of latitude and longitude lines in a light teal color. Below the globe, there is a silhouette of a mountain range with three distinct peaks, rendered in shades of green and teal. The overall design is clean and modern, with a focus on the intersection of global and regional themes.

# *Appalachia* & Globalization

A Report of the  
Commission on Religion  
in Appalachia (CORA)

## THE GLOBALIZATION WORKING GROUP

*Please see the inside back cover for the names and descriptions of the members of CORA's Globalization Working Group.*



## PHOTOGRAPHS IN THIS DOCUMENT

*Unless otherwise credited, the photographs used in this publication were taken during listening sessions held by CORA's Globalization Working Group. The photographers were ron davis and Jerry Bone.*

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# Introduction

In the preface and introduction to CORA's 1986 document *Economic Transformation: The Appalachian Challenge*, the words "economic globalization" were not used. The authors of the document recognized that Appalachia was facing "another economic crisis of new dimensions." They were mindful of economic crises in other parts of the United States and in the Third World, but their focus was on Appalachia—and on the root causes of *its* economic crisis and on the strategies that could be formulated to address that crisis.

Much has changed since 1986. Few of us could have predicted that the Soviet Union, the standard bearer of state-managed economy, would soon be no more. Few thought that the People's Republic of China would embrace "free market" ideology with such eagerness and speed. Few of us could imagine that the United States government, with the enthusiastic support of both major political parties, would push the "free trade" agenda of corporate globalists with such vigor. Few of us could envision a global trade policy capable of reaching into every corner of the world and threatening jobs, health, the environment, participatory democracy, human rights, local culture and sustainable communities. Some of us *still* don't believe what is happening. The pace of change has been—and *is*—so rapid that it sometimes leaves even the most passionate and savvy activist spinning in disbelief and confusion.

## MAKING SENSE OF CHANGES

The purpose of this document is to help us make sense of these massive world-wide changes and to *connect* these changes to the continuing economic crisis in Appalachia. To facilitate the making of these connections in the past year, CORA sponsored listening sessions all over the region. We asked the people who attended these sessions to tell us how globalization is affecting them, the people they work with, their communities and Appalachia in general. We then asked the attendees to share with us some strategies they thought CORA might use to address the effects of globalization in the region.

## LISTENING SESSIONS

CORA's globalization project "listening sessions" were conducted at various locations in Appalachia. Sessions which were attended by people from all over the region were held at the Appalachian Development Projects Coalition (ADPC) meeting in Johnson City, Tennessee on May 3, 2003 and at the CORA Commission meeting May 8-10, 2003 in Huttonsville, West Virginia.

Smaller sub-regional meetings were held in Berea, Kentucky on December 9, 2002; in St. Paul, Virginia on January 22, 2003 and in Knoxville, Tennessee on April 16, 2003. At the Knoxville meeting, we also heard from two women who had attended the World Social Forum in Brazil and who helped us understand how globalization affects people in the developing world. All told, approximately 175 people participated in CORA's listening sessions.



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There were many reasons for using the “listening session” approach. To begin with, we felt that trying to address the many issues affecting Appalachia has had a limiting effect on efforts to develop an analysis as to the “root causes” of those issues. Our energy is dissipated, our attention is diverted, and connections are missed. We felt the need to help people “step back” and look with new eyes at the issues—and at globalization.

Another reason for listening to Appalachians in such a way is that we needed to build *a learning community*—a community far away from the television set, where corporate controlled media feeds us a daily diet of misinformation, all but ignoring the reality of our lives and instead *producing* “reality” for us. We needed a way to counter the effects of an educational system that treats us all as if we were “empty vessels” needing to be filled by the wisdom of “experts” and pundits. We needed a place far away from the politics of division, despair and dread.

Our listening sessions were designed to help people make their *own* connections, connecting local issues to global trends. We connected problems in our communities to state and federal policies. We connected the shifting political winds in the United States with the rapid implementation of corporate globalization. We began to realize that economic globalization is not just another set of policies being force-fed to a wary and weary world. It is a “free trade” juggernaut with the capacity to *reshape* the world—to drastically change our social, political, economic, agricultural, food distribution, environmental and health care systems. We understood that this *reshaping* is taking place right here in Appalachia today.

#### APPALACHIA AND “THIRD WORLD” PARALLELS

True, the effects of this reshaping have been obvious in other parts of the world for some time now. Budgets for education are being cut in places like Senegal, where each child is allotted about seventy dollars per year for his/ her education and where many children sit three and four to an old wooden desk. But our attendees told us of rural schools right here in Appalachia which are already approaching “Third World” levels. True, women in India are being deprived of access to clean water while multinational corporations buy up and privatize the sources of water. But we heard of local citizens’ groups working to defeat moves to privatize public water companies in Kentucky and West Virginia. True, workers in many other countries are being forced to work for a fraction of a living wage in sometimes deplorable conditions. But we heard of the massive loss of jobs in this country too, and of consultants who advise companies on how to “bust” unions and ensure a complacent, frightened workforce. Globalization seems to have brought the world to our doorstep, along with a whole new set of “miserics.”

Meeting the challenge of economic globalization, and replacing its top-down, elitist “corporate” model with one that is participatory and democratic will require an extraordinary effort on the part of all segments of human society. It will require that we begin to look at the world with new eyes—as the participants in CORA’s listening sessions have done. What follows is the product of their discernment—their concerns about economic globalization and their ideas about how to address the problems associated with it. We invite the church leaders of Appalachia, and all those who support the justice work of the Commission on Religion in Appalachia, to study those concerns, reflect upon those ideas and prepare to engage in the struggle. This struggle, and its outcome, will determine how we will live in the twenty-first century.

## Some Definitions

Before we begin to explore the impacts and strategies which came out of our listening sessions in Appalachia, we will define some of our terms:

### ■ GLOBALIZATION:

When we talk about “globalization” or “economic globalization” we mean corporate-led globalization. In developing nations this model is often referred to as *neoliberalism*. This corporate model of globalization envisions one world economy, under the control of multinational corporations, assisted by compliant governments and freed from any and all regulations that might restrict trade or make it difficult for these corporations to extract ever-increasing profits. It’s to be a world of bland, homogeneous consumers—all wearing the same Nike shoes, listening to the same music, and eating the same fast food.

Corporate globalization has been made possible, in part, by the rapid development of computers and communications technology in the latter part of the twentieth century. The movement of jobs to other countries, the rapid transfer of capital, the speed with which trade negotiations can be conducted—all are affected by this explosion of technology. And, as this technology becomes more sophisticated and more powerful, the tactics of the corporate globalists become more sophisticated, and their power and wealth grow by quantum leaps.

It is our point of view that economic globalization, dominated by multinational corporations, works to the detriment of average people—especially people of color, women, and most residents of the developing world. The extent to which these people are paying the costs of the globalization experiment can be seen in the growing visibility of children in the workplace, the slavery-like conditions in sweatshops, and the relentless attacks against organized labor being waged by governments all over the world.

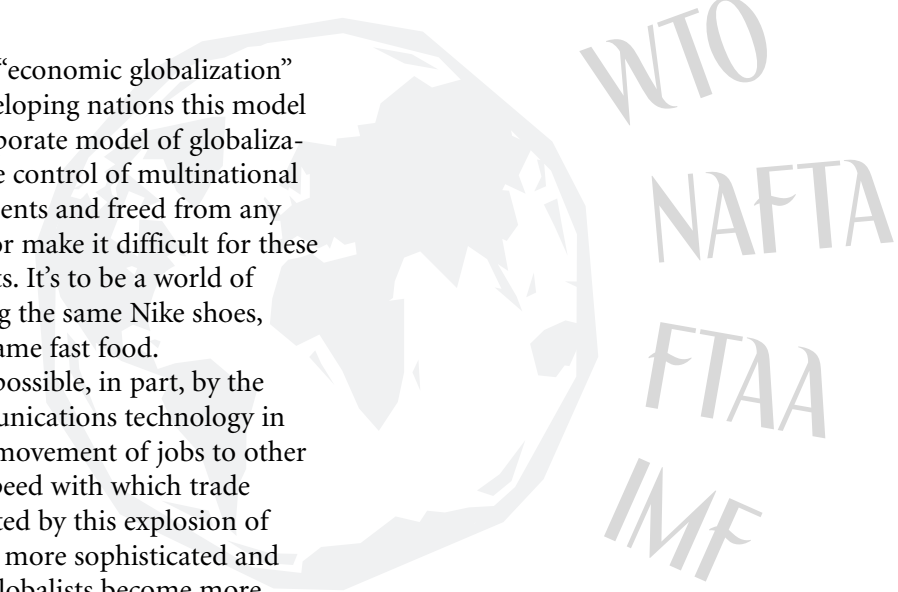
### ■ THE WORLD TRADE ORGANIZATION (WTO):

The WTO is a supranational administrative, regulatory and enforcement body that deals with the rules of trade between nations. This body grew out of a round of trade talks called the General Agreements on Tariffs and Trade (GATT). By enforcing GATT agreements, the WTO seeks to promote the uninhibited exchange of goods and services and to help exporters and importers do business in the world economy.

You have probably read about the WTO’s deliberations and the opposition which greeted the WTO in places like Seattle, Quebec, Bologna, Doha and, most recently, in the Mexican resort city of Cancun. The opposition to the WTO regards it as heavily biased toward the interests of the “global north” (considered mainly the U.S., Europe and Japan) and decidedly antagonistic to the interests of the “global south” (what was called the Third World in recent years).

### ■ THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA):

NAFTA is a regional, multi-lateral treaty agreed to by the governments of the United States, Canada and Mexico in 1996. Its purpose was to bring down barriers to trade and investment between the member nations and



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*The World Bank and the IMF have been accused in recent years of using “debt restructuring” negotiations to force governments into rewriting their trade policies and fiscal policies and of pressing “structural adjustments” upon the debtor nations. These “structural adjustments” have resulted in the weakening of environmental and labor laws, health care arrangements, support for public schools and many other areas of public benefit.*

thus ensure the prosperity of all citizens of those nations. While there is a rapidly growing body of evidence that indicates NAFTA has had the *opposite* effect—that it has, in fact, been disastrous for the people of the U.S., Canada and Mexico—the governments of these countries and other countries in the Western Hemisphere are now working to extend the provisions of NAFTA to thirty-four countries. The new treaty, called the Free Trade Area of the Americas is now working its way through the U.S. Congress.

■ **THE FREE TRADE AREA OF THE AMERICAS (FTAA):**

The FTAA, which would cover all of the Americas except Cuba, has been greeted by vigorous opposition from activists in all of the potentially affected countries. They are concerned with the FTAA’s:

- ~ expansion of corporate rights (giving corporations the right to sue governments directly, without their prior consent);
- ~ increased power to overturn national, state, and local laws (any law seen as a “barrier to trade” would be a potential target of the FTAA);
- ~ privatization of essential services (public services such as water, health care and education are seen as huge potential “markets” for corporations); and
- ~ irreversibility (the FTAA could potentially lock all 34 countries into a corporate-dominated legal system that would make its provisions very difficult, if not impossible, to reverse).

Many U.S. opponents of the FTAA are particularly troubled by the “fast track” authority granted the President in order to speed up the process. Otherwise called “presidential trade promotion authority,” “fast track” means that the congress gets to vote either “yes” or “no” on the treaty, but cannot change it. In other words, there is little likelihood that such concerns as the environment, decent wages, worker health and safety, food security, or collective bargaining will be given much consideration.

■ **THE WORLD BANK & THE INTERNATIONAL MONETARY FUND (IMF):**

The World Bank, founded in 1944, was originally established to fight world poverty through providing resources, sharing knowledge, building capacity, and forging public-private partnerships. The IMF is an international organization of 183 nations, established to promote the economic health of member nations. Among other things, it has the power to provide temporary financial aid to countries in order to help ease balance of payments adjustments. The World Bank and the IMF have been accused in recent years of using “debt restructuring” negotiations to force governments into rewriting their trade policies and fiscal policies and of pressing “structural adjustments” upon the debtor nations. These “structural adjustments” have resulted in the weakening of environmental and labor laws, health care arrangements, support for public schools and many other areas of public benefit.

Some of these “structural adjustments” are causing great hardship in the developing world. One such adjustment that is receiving intense criticism is the replacement of food crops with export crops. In Brazil, for example, farmers who once grew black beans for local consumption are now growing soybeans for export. While it may help the government manage its debt, this practice does little for the natives who must pay more for scarcer local produce. In fact, some say that producing export crops instead of food crops has the potential to cause famine in many developing countries.

At the end of this report, the reader will find a more complete GLOBALIZATION GLOSSARY.