

The Global Economy

Participant Packet



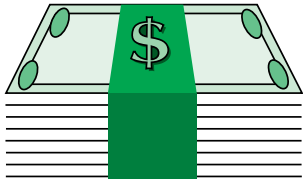
United for a Fair Economy
37 Temple Place · Second Floor
Boston, MA 02111
Phone: 617-423-2148
Fax: 617-423-0191
E-mail: info@faireconomy.org
Web: www.faireconomy.org

**Episcopal Network for
Economic Justice**
4800 Woodward Avenue
Detroit, MI 48201
Phone: 313-833-4413
Fax: 313-831-0259



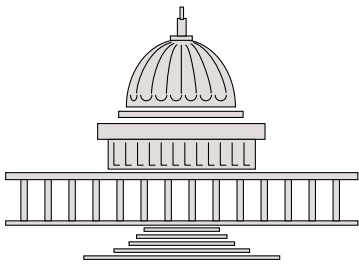
Web: www.episcopalchurch.org/peace-justice/enej

The Global Economy: Why should we care?



Security

Jobs, wages, depression, war, famine, migration



Democracy

Corporations and global institutions gaining power over local governments



Environment

Resource depletion, pollution, global warming

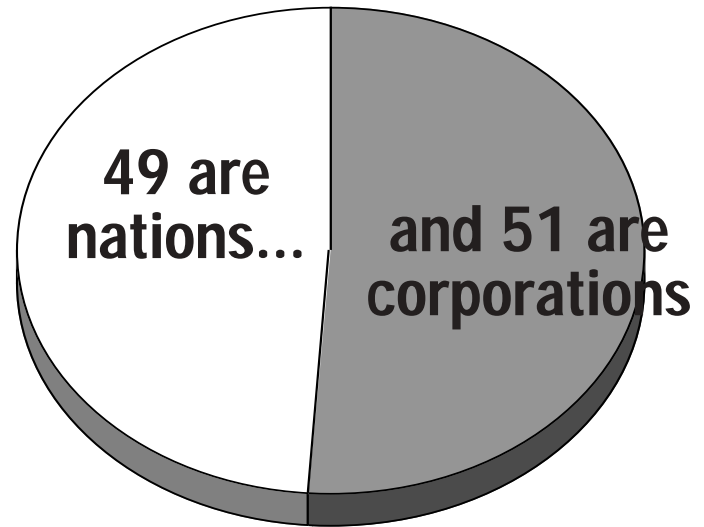


Justice

Growing extremes of poverty and wealth.

Transnational Corporations: Large, and Getting Larger

*Of the world's 100
largest economies . . .*



*□◆□✱✱+ Institute for Policy Studies, The Top 200. 1996.

*With \$119 billion in 1997 sales, Wal-Mart is larger
than the economies of 100 countries, including . . .*



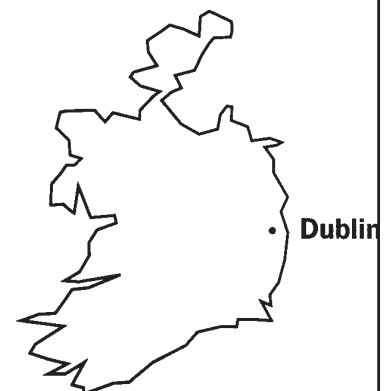
Portugal

\$104 billion



Israel

\$88 billion



Ireland

\$66 billion

*□◆□✱✱+ Fortune, "The Global 500"; World Bank, World Bank Development Report '98/'99.

Globalization and Racism

*The **benefits** of globalization flow mostly to the **corporate elite of the “North”**.*

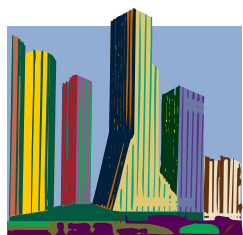
- Most of the large financial institutions and transnational corporations are based in the U.S., Europe, and Japan, and are controlled mostly by white men.



*The **burdens** of globalization are borne mostly by the **people of the “South”** the vast majority of whom are people of color.*

Who Makes the Rules?

The Power Behind the Throne



Transnational Corporations

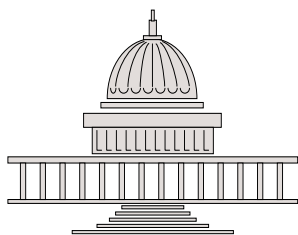
Make nations compete to offer the lowest wages, environmental standards, taxes, etc., in a race to the bottom.



Big Investors

Can make or break a country by pouring money in or shutting it off.

The Throne



National Governments

Represent corporations and investors, more than the majority.



International Financial Institutions

Unelected quasi-governmental organizations that write the formal rules of the global economy.

International Financial Institutions

World Bank



Funds roads, dams,
and power plants,
and restructures the
economies of the
“South”

IMF



Collects debt and
restructures the
economies of the
“South”

WTO



Writes and enforces
economic rules (that
give corporations
power over
governments)

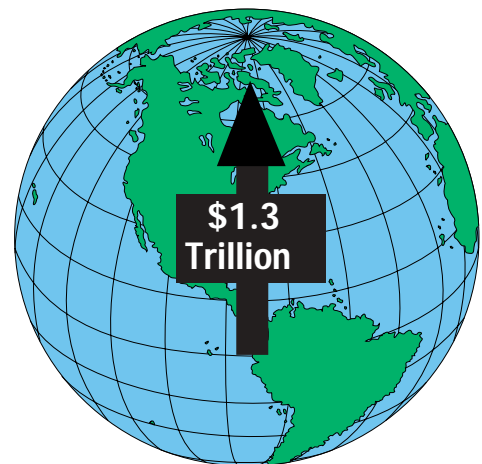
Financing the Global Economy

From 1982 to 1990 . . .

The “South” received
\$927 billion
in aid, grants, trade
credits, direct private
investment, and loans . . .



The “South” paid out
\$1.3 trillion
in interest and principal
(not including royalties, dividends,
repatriated capital, and under-
priced raw materials) . . .



. . . yet in 1990, the “South” was
61% deeper in debt than it was in 1982!

Structural Adjustment

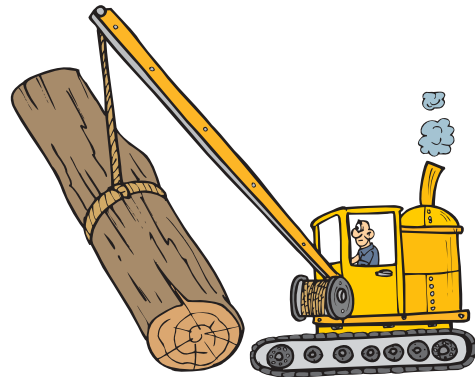
- **Restrict credit**
 - no loans to farmers
- **Lower tariffs & open markets**
 - cheap imports flood the marketplace
- **Balance the budget**
 - cut welfare, education, health care, etc.
 - continue support for the military
- **Lower wages**
- **Privatize state industries**
- **Repay the national debt**

World Trade Organization

A government of, by, and for the corporations.

Of...

*Forest Products
Agreement advisory
committees*



By...

*Dispute Settlement
Process*

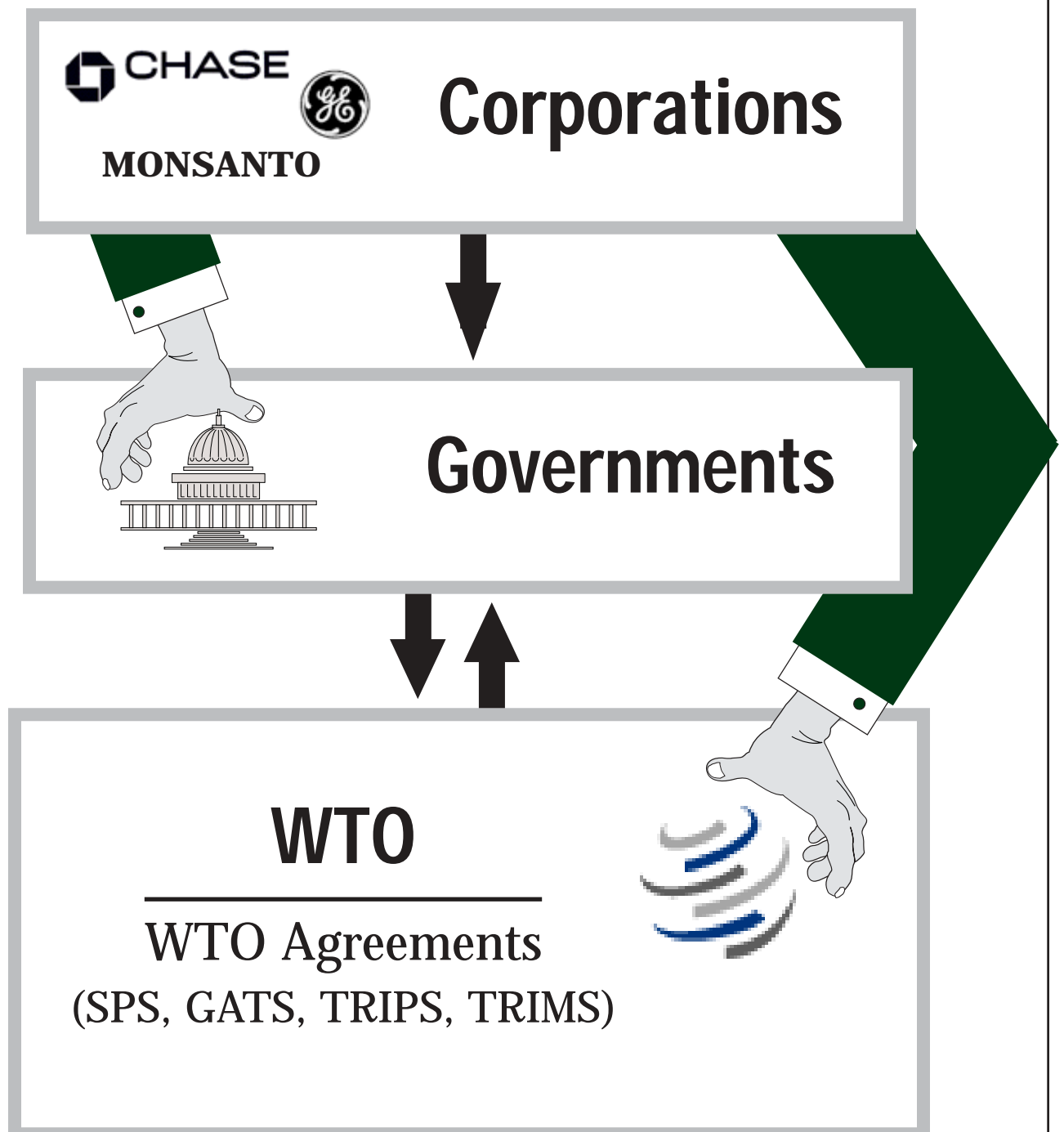


For...

*Property rights over
human rights*



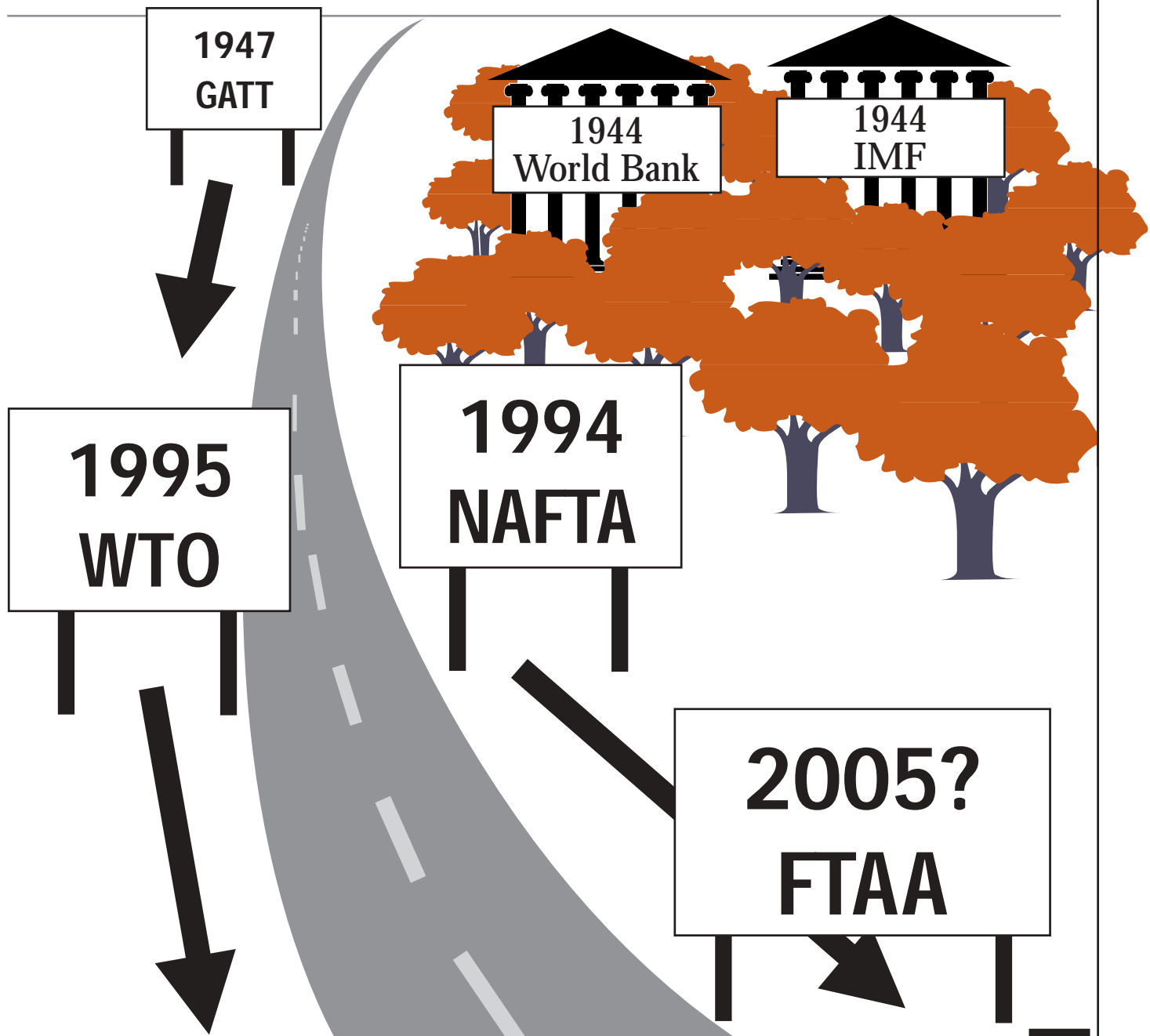
How the WTO Works



The Trade Landscape

Trade Agreements

International Financial Institutions



Signs of Hope

People's movements around the world are battling harmful global rules.

- **Building a hemispheric movement against the FTAA**
- **Forcing debt cancellation on to permanent agenda of IMF & World Bank (Intl. Jubilee Movement)**
- **Preventing privatization of water services in Bolivia**
- **Expanding the market for Fair Trade coffee & other goods**
- **Stopping the Multilateral Agreement on Investment (MAI)**

David and Goliath

David was the youngest of the eight sons of Jesse. The family lived in Bethlehem, a few miles south of Jerusalem. David took care of his father's sheep in the pasture fields around Bethlehem. He stayed with the sheep day and night, wrapping himself at night in a thick, warm blanket that his mother had woven from the sheep's fluffy gray wool.

Sometimes wild animals would try to steal and eat the young lambs. David was strong and brave and fought the wild animals to rescue the sheep. Once he killed a lion that was stealing a sheep. Another time he killed a bear that was carrying away a lamb. Living in the fields with the animals in his care had made David strong and fearless.

In the long evenings before the flickering yellow firelight he played his harp and sang songs that he made up as he watched over his sleeping animals. He loved to look at the twinkling stars studded in the dark, deep midnight blue sky overhead. He thought about the greatness of God who had created all things. He knew how he loved his sheep and how he was willing to risk his life to protect them.

During his long nights, playing his harp, singing the songs he made up he often thought and sang about God. He sang about God's love and protection of the people God had created. These people were to God like the sheep were to David. Many of the songs were about God and His love and protection of the people who are the sheep of God's pasture are in the book of Psalms, which means "songs" of praise and gratitude to the great God who created the whole universe and all of the animals and people upon the earth.

David's three oldest brothers were soldiers in the army of King Saul. The country was in a desperate battle against the great armies of the Philistines. The Philistines lived in the country south of David's country, and they had many giants who lived in their country. One of the tallest and strongest of the giants was named Goliath, and Goliath had four brothers who also were giants.

Every day and evening for forty days Goliath would stalk to the cliff of the hill upon which the Philistine armies were camped and call across the valley to the hill where King Saul's army was staying.

Goliath yelled, "Choose a man from among you to come fight me. If he can kill me the Philistines will be your servants. If I kill him all of you will become servants of the Philistines."

This thundering giant of a man who was over nine feet tall struck fear into the hearts of King Saul's soldiers. Everyone was terrified of fighting this formidable giant.

One day Jesse gathered bread, wheat and cheeses into a sack and said to David, "Take this bundle of food to your brothers on the battlefield so that they may have good country food to eat."

When David arrived at King Saul's camp on the hill overlooking the valley below the Philistines' camp on the opposite hill David heard Goliath yelling across the valley to the terrified soldiers of Israel.

David knew that God would help him, so he went before King Saul and said, "I will go against this heathen man who defies the armies of the living God."

King Saul answered, "You are not able to go against this Philistine, for you are a young man, and this giant has been a trained soldier all of his life."

David replied, "I used to keep my father's sheep, and when a lion or a bear came and took a lamb from the flock I went after it and delivered the lamb from its mouth and killed the lion or bear. The Lord who delivered me from the paw of the lion and the bear will deliver me from the hand of this Philistine."

Since no other soldier was willing to fight the giant Goliath, King Saul decided to allow David to fight the giant. King Saul took off his heavy iron coat and helmet and dressed David in them. But the armor was too heavy for David. He took off the armor and carried with him only his sling. He stooped at the brook in the valley and gathered five smooth brookstones and placed them in his shepherd's pouch.

The giant Goliath cursed David by his heathen gods and shouted, "Am I a dog that you come against me with sticks?"

Breathing a quick prayer, David placed one of the smooth stones in his sling, drew back his hand and slung the stone quickly straight into the forehead of the giant, denting his brow deeply. The giant fell face down onto the ground. David quickly ran to the giant, grasped his sword from its sheath, stabbed the giant with the sword and then cut off the giant's head.

All of the Philistine soldiers ran away in a panic, the soldiers of King Saul chasing them. After all of the Philistines had fled the soldiers plundered their tents, carrying away all of the valuable belongings that the Philistines had left behind. Once again God had come to the rescue of His people, caring for them like a shepherd caring for his beloved sheep.

The people in the towns nearby shouted, danced and sang for joy because of David's victory over Goliath.

Action Steps for Global Justice

1. Change global policies

The World Bank Bond Boycott gives us a way to change the World Bank through our local institutions. The World Bank gets 80% of its funds by selling bonds on Wall Street. Ask your union pension fund, city government, university, or religious denomination to boycott World Bank bonds! *Neil Watkins*, 202-299-0020, watkinsn@cepr.org, www.worldbankboycott.org.

WTO – Shrink or Sink is a global campaign to take health care, water, food, patents, DNA, human rights, and investment out of the World Trade Organization – and to democratize it. To sign your organization on or see the text, mstrand@citizen.org, www.citizen.org/pctrade/gattwto/ShrinkSink/shrinksink.htm.

The Tobin Tax would stabilize global finance and generate billions of dollars for economic development by imposing a small tax on the \$1.5 trillion dollars in “hot money” that flow across borders every day. Rep. DeFazio and Sen. Wellstone have introduced a Tobin Tax resolution in the US Congress. *Ruthanne Cecil*, 707-822-4457, cecilr@humboldt1.com, www.tobintax.org.

The Global Sustainable Development Resolution would reform the IMF and World Bank, regulate global financial flows, and provide citizen input into global decisions. Its sponsors are Reps. Sanders and Kucinich. Dan O’Grady, 202-225-4115, <http://bernie.house.gov/imf/global.asp>.

* See <www.citizen.org/action/index.cfm?sectionID=107> for specific action steps you can take for global justice.

2. Tame corporations

The Corporate Code of Conduct Act would set human/labor rights and environmental guidelines for US companies operating overseas. There would be public reports and hearings; corporations would receive preference for government contracts if they comply, and lose federal assistance if they don’t. Rep. Cynthia McKinney may start with a disclosure bill for corporate operations abroad. *Jon Fremont*, 202-225-1605, jonathan.fremont@mail.house.gov.

Fair Trade Coffee is grown by farmers — or cooperatives — that receive a fair price for their product. You can educate consumers about the fair trade movement, and pressure mainstream coffee companies to buy fair trade coffee, by contacting *Virginia Berman*, *Equal Exchange*, 781-830-0303 x232, vberman@equalexchange.com, or *Deborah James*, *Global Exchange*, 415-255-7296 x 245, deborah@globalexchange.org; www.globalexchange.org/economy/coffee.

Question Corporate Authority. Did you know that corporations were created by governments to serve the public good? There’s an effort underway to put the public back in the driver’s seat. Contact *POCLAD*, 508-398-1145, people@poclad.org.

3. Build solidarity across borders

Anti-sweatshop campaigns have educated and mobilized thousands of people to change the global economy. *National Labor Committee*, 212-242-3002, nlc@nlcnet.org, www.nlcnet.org or *Campaign for Labor Rights*, 541-344-5410, clr@igc.org, www.summersault.com/~agj/clr or *PICA*, 207-947-4203, pica@mint.net or *United Students Against Sweatshops*, 202-NO-SWEAT, www.umich.edu/~sole/usas

Jubilee 2000 is a global campaign to cancel the debt of the world's poorest countries. Grassroots networks in 60 countries are pushing governments and global institutions like the World Bank to write off their debt and end "structural adjustment" programs. 202-783-3566, www.j2000usa.org

Another Set of Strategies

(from *Fight Where You Stand*)

1. Fight for fair labor standards and basic worker rights.
2. Use government to promote stability, not capital mobility.
3. Build a community-controlled economic sector.
4. Link with others fighting for the same goals elsewhere.

Recommended Readings

- 50 Years Is Enough. *False Profits: Who Wins, Who Loses When the IMF, World Bank, and WTO Come to Town*. Booklet. \$2 postpaid (Organizational Resources).
- Anderson, Sarah and Cavanaugh, John, with Lee, Thea. *Field Guide to the Global Economy*. (New York: The New Press, 2000.)
- Barnett, Richard. *The Global War Against the Poor*. (Washington: Servant Leadership Press, 1996.) 42-page booklet describing the webs of finance and consumerism that comprise the global economy and oppress people around the world.
- Barnett, Richard, and Cavanaugh, John. *Global Dreams: Imperial Corporations and the New World Order*. (New York: Touchstone Press of Simon and Schuster, 1994.)
- Bissell, Trim; LaBarbera-Twarog, Emily; and St. Louis, Melinda. *Globalization in Our Front Yard*. 25-page booklet. Available from the Alliance for Global Justice, Campaign for Labor Rights, (541) 344-5410. \$2.
- Brecher, Jeremy and Tim Costello. *Global Village or Global Pillage: Economic Reconstruction from the Bottom Up*. Great example of global resistance. (Boston: South End Press, 1998.)
- Brecher, Jeremy; Costello, Tim, and Smith, Brendan. *Globalization from Below: The Power of Solidarity*. (Boston: South End Press, 2000.)
- Center for Popular Economics. Global Policy Briefs, <www.populareconomics.org/globalization/>
- Ching Louie, Miriam and Burnham, Linda. *WEedGE - Women's Education in the Global Economy*. A workbook of activities, games, skits, and strategies. Women of Color Resource Center, 2000. 2288 Fulton Street, Suite 103, Berkeley, CA 94704-1449.
- Economic Literacy Action Network (ELAN). *Unpacking Globalization - A Popular Education Tool Kit*. 145-pages containing seven interactive workshops and support materials. Available from United for a Fair Economy. \$24.
- Ehrenreich, Barbara and Hochschild, Arlie. *Global Woman: Nannies, Maids, and Sex Workers in the New Economy*. (New York: Metropolitan Books, 2003.)
- Greider, William. *One World, Ready or Not: The Manic Logic of Global Capitalism*. (New York: Simon & Schuster, 1997.) Long but very clear introduction to global production and investment.
- Kaplan, Ruth. *In Whose Service? GATS and the FTAA*. 28-page booklet available from the Apex Press, (800) 316-2739. \$2.00.
- MacEwan, Arthur. *Neo-Liberalism or Democracy? Economic Strategy, Markets, and Alternatives for the 21st Century*. (St. Martin's Press, 1999. 20% discount: call 800-221-7945 x270.)
- Rahnema, Majid, and Bawtree, Victoria (editors). *The Post-Development Reader*. (Boston: Zed Books, 1997.) Excellent essays on women, neocolonialism, the environment, development and official ideologies.
- Ross, Andrew (editor). *No Sweat: Fashion, Free Trade, and the Rights of Garment Workers*. (Verso, 1997.) Cutting-edge design and analysis of the global garment assembly line.

Shiva, Vandana. *Stolen Harvest: The Hijacking of the Global Food Supply*. (South End Press, 2000.)

Sullivan, Kathleen. *The Free Trade Area of the Americas: Demystifying the Corporate Jargon*. 2/01. Available from the Alliance for Global Justice, (202) 544-9355 or www.afgj.org/donate.html. \$2.

Working Group on the WTO/MAI. *A Citizen's Guide to the World Trade Organization*. A 28-page booklet available from the Apex Press, (800) 316-2739. \$2.00.

Videotape

"Banking on Life and Debt," 30 minutes. The World Bank, the IMF, structural adjustment, and three case studies (Brazil, Phillipines, Ghana). Narrated by Martin Sheen. Produced by Maryknoll World Productions, 800-227-8523, <www.maryknoll.org>.

"Deadly Embrace," 30 minutes. The World Bank, structural adjustment, and Nicaragua. \$25 from Elizabeth Canner, 617-666-5122 or <lizcanner@hotmail.com>.

"The Global Banquet: Politics of Food," Two 25-minute segments. Helps viewers understand the destructive aspects of the corporate globalization of food, demonstrating how free trade policies allow a handful of powerful corporations to control the world's food system. Produced by Maryknoll World Productions, 800-227-8523, <www.maryknoll.org>.

"Global Village or Global Pillage," 28 minutes. How people around the world are fighting the "race to the borrom." Preamble Center's World Economy Project (see next page for address). \$25 per copy, \$10 for students and low-income.

"Uprooted: Refugees of the Global Economy," 28 minutes. Three pwerful stories (from the Phillipines, Bolivia, and Haiti) of how the global economy has forced people to leave their home countries. Produced by the National Network for Immigrant & Refugee Rights (www.nnirr.org).

"WTO: In Whose Hands?" 20 minutes. Case studies, explanations, and questions regarding WTO decisions, sanctions, and effects both positive and negative. \$5 from General Board of Global ministries, United Methodist Church, 800-305-9857.

* Check UFE's web site <www.faireconomy.org> for background information on different sections of the Globalization for Beginners workshop, as well as links to other web sites with globalization information.

Organizations

50 Years is Enough Network

1025 Vermont Ave. NW
Washington, DC 20005
Tel: (202) IMF-BANK
Fax: (202) 879-3816
E-mail: wb50yearsAigc.apc.org
(Coalition of groups working on World Bank and IMF policies.)

180/MDE (Movement for Democracy & Education)

Web: www.corporations.org/democracy/
(180/MDE helps build a campus-based movement for political empowerment and participatory democracy through education and organizing.)

Alliance for Democracy

PO Box 683
Lincoln, MA 01773
Tel: (781) 259-9395
Fax: (781) 259-0404
Web: www.ea1.com/alliance
(Coordinates MAI-Free Zones.)

Dollars and Sense

One Summer Street
Somerville, MA 02143
Tel.: (617) 628-8411
Fax.: (617) 628-8411
E-Mail: dollars@igc.org
(Publishes a magazine on economics.)

Global Exchange

2017 Mission Street, Suite 303
San Francisco, CA 94110
Tel: (415) 255-7296
Fax: (415) 255-7498
(Reality Tours, public education, Fair Trade, material assistance, Human Rights Week)

Global Trade Watch/Citizens Trade Campaign Public Citizen

215 Pennsylvania Avenue SE
Washington, DC 20003
Tel: (202) 546-4996
Fax: (202) 547-7392
Web: www.citizen.org
(Coordinated the fight against the "Africa NAFTA" bill, Fast Track, and other new corporate globalization legislation.)

Grassroots International

179 Boylston Street, 4th Floor
Boston, MA 02130
Tel: (617) 524-1400
E-mail: grassroots@igc.org
(Material aid to development programs in the Global South; education and advocacy.)

International Forum on Globalization

Building 1062, Fort Cronkhite
Sausalito, CA 94965
Tel: (415) 229-9350
Fax: (415) 229-934
E-mail: ifg@ifg.org
Web: www.ifg.org
(Education)

Jubilee 2000

222 East Capitol Street, NE
Washington, DC 20003-1036
Tel: (202) 783-3566
Fax: (202) 546-4468
E-mail: coord@j2000usa.org
Web: www.j2000.usa.org/j2000/
(An international, religious-based campaign to cancel the debt of the most indebted South countries.)

Just-Act

333 Valencia Street, #101
San Francisco, CA 94103
Tel: (415) 431-4204
E-mail: colin@justact.org
Web: www.justact.org
(Youth action for global justice.)

National Labor Committee

275 Seventh Avenue - 15th Floor
New York, NY 10001
Tel: (212) 242-3002
Fax: (212) 242-3821
Web: www.nlcnet.org
(Campaigns around sweatshop abuses; cross border organizing.)

National Network for Immigrant & Refugee Rights

310 8th St, Suite 307
Oakland, CA 94607
Tel: (510) 465-1984
Fax: (510) 465-1885
E-mail: nnirr@nnirr.org
Web: www.nnirr.org

Student Environmental Action Coalition (SEAC)

Web: www.seac.org
(A student and youth run national network of progressive organizations and individuals whose aim is to uproot environmental injustices through action and education.)

Student Alliance to Reform Corporations (STARC)

Dwight Hall, Yale University
PO Box 209008,
New Haven, CT 06520-9008
Web: www.corpreform.org/home.html

Transnational Resource and Action Center

PO Box 29344
Presidio Building - 1016 2nd Fl.
San Francisco, CA 94129
Tel: (415) 561-6568
Fax: (415) 561-6493
E-mail: corpwatch@igc.org
Web: www.corpwatch.org

United Students Against Sweatshops (USAS)

Tel: 800-23UNITE, x204 or 545
Web: <http://home.sprintmail.com/~jeffnkari/USAS/>
(An international coalition devoted to stopping sweatshop labor.)