



45 Minutes to Change the World Globalization

Objectives

By the end of this activity participants will be able to;

- know how globalization impacts our world
- feel able to link specific broader labour movement priorities to globalization
- begin the process of identifying strategies that best counteract globalization as we know it

Tools

- flipchart & markers
- masking tape
- coloured paper (8 ½ x 11)
- Globalization statistics
- Header Cards (x4 packages) - UNIONS / EMPLOYERS / GOVERNMENT / NON-UNIONIZED WORKFORCE - step #2
- handout - “Definition of Globalization” - step #3
- Globalization and Structural Adjustment Flipchart Presentation sheets - step #3
- large “GLOBALIZATION” letters - step #4
- “Signs of Globalization” graphics - step #4
- handouts - “Signs of Globalization” - step #4
- large sticky pads - step #5

Suggested time frame: 45 - 60 minutes

Before the session

- Post the globalization statistics in easy to read locations around the room.
- Draft and post the session objectives on flipchart - Step #1.
- Do-up 4 packages of header cards - Step #2.
- Draft and post Globalization and Structural Adjustment flipcharts - step #3.
- Put the word “GLOBALIZATION” in large letters in a central location in the room. - step #4
- Write the words “Global South” in large letters on coloured paper, and cut it into a circle - step #4.

Note to Facilitators: This activity is designed to be delivered in a lunch-hour or after-work session (*a short time-frame*). All activities, discussions, and tasks should move along at a fairly brisk pace. **Participants who are interested in further exploring globalization should keep an eye out for longer courses being delivered through the Region, by other labour partners or by partners in the community.**

METHOD

1. Introductions - 10 minutes

Introduce yourself and outline the **objectives** of the session. Remind participants of timeline restrictions, noting that discussions, exercises & activities will move at a brisk pace. Invite participants to connect with you outside of the course to follow-up on any aspects of the session they would like to pursue. Encourage them to follow-up with the PSAC Regional Office for information on the possibility of further education on globalization in your region.

Distribute **one piece of coloured paper and a marker** to each participant. Note that we will be doing a round where each person will indicate their NAME and ONE WORD WHICH EXPRESSES WHAT GLOBALIZATION MEANS TO THEM.

Ask them to write the word in large letters on the coloured paper provided.

Conduct the round, posting the globalization words on side walls or windows around the room.

Quickly review what is posted, noting similarities, differences and making links between words.

Summarize by noting that these words are indicators of how workshop participants respond to globalization in today's world.

2. Power and People - Making Connections - 10 - 15 minutes

Introduce the next exercise by noting:

Before we look at the impact of globalization, it is important to explore some of the power relationships that affect us as unionized workers in this country.

Break participants into **small groups**. Provide each group **with flipchart paper, masking tape, coloured markers** and a package of **"header cards"** as follows:

UNIONS
EMPLOYERS
GOVERNMENT
NON-UNIONIZED WORKFORCE

Ask each group to take 5 minutes to:

- **create a visual representation of the relationships between these groups, taking into account who belongs to these groups, the purpose of each group, the power relationships and how these groups inter-relate and/or connect.**

Have them post their visuals alongside each other and invite participant to review them. Initiate a short (**5 minute**) discussion, either using the facilitation questions or a combination of suggested questions and facilitation “rant”.

WHAT WOULD YOU SAY IS THE PURPOSE OF THE UNION?

Sample Responses:

- to represent its members
- to provide a voice for workers
- to equalize the power relationship between worker and employer
- social, political and economic change

WHAT ABOUT GOVERNMENT?

Sample Responses:

- supposed to be the keeper of the public good
- law makers

WHAT RELATIONSHIP DO YOU SEE BETWEEN UNIONS AND NON-UNIONIZED WORKERS?

Sample Responses:

- there are not strong ties between the two groups
- however, union gains often impact non-unionized workers' rights
- unions must organize the unorganized in order to maintain density and impact

WHAT DOES THE UNORGANIZED WORKFORCE LOOK LIKE?

Sample Responses:

- more likely to be representative of racialized persons, aboriginal peoples, persons with disabilities and women
- many of the working poor in precarious and low wages sectors
- or alternatively, well-paid, privileged, mostly white, “professionals”

WHAT RELATIONSHIP DO YOU SEE BETWEEN GOVERNMENT AND EMPLOYERS?

Sample Responses:

- governments tend to respond to the demands of employer groups through policy making, legislation, tax trends, regulation, etc (as a means of ensuring job creation)
- in the case of public sector workers, the government is the employer.

WHAT DOES THIS EXERCISE TELL US ABOUT THE POWER RELATIONSHIPS BETWEEN THESE GROUPS?

Sample Responses:

- the hierarchy of power (i.e. employers ➤ government ➤ unions ➤ non unionized workforce with recognition that traditional power favours governments and employers)
- the ways that they influence each other (i.e. government laws affect how employers and unions interact and unions can affect the pay, benefits and rights of non-unionized workers).

3. Defining Globalization - 5 minutes

Briefly walk participants through the **flipchart presentations** (see handouts) on globalization and structural adjustment. Once you have finished, provide them with a copy of the **“flipchart presentation sheets”**.

Distribute the handout **“Defining Globalization”** to participants. Make links between the handout and the **“globalization statistics”** posted around the room.

4. Effects of Globalization - 15 - 20 minutes

Note: Initial thoughts on power relationships were addressed earlier in the context of the country we live in. In the context of globalization, we need to look at these power relationships from an international perspective. This next exercise will assist us doing that at the same time as we analyze some of the critical affects globalization has had on the world.

Refer to the **“GLOBALIZATION”** letters posted in a central location on the wall. Around the letters, post the **“Signs of Globalization” graphics**, describing what each one stands for.

Note that each of the things depicted in the graphics is affected by globalization both at home and around the world. Because of the implications of globalization, and its affects on us, the labour movement has taken-up each of these issues in its campaign to fight the ill effects of globalization.

Add a card to the “Signs of Globalization” visual with the words **“GLOBAL SOUTH”** written on it.

Explain the “Global South” by briefly summarizing the following:

- The labour movement and the broader progressive movement, tend to use the terms “**North**”, and “**South**”, to describe the relationship between the wealthier, industrialized countries (*mostly in the northern hemisphere*), and the poorer, “undeveloped”, more agrarian countries (*mostly in the southern hemisphere*).
- The most commonly used terms today are the “**developed world**” (*to describe industrialized countries - or the “North”*), the “**underdeveloped world**”, or “**the developing world**”, (*to describe non-industrialized countries - or the “South”*).
- **However, the term “developing world”, assumes there’s only one way to be “developed”. And, it ignores the fact that industrialized countries benefit from “underdevelopment”, through cheap raw materials and reduced competition.**
- By claiming that our part of the world is “developed”, we ignore the flaws in our system that create and perpetuate poverty and inequality.
- Some people argue that in fact we in the “first world” are actually “overdeveloped”. Just witness our mass consumption and tremendous waste, our environmental degradation and devastation, and our high unemployment.

Ask participants to re-consider the power-relationships we analyzed earlier (**refer to applicable flipcharts**). Note that when we look at these relationships from an international perspective, things change. In order to illustrate this, generate discussion by asking the following questions:

WHAT DO EMPLOYERS LOOK LIKE ON THE INTERNATIONAL SCENE?

Sample Response:

- large transnational corporations for the most part mostly headquartered in North America and Europe

WHAT ARE GOVERNMENTS' ROLES?

Sample Responses:

- International treaties
- Trade deals
- Foreign aid and development
- Security

HOW POWERFUL IS THE LABOUR MOVEMENT?

Sample Responses:

- this will depend on the country
- in many countries in the Global South, unions are outlawed or unionists are persecuted
- growing international labour movement (ICFTU, PSI)

WHAT DOES THE NON-UNIONIZED WORKFORCE LOOK LIKE?

Sample Responses:

- a larger picture of what is going on in our country
- the world's precarious jobs are held mostly by racialized workers, women, indigenous workers and/or workers with disabilities
- in some cases, children and/or youth

HOW DO YOU THINK THESE POWER RELATIONSHIPS PLAY OUT IN THE CONTEXT OF GLOBALIZATION?

Sample Responses:

- when we look at trade deals, we see that governments agree to the exploitation of workers and attempt to decrease/break the power of unions, in the interest of big business/employers.

Divide participants into **small groups** of 2 or more participants (5 groups in total, if possible). Distribute one of the **handouts “Signs of globalization”** to each small group (a different one for each group).

Ask participants to read the handout and take **5 minutes** to answer the following questions in their small group:

WHAT IS THE CONNECTION BETWEEN YOUR TOPIC AND GLOBALIZATION?

WHY DO YOU THINK THE LABOUR MOVEMENT IS MAKING THIS A PRIORITY?

Ask each group to be prepared to summarize their discussion in 60 seconds (or less).

Summarize this exercise by noting:

- Globalization favours rich transnational companies - most of them originating in the Global North.
- International trade deals and structural adjustment programs affect countries in the Global South, where resources, labour, environment and culture are being exploited and, in some cases, devastated.
- Globalization affects workers rights around the world as countries compete for work on an international basis.
- In addition, countries pander to transnationals by relaxing environmental standards, reducing labour rights, and dismantling regulations and laws that may be viewed as a barrier to “free” trade.
- Under pressure by big business, governments are privatizing services that belong in the public domain – making the

delivery of rights laid- out in the UN Charter of Rights, commodities, only available to those who can afford them

- The exploitation and devastation is not just centered in the Global South - more and more, we see the gap between rich and poor in the Global North - we also experience the ill effects of labour exploitation, cultural devastation, environmental degradation and greed.

5. CONCLUSION - Power in the People - 5 - 10 minutes

Write the words ***POWER IN THE PEOPLE*** in large letters, in the middle of a flipchart and post it on the door or somewhere central in the room.

Provide each participant with **a large sticky-pad**. Ask them to read the following phrase and finish it - writing their phrase on the sticky-pad provided and posting it on the flipchart.

ONE THING I CAN DO ABOUT GLOBALIZATION IS ...

Invite participants to review the phrases posted and, time permitting, invite comments/reactions and/or further ideas.

1.3 billion people in the developing world (global south) live in severe poverty.

70% are women and girls.

**Export Manufacturing
Zones in the
developing world
(global south),
employ 27 million
workers, mainly
young women.**

**Ethyl Corporation sued
Canada over its decision to
ban MTT (a gas additive that
experts say is dangerous for
health). Because of North
America Free Trade (NAFTA)
rules, Canada had to pay
millions of dollars to Ethyl
and lift the ban on MTT.**

**Of the world's
largest 100
economies, 49 are
nations, and 51 are
corporations.**

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

FROM 1981 TO 1997...

The “South” received \$1.9 trillion in aid, grants, trade credits, direct private investment and loans...

The “South” paid out \$2.9 trillion in interest and principle (not including royalties, dividends, repatriated capital, and under-priced raw materials)

... yet in 2000, the “South” was more than a whopping 300% deeper in debt than it was in 1980!

**The average income
of the poorest 10% of
the world has
declined. Over one
billion people make
less than one dollar
per day.**

DEFINITION OF GLOBALIZATION

Re: PSAC Globalization Action Plan




“The term globalization captures a number of corporate and governmental activities that are designed to provide corporations with the right to operate internationally under common rules. By definition, these rules decrease the power of governments to enforce their own rules and laws, and lead to a loss of control over domestic resources and economic development.”



GLOBALIZATION FLIPCHART PRESENTATION

(Taken from the CLC Globalization Tool kit)

 Globalization describes a process that allows corporations to move their operations -- including workers, money, goods, services and production centers -- across national borders and around the world, with less restraint than ever before.

FLIPCHART - GLOBALIZATION

Trade Agreements (like the North American Free Trade Agreement - NAFTA) remove trade regulations



Corporations can invest (or de-invest) anywhere





Corporations move to countries with:

- * lowest taxes;
- * lowest wages;
- * lowest labour and environmental standards.



Governments are pressured to;

-  lower wages, labour and environmental standards to attract business
-  lower taxes and reduce spending by cutting social programs and privatizing services.



Decisions that affect our lives are increasingly being made by corporations



STRUCTURAL ADJUSTMENT PROGRAMS FLIPCHART PRESENTATION

(ref: www.whirledbank.org/development/sap and
the CLC Globalization tool kit)

↓ Structural Adjustment Programs (SAPS) are economic policies which countries must follow in order to qualify for new World Bank and International Monetary Fund (IMF) loans, so that they can make debt repayments on the older debts owed to commercial banks, governments and the World Bank.

↓ SAPs are designed for individual countries but have common guiding principles and features (which are shown in the SAP agreement on the flipchart posted (below)).

↓ SAPs generally require countries to devalue their currencies against the dollar; lift import and export restrictions; balance their budgets and not overspend; and remove price controls and state subsidies.

↓ Balancing national budgets can be done by raising taxes, which the IMF frowns upon, or by cutting government spending, which it definitely recommends. As a result, SAPs often result in deep cuts in programmes like education, health and social care, and the removal of subsidies designed to control the price of basics such as food and milk. So SAPs hurt the poor most, because they depend heavily on these services and subsidies.

↓ Devaluing the currency and simultaneously removing price controls, the immediate effect of a SAP is generally to hike prices up three or four times, increasing poverty to such an extent that riots are a frequent result.



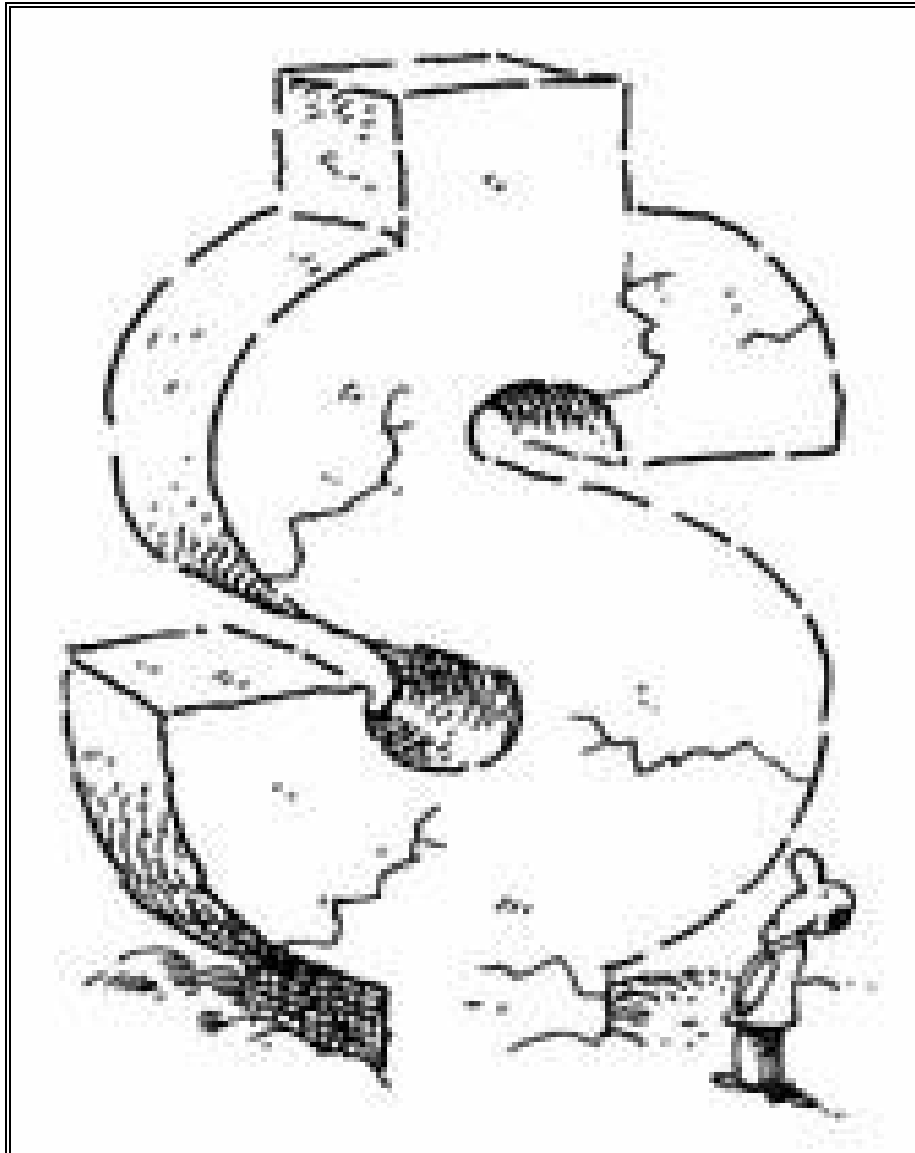
The term "Structural Adjustment Program" has gained such a negative connotation that the World Bank and IMF launched a new initiative, the **Poverty Reduction Strategy Initiative**, and makes countries develop Poverty Reduction Strategy Papers. While the name has changed, the World Bank is still forcing countries to adopt the same types of policies as SAPs.

FLIPCHART: STRUCTURAL ADJUSTMENT

In return for new loans in order to pay the interest on old loans, I promise to:

1. Cut government spending (including health and education spending if I have to).
2. Export as much as possible.
3. Devalue my currency.
4. Raise interest rates.
5. Make a free trade agreement to "open up" my economy.
6. Privatize government enterprises.

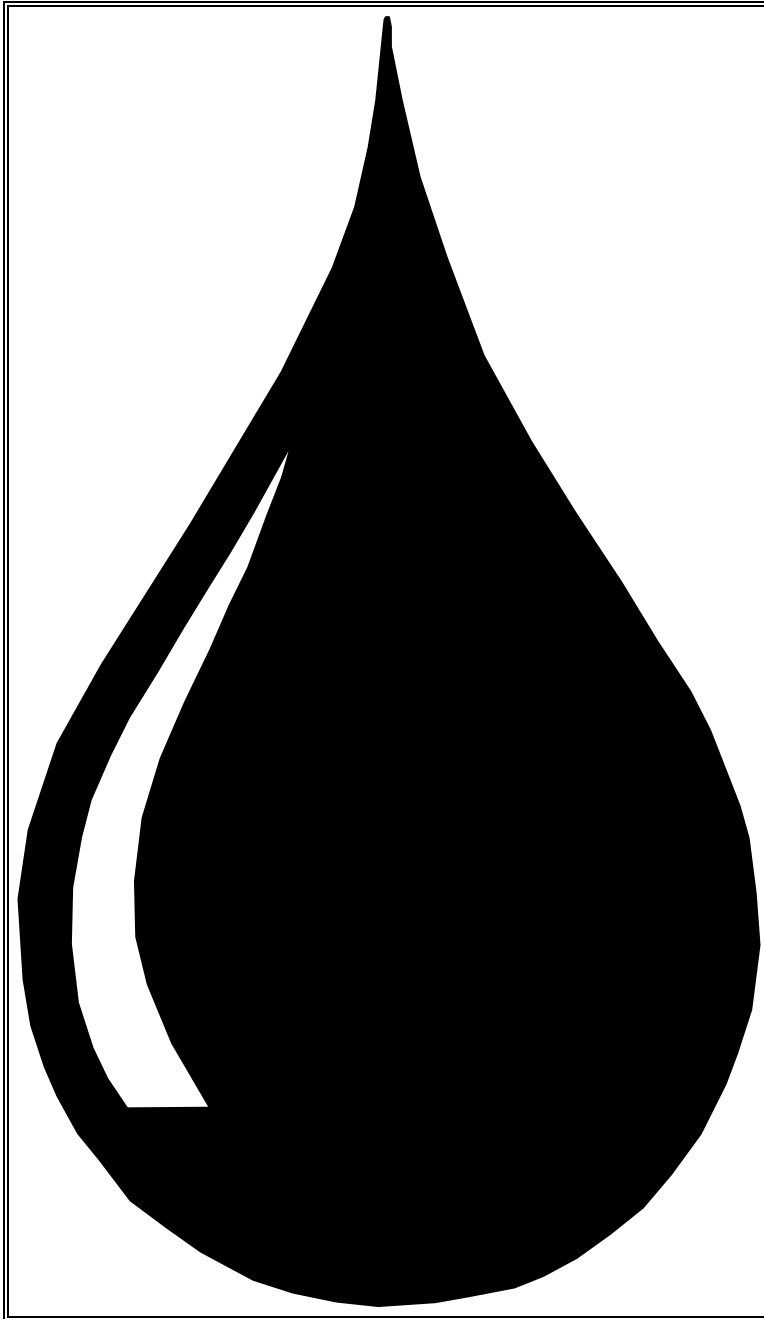
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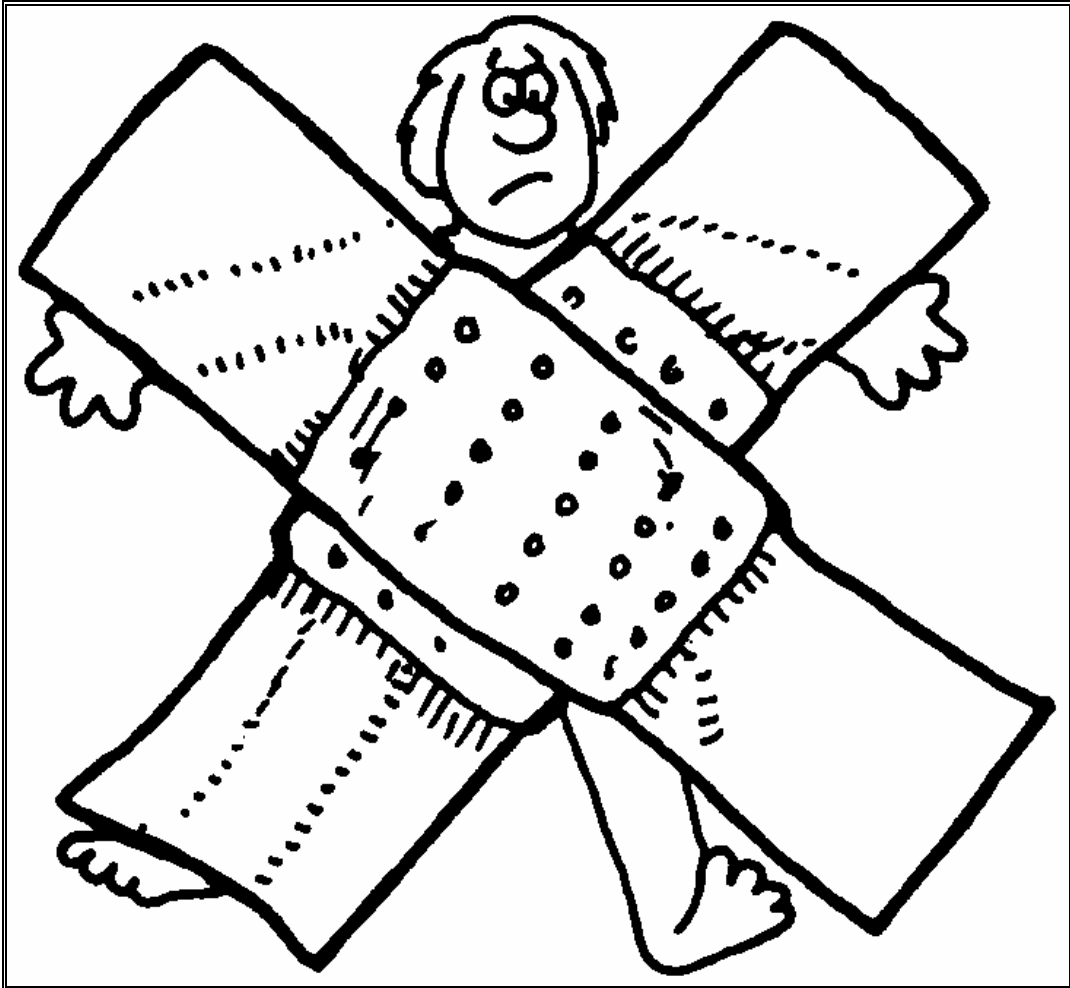
Public Services



Environment



Water



Healthcare

SIGNS OF GLOBALIZATION - PUBLIC SERVICES



Excerpts from: How for-profit health corporations are planning to cash-in on the privatization of Medicare in Canada by Darren Puscas (introduction by Tony Clarke) an article by Karl Fletcher, 2002, and PSAC Privatization Discussion Paper

One major trend taking place is the rapid and often unnecessary push for the privatization and corporate takeover of public services including; education, healthcare, social assistance, environmental, and municipal services, in countries all over the world. Large transnational corporations in the for-profit service industries are working with allied national governments, to establish a set of powerful trade rules that serve their interests – not workers or communities.

Trade in service sectors like healthcare; education and water are shaping up to be the most lucrative of many new corporate-friendly deals currently underway. Global expenditures on water services now exceed \$1 trillion dollars a year; on education, they exceed \$2 trillion; and on healthcare, expenditures exceed \$3.5 trillion.

Once critical important public services like education, healthcare, water/waste /energy utilities to name a few are privatized, the ability of all citizens to have equitable or universal access to core services is jeopardized. Those rights laid out in the Universal Declaration of Human Rights, which are most often upheld through the delivery of public services and the administration of the public sector, become commodities available only to those who can afford them.

The PSAC opposes privatization because it removes public services from the public realm. Public Services should be accountable to Parliament and the people of Canada and not shareholders.

SIGNS OF GLOBALIZATION - ENVIRONMENT

(Re: *Globalization Kit LA 1.3*)



As much as 70% of the world's consumption of fossil fuel and 85% of chemical products is attributable to 25% of the world's population.

Water consumption is also unevenly distributed. Water consumption in the United States is about 2300 m³ per annum, as compared to 1500 m³ for the Canadians and 225 m³ for the British. The average consumption of water in the Global South ranges between 20 to 40 m³.

The consumption patterns for forest products and many other commodities are similar; with inordinately high consumption by the top 20% of the richest societies. The rest of the world, comprising 80% of its population with a share of less than 20% of global income, has a far more modest consumption level.

In their quest for food security, the rural poor have sometimes little choice but to overuse the **limited** resources available to them. They are often forced to make trade-offs between immediate household food requirements and environmental sustainability both in production and consumption.

Although many poor traditional communities demonstrate an admirable environmental ethic and have developed complex resource management regimes, the poor are nonetheless further victimized by environmental degradation. It has been estimated that 80% of poor people in Latin America, 60% in Africa and 50% in Asia live in fragile or vulnerable ecosystems.

The eradication of poverty alone will not erase environmental degradation. Not in the face of the multinational agenda to:

- establish export processing zones, (*and the subsequent environmental degradation in these zones due to processing/production methods and lack of environmental protection*),
- increase crop production and agri-framing, appropriate scarce non renewable resources (*oil, water*), and
- deregulate standards that can impede their access to markets and limit the role of governments in areas such as inspection (*water, food, safety*) and the enforcement of environmental protection standards.

SIGNS OF GLOBALIZATION - Water (Re: CBC News - Water For Profit)



Water, like air, is a necessity of human life. It is also, according to *Fortune* magazine, "One of the world's great business opportunities. It promises to be to the 21st century what oil was to the 20th." In the past ten years, three giant global corporations have quietly assumed control over the water supplied to almost 300 million people in every continent of the world.

In South America, private companies have taken over municipal water supplies in at least half a dozen countries, but there's one city where the takeover didn't go as planned. In 1999, a consortium, controlled by U.S. multinational Bechtel, signed a 40-year deal to increase water supplies and services to Cochabamba, Bolivia. Six months later, rioting Bolivians chased the company out of the country.

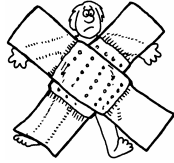
In South America and the southern U.S., the arrival of a for-profit water company was met with strong opposition. But that was not the case in Hamilton, Ontario, the first municipality in Canada to contract out its water services. Since then, communities from Halifax to Nanaimo have considered similar moves. Hamilton was supposed to be a successful alternative to a public utility, but it hasn't quite worked out that way. After relinquishing the water utility to a private company, the townspeople were faced with successive floods of raw sewage due primarily to lack of upkeep of infrastructure by the private company.

Maude Barlow is chair of the Council of Canadians, a citizens' group with 100,000 members. She cites a United Nations study that says by the year 2025 – less than 25 years – two-thirds of the world will be "water-poor."

She endorses a 1999 paper from the Canadian Environmental Law Association (CELA) that says:

"Water is an essential need, a public trust, not a commodity. It belongs to everyone and to no one... Even large-scale water exports cannot possibly satisfy the social and economic needs of distant societies. Water shipped halfway around the world will only be affordable to the privileged and will deepen inequities between rich and poor. International trade in bulk water will allow elites to assure the quality of their own drinking water supplies, while permitting them to ignore the pollution of their local waters and the waste of their water management systems."

SIGNS OF GLOBALIZATION - Healthcare (Polaris Institute Publications)



The Canadian public healthcare system is at serious risk. Governments and corporations are pushing for a more and more privatized system, while others, including much of the public, want healthcare to remain a publicly funded and administered right for all Canadians.

All across the country, the advocates for a public system of universal healthcare are duelling it out with those calling for greater privatization leading to a two-tiered healthcare system.

Yet, the federal government appears to have already abandoned the goal of a publicly delivered, universal healthcare system. Over the past quarter century, the 50/50 funding formula between the federal and provincial governments has been steadily eroding. The federal share dropped to 42 percent under the Liberal government, then to 33 percent under the Conservative government, and down further to 23.5 percent under the subsequent Liberal government, reaching as low as 10.5 percent at one point.

The Private Sector Moves in on Canadian Healthcare

Meanwhile, the private sector has been rapidly moving in to take over the slack. For example, every time a medical service is taken off the list covered by our public healthcare system, for-profit health companies are quick to add the service to their private insurance plans. Indeed, the for-profit healthcare industry sees Canada's publicly funded system of healthcare as a lucrative 90 billion dollar annual market. Opening up the publicly funded system to privately delivered services provides for-profit healthcare corporations the opportunity to cash-in.

The for-profit healthcare industry that exists today has been largely built-up in the U.S. over the past few decades. Today, the private healthcare industry is alive and well in the U.S. There, corporations provide the bulk of healthcare services — from insurance plans and pharmaceutical drugs to

the operation of hospitals, homecare and long term care — on a for-profit basis (a for-profit model that has left 40 million without health insurance).

What's more, the leading corporations in each of the major healthcare sectors in the U.S. are now expanding their operations, eager to open up markets in other countries. Canada has been identified as a prime target for this corporate expansion. With the aid of several private Canadian companies, the U.S. corporate takeover of healthcare services is already underway in this country.