5 Globalization

LEARNING OUTCOMES

After you have studied this chapter, you will be able to answer the following questions:

1. What is globalization?
2. How does globalization impact the movement of people?
3. How does globalization impact the paid and unpaid work of women?
4. What are the main arguments for and against globalization?
5. How are the world's nations stratified?
6. What are the main sociological theories of economic and social development?
7. What makes Canada a semiperipheral country and why is this important to know?
8. How is the system of global stratification maintained?

Let's consider three "average" families from different parts of the world:

For Getu Mulleta, 33, and his wife, Zenebu, 28, of rural Ethiopia, life is a constant struggle to keep themselves and their seven children from starving. They live in a 320-square-foot (30 m^2) manure-plastered hut with no electricity, gas, or running water. They have a radio, but the battery is dead. Surviving on $130 a year, the family farms teff, a cereal grain.

The Mulletas' poverty is not the result of a lack of hard work. Getu works about 80 hours a week, while Zenebu works even more. "Housework" for Zenebu includes fetching water, making fuel pellets out of cow dung for the open fire over which she cooks the family's food, and cleaning animal stables. Like other Ethiopian women, she eats after the men.

In Ethiopia, the average male can expect to live to 48, and the average female to 50.

The Mulletas' most valuable possession is their oxen. Their wishes for the future? More animals, better seed, and a second set of clothing.

In Guadalajara, Mexico, Ambrosio and Carmen Castillo Balderas and their five children, ages two to ten, live in a four-room house. They also have a walled courtyard, where the family spends a good deal of time. They even have a washing machine, which is hooked up to a garden hose that runs to a public water main hundreds of metres away. Like most Mexicans, they do not have a telephone, nor do they own a car. Unlike many, however, they own a refrigerator, a stereo, and a recent purchase that makes them the envy of their neighbours—a television.

Ambrosio, 29, works full-time as a produce wholesale distributor. He also does welding on the side. The family's total annual income is $3600. They spend 57 percent of their income on food. Carmen works about 60 hours a week taking care of their children and keeping their home spotless. The neatness of their home stands in stark contrast to the neighbourhood, which is lined with littered dirt roads. As in many other Mexican neighbourhoods, public utilities and road work do not keep pace with people's needs.

The average life expectancy for males in Mexico is 70. For females, it is 76.

The Castillo Balderas' most valued possessions are their refrigerator and television. Their wish for the future? A truck.

Sources: Menzel (1994); Population Reference Bureau (1995); *Statistical Abstract* (1997), Tables 713, 723; Statistics Canada (2001a); Statistics Canada (2005c) Average income after tax by economic family types (2001–2005) www40.statcan.ca/l01/cst01/famil21a.htm.

"Worlds Apart" would be an appropriate title for these photos, which illustrate how life chances depend on global stratification. On the left is the Mulleta family of Ethiopia, featured in the opening vignette, standing in front of their home with all their material belongings. On the right is the Skeen family of Texas, also surrounded by their possessions.

Kitchener, Ontario, is home to the Kellys—Rick, 36, Patti, 34, Julie, 14, and Michael, 10. The Kellys live in a four-bedroom, 2100-square-foot (195 m^2), carpeted, ranch-style house, with central heating and air conditioning, a basement, and a two-car garage. Their home is equipped with a refrigerator, washing machine, clothes dryer, dishwasher, garbage disposal, vacuum cleaner, food processor, microwave, and toaster. They own three radios, two CD players, four telephones (three cellular), two televisions, a camcorder, a DVD player, an Xbox with dozens of games, two iPods, two computers with printers, and a laptop. They also have numerous other small appliances, including blow dryers, an answering machine, a coffee maker, and electric toothbrushes. There are stereo-radio-CD and DVD players in their van and car.

Rick works 40 hours a week as an electrical power line and cable worker for the provincial power company. Patti is an elementary school teacher. Together they make $73 000* a year, plus benefits. The Kellys can choose from among dozens of super-stocked supermarkets. They spend $7046 on food for their home, and another $3520 eating at restaurants—a total of nearly 15 percent of their annual income.

In Canada, the average life expectancy is 78 for males, 82 for females.

On the Kellys' wish list are a new Jeep, a Nintendo Wii, a MacBook Air laptop, a boat, a camping trailer, and—one day—a vacation cabin.

WHAT IS GLOBALIZATION?

Globalization is the latest stage in a process characterized by the spread and intensification of capitalism across the globe (see Figure 5.1). Today, globalization involves the interaction and integration of increasing numbers of people through international trade and investment, travel and tourism, and information technology and the mass media. Let's look at

*This figure represents the median income for a Canadian family in 2006.

FIGURE 5.1 Stages of Capitalism, Expansion, and Intensification

how globalization impacts the movement of people around the world.

GLOBALIZATION AND PATTERNS OF MOVEMENT OF PEOPLE

Immigration

International migration has mushroomed in recent decades. In 2005, 190 million people migrated to different countries in the world. The United States had the highest migration rate, with Canada placing sixth after Saudi Arabia and France (see Table 5.1). Together, the countries with the top ten migration rates in 2005 accounted for over 51 percent of total world migration. What accounts for this upsurge in international movement? Partly, migration can be attributed to the age-old search for a better life in the richer countries of the world. Another factor, according to Anny Hefti (1997), is the globalization of communications technology. The pervasiveness of mass communication, including television, film, video, and music, has reinforced dreams of an "easy life" abroad. Hefti contends that fax machines and cell phones have replaced snail mail communications and that relations between immigrant communities abroad and home communities have been facilitated by these new communications technologies. As a result, migration has become very attractive.

TABLE 5.1 Top 10 Countries with the Largest Number of International Migrants (in thousands, 2005)

	Number of Immigrants
United States	38 354 709
Russian Federation	12 079 626
Germany	10 143 626
France	6 471 029
Saudi Arabia	6 360 730
Canada	6 105 722
India	5 700 147
United Kingdom	5 408 118
Spain	4 790 074
Australia	4 097 204
Top 10 Total	99 510 985
World	190 633 564

Note: As countries collect statistics on immigrants in varying ways, it is often difficult to harmonize data across countries; differences in counting deeply affect rank orders.

Source: United Nations, *Trends in Total Migrant Stock: The 2005 Revision*, data in digital form, 2006. Available at http://esa.un.org/migration/index.asp?panel=1

Globalization and Tourism

The growth in tourism is one indicator of the spread of international contact between people facilitated by cheap air travel, global communications, and the internet. In 1990, 486 million international tourist arrivals were recorded worldwide. That figure jumped to 846 million in 2006—nearly doubling in size. Europe was the primary destination in terms of money spent by international tourists in 2006, claiming just over 51 percent of the $733 billion spent worldwide. Asia and the Pacific shared second place, and the United States received approximately 21 percent of tourism dollars spent globally.

Today, tourism is arguably the world's largest industry. According to predictions from the World Tourism Organization, international tourist arrivals will climb from 850 million this year to 1.6 billion in 2020. Tourism is and will remain the privilege of a few, however: only about 4 percent of the world's population travel abroad.

As new forms of tourism gain prominence—ecotourism, ethnic tourism, "roots" and heritage tourism—the industry has increasingly become integral to every nation in the world. Many developing countries, facing debt burdens and worsening trade terms, have turned to tourism in the hope that it will attract foreign exchange and investment. Simultaneously, leading international agencies such as the World Bank and the United Nations, and business organizations such as the World Travel & Tourism Council (WTTC) have been substantially involved in making tourism a run-for-profit global industry. However, critics often view tourism in developing countries as an extension of former colonial conditions. Unequal trading relationships, dependence on foreign interests, and the division of labour have relegated poor countries in the South to becoming even more involved in the uneven and often environmentally detrimental development of tourist attractions and facilities to placate the expectations of tourists from the affluent North. The flip side to globalization and tourism is legal and illegal emigration from developing countries to more affluent regions such as Canada, the United States, and the European Union.

Globalization and Women's Work

Economic globalization includes cutting costs, especially labour costs, which usually means downsizing or closing facilities in Canada or the U.S. and re-locating to other countries where labour costs and taxes are low and environmental protections lax. People in poorer countries are often forced from rural farms and either travel to where new jobs are located or leave in search of a better life in the richer countries of the world economy. The push and pull of global capitalism accounts for the unprecedented migration of people around the world (see Table 5.1), whether from the countryside to small and large cities in the developing world or in pursuit of affluence and an easier life in rich countries such as Canada, the United States, France, and Germany.

With few transferable skills, many new immigrants, especially women, find employment as domestics or alongside national workers in "soft" sectors such as the garment industry. In these and similar precarious employment options, women's paid work often means accepting lower pay, increasing workloads both at work and at home, and more stress. In the private sector, for example, a preponderant number of women work in less skilled jobs in the garment industry, while in the public and not-for-profit sectors women form the largest share of health care professionals such as nurses, home care, and personal support workers.

The textile and garment industries were among the first industries to be globalized. United Colors of Benetton, or the Benneton Group, an Italian family-run clothing multinational, began operations in the mid 1960s. Today, the company is known not only for its images of beautiful faces and youth from around the world, but also for its ability to communicate through music, theatre, photography, publishing, and the internet. Benetton is the precursor to companies such as Gap and Old Navy.

The garment industry in Canada—be it along Spadina Avenue in Toronto or in the Chabanel District of Montreal—experienced massive changes under the force of globalization. Consider the Exchange District in Winnipeg, now a designated historic site, or the rapid demise of Mr. Jax in Vancouver, and the dramatic effects of globalization are obvious. The existing industry in Montreal and Toronto faces hard times in a global economic world. Employment in the clothing sector in Quebec fell from 57 000 in 2003 to 30 000 in 2005—a massive change in a short period of time. Most of those affected were women; many were recent immigrants.

Offshore textile and garment manufacturing is certainly global in scope. In many Asian countries, young girls are lured to tax-free "factory cities," called **"export processing zones,"** by the promise of good jobs manufacturing products for export. Among the hazards they are confronted with are forced overtime, stifling hot factories with poor ventilation, forced pregnancy tests, sexual violence, and unclean drinking water.

Job loss in Canada and hazardous offshore working conditions tell only half the story. What happens when women return home? Who does the housework? What happens if their husband or partner loses his job? During the recent Asian economic crisis, the Korean government called upon women to "get your husband energized" if he had lost his job, and help offset the impact of the economic crisis on men who, as government ads pointed out, were subject to depression and possible suicide.

Education is critical in order for women in Canada and the rest of the world to compete as equals in the professional world and earn a decent income of their own. However, in Canada, student debt has skyrocketed. On average, female graduates earn less than their male counterparts, resulting in longer debt repayment periods. Those without a university education are particularly disadvantaged. When the Canadian government eliminated the National Training Act in 1996, which included training programs geared toward women, good paying jobs for women in non-traditional sectors became even harder to get.

University education and skills development remain significant factors for achieving equity in the workplace, both in Canada and elsewhere around the world.

GLOBALIZATION: THE ISSUES

More important than the movement of people around the world has been the movement of goods, services, and capital. Since 1950, the volume of world trade has increased twentyfold, and the flow of direct investment doubled from $468 billion in 1997 to $827 billion in 1999. Subsidiaries of transnational corporations, such as Toyota's CAMI Automotive plant in Ingersoll, Ontario, or the slew of Wal-Marts in almost every province are examples of direct investment.

Globalization involves more than the building of large manufacturing and retail businesses controlled outside the community or country; it often means the disappearance of local enterprises, restaurants, and entertainment venues in favour of branch plants of foreign-based transnational corporations. It can even affect the choices of food and beverages offered at your university. Chances are that Sodexho and Pepsi-Cola have a monopoly at your school. As such, globalization impacts the world's environment, national and local cultures, national and local governments, the physical well-being of individuals, and human rights.

Globalization has both advocates and detractors. Its proponents argue that poor countries and their citizens benefit economically from increased employment opportunities and rising standards of living. In order to benefit, it is argued, nations must open their borders to international trade. Tariffs and other barriers to the "free" movement of capital, goods, and services must be eliminated. International organizations such as the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO) (formerly the General Agreement on Tariffs and Trade (GATT)) foster a climate of trade and investment liberalization across the globe. They maintain that globalization will generate a more level playing field on which countries can compete for capital and labour, thereby decreasing worldwide inequalities of wealth and poverty.

Opponents of globalization point to the benefits amassed by transnational corporations such as Time Warner, Exxon Mobil, AT&T, Johnson & Johnson, or Sony Corporation at the expense of local enterprises, local cultures, and ordinary people. They contend that increased inequalities of wealth, power, and privilege accrue at the expense of the less developed and poorer regions of the world. Democracy, human rights, and labour rights are said to be undermined by institutions such as the IMF and the World Bank.

In July 1944, delegates from 44 nations gathered at the United Nations Monetary and Financial Conference in

Bretton Woods, New Hampshire. They reached an agreement, known as the Bretton Woods Agreement, that created two international institutions: the International Bank for Reconstruction and Development, known today as the World Bank, and the IMF.

WORLD BANK With considerable financial power, the World Bank shapes development policies across Africa, Latin America, Asia, and Eastern Europe. Its self-proclaimed primary objective is to eradicate poverty, yet evidence suggests that World Bank programs often increase social inequalities and cause environmental destruction.

IMF The IMF was founded in 1944 as a result of the financial turmoil of the Great Depression of the 1930s and the devastation caused by World War II. The organization provided financial stability in the decades following the Second World War in order to increase world trade. Today, the IMF has a membership of 184 countries and has intervened in such financial crises as the 1995 crash of the Mexican peso and the 1997/98 East Asian financial crisis. IMF policies have been criticized for increasing poverty and suffering among ordinary citizens while shielding multinational corporations and their backers in wealthy countries.

WTO Growing out of the Uruguay Round of GATT trade talks (1986 to 1994), the WTO was founded in January 1995 as an international body of 146 member countries whose purpose, like the GATT, is to promote free trade. Unlike the GATT, WTO decisions are absolute and every member must abide by its rulings. As such, it has become closely associated with globalization.

GATT The GATT was first signed in 1947 as a United Nations treaty, rather than an organization. The agreement was designed to provide an international forum to encourage free trade between member states.

GLOBALIZATION, INEQUALITY, AND DEVELOPMENT

Until recently, a simple model consisting of *First*, *Second*, and *Third Worlds* was used to depict global stratification. "First World" referred to industrialized capitalist nations, "Second World" to communist nations, and "Third World" to any nation that did not fit into the first two categories. After the collapse of the Soviet Union in 1989, these terms became outdated. In addition, although "first," "second," and "third" did not mean "best," "second best," and "worst," they sounded like it. An alternative classification now in use—*developed*, *developing*, and *undeveloped nations*—has the same drawback. By referring to ourselves as "developed," it sounds as though we are mature and the "undeveloped" nations lack our desirable trait. Consequently, we employ more neutral descriptive terms: *most industrialized*, *industrializing*, and *least industrialized nations*.

Such descriptions are used to depict on a global level three primary dimensions: property, power, and prestige. The most industrialized nations have greater property (wealth), power (they get their way in international relations), and prestige—rightly or wrongly, they are looked up to as world leaders with something to contribute to humanity. As illustrated in Figure 5.2, internationally, more than 1.2 billion people—or one in five—survive on less than U.S.$1 a day (United Nations, 2003, p. 5). The past few decades have seen some improvements in the least industrialized countries: life expectancy increased by eight years and literacy rates improved dramatically (United Nations, 2003, p. 2). However, during the 1990s, average per capita income growth was less than 3 percent in 125 countries, and actually declined in 54 of them (United Nations, 2003, p. 3). The poorest countries face critical, life-threatening crises: increasing poverty, food shortages, and increased rates of hunger.

To further understand the tremendous differences between the richest and poorest people in the world, consider income share. In the first years of the twentieth century, the richest 1 percent of people received income equal to 57 percent of the world's poorest people. Further, the income of the world's richest 10 percent of the population was 127.7 times that of the poorest 10 percent (Centre for Social Justice, 2001; United Nations, 2001). The three families sketched in the chapter's opening vignette provide insight into the far-reaching effects of globalization on citizens around the world, as does the following Thinking Critically about Social Controversy box on page xxx on children as prey.

Over the past two centuries, the gap between the richest and poorest countries has grown tremendously. In 1820, the richest countries were roughly three times richer than the poorest, based on Gross Domestic Product (GDP) per capita. This ratio rose to 15 times by 1950 and to 19 times by 1998 (Lee, 2002). As shown in Table 5.2, the world's richest

TABLE 5.2 Share of the Total GDP of the World's People: Richest 20 Percent versus Poorest 20 Percent

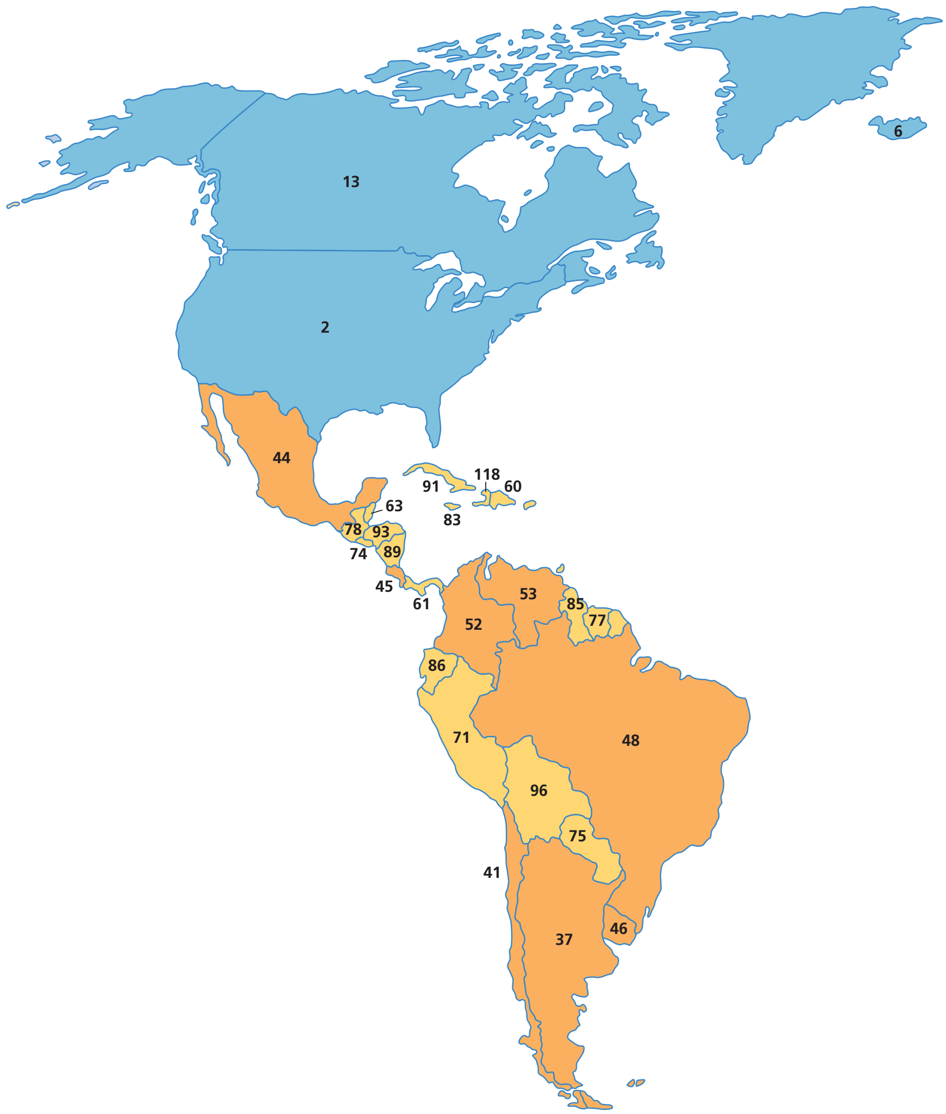
Year	Share of Top 20% Compared to Bottom 20%
1960	30x
1970	32x
1980	45x
1989	59x
1997	74x

Note: In 1997, the top 20 percent received 74 times the income of the bottom 20 percent.

Source: Based on "The Global Divide: Inequality in the World Economy" by Marc Lee, 2002, *Behind the Numbers: Economic Facts, Figures and Analysis*, 4, No. 2. Ottawa: Canadian Centre for Policy Alternatives. Reproduced from United National Development Program, *Human Development Report 1999*. New York: Oxford University Press, pp. 36–37.

The Most Industrialized Nations

	Nation	Income per Person
1	Luxembourg	$58,900
2	United States	$39,820
3	Norway	$38,680
4	Switzerland	$35,660
5	Ireland	$32,930
6	Iceland	$31,900
7	Austria	$31,800
8	Denmark	$31,770
9	Hong Kong (a part of China)	$31,560
10	Belgium	$31,530
11	United Kingdom	$31,430
12	Netherlands	$31,360
13	Canada	$30,760
14	Sweden	$29,880
15	Japan	$29,810
16	Finland	$29,800
17	France	$29,460
18	Australia	$29,340
19	Germany	$28,170
20	Italy	$28,020
21	Singapore	$27,370
22	Taiwan	$25,300
23	Israel	$23,770
24	New Zealand	$22,260



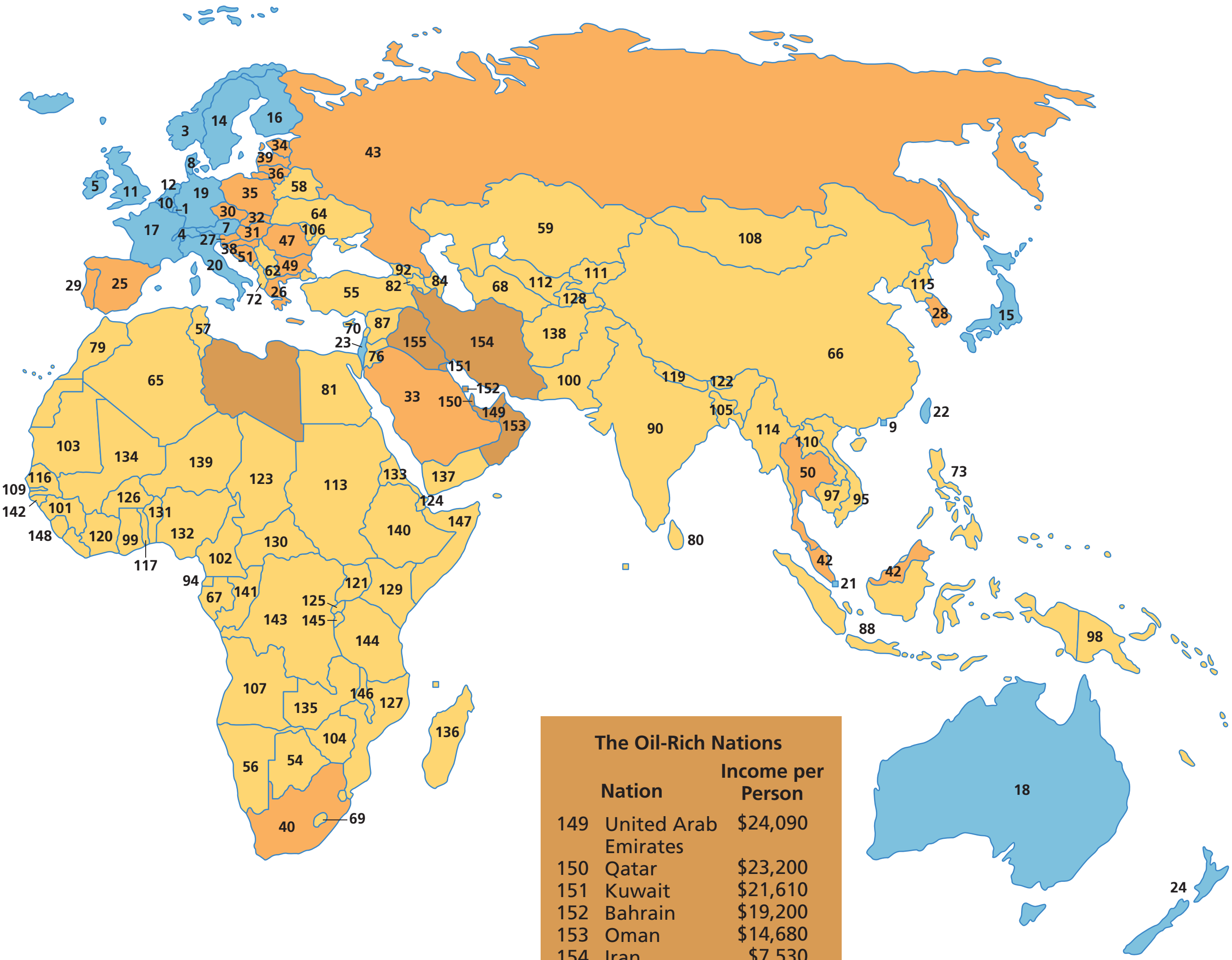
The Industrializing Nations

	Nation	Income per Person
25	Spain	$24,750
26	Greece	$22,230
27	Slovenia	$20,830
28	Korea, South	$20,530
29	Portugal	$19,240
30	Czech Republic	$18,420
31	Hungary	$15,800
32	Slovakia	$14,480
33	Saudi Arabia	$13,810
34	Estonia	$13,630
35	Poland	$12,730
36	Lithuania	$12,690
37	Argentina	$12,530
38	Croatia	$11,920
39	Latvia	$11,820
40	South Africa	$10,960
41	Chile	$10,610
42	Malaysia	$9,720
43	Russia	$9,680
44	Mexico	$9,640
45	Costa Rica	$9,220
46	Uruguay	$9,030
47	Romania	$8,330
48	Brazil	$7,940
49	Bulgaria	$7,940
50	Thailand	$7,930
51	Bosnia	$7,230
52	Colombia	$6,940
53	Venezuela	$5,830

The Least Industrialized Nations

	Nation	Income per Person		Nation	Income per Person
54	Botswana[3]	$9,580	70	Lebanon	$5,550
55	Turkey	$7,720	71	Peru	$5,400
56	Namibia	$7,520	72	Albania	$5,070
57	Tunisia	$7,430	73	Philippines	$4,950
58	Belarus	$6,970	74	El Salvador	$4,890
59	Kazakhstan	$6,930	75	Paraguay	$4,820
60	Dominican Republic	$6,860	76	Jordan	$4,770
			77	Suriname	$4,300
61	Panama	$6,730	78	Guatemala	$4,260
62	Macedonia	$6,560	79	Morocco	$4,250
63	Belize	$6,500	80	Sri Lanka	$4,210
64	Ukraine	$6,330	81	Egypt	$4,200
65	Algeria	$6,320	82	Armenia	$4,160
66	China	$5,890	83	Jamaica	$3,950
67	Gabon	$5,700	84	Azerbaijan	$3,810
68	Turkmenistan	$5,700	85	Guyana	$3,800
69	Swaziland	$5,650	86	Ecuador	$3,770

FIGURE 5.2 Global Stratification: Income of the World's Nations



The Oil-Rich Nations

	Nation	Income per Person
149	United Arab Emirates	$24,090
150	Qatar	$23,200
151	Kuwait	$21,610
152	Bahrain	$19,200
153	Oman	$14,680
154	Iran	$7,530
155	Iraq[2]	$2,100

The Least Industrialized Nations

	Nation	Income per Person
87	Syria	$3,500
88	Indonesia	$3,480
89	Nicaragua	$3,480
90	India	$3,120
91	Cuba	$3,000
92	Georgia	$2,900
93	Honduras	$2,760
94	Equatorial Guinea	$2,700
95	Vietnam	$2,700
96	Bolivia	$2,600
97	Cambodia	$2,310
98	Papua-New Guinea	$2,280
99	Ghana	$2,220
100	Pakistan	$2,170
101	Guinea	$2,160
102	Cameroon	$2,120
103	Mauritania	$2,050
104	Zimbabwe	$2,040
105	Bangladesh	$1,970
106	Moldova	$1,950
107	Angola	$1,930
108	Mongolia	$1,900
109	Gambia	$1,890
110	Laos	$1,880
111	Krygyzstan	$1,860
112	Uzbekistan	$1,860
113	Sudan	$1,810
114	Burma	$1,700
115	Korea, North	$1,700
116	Senegal	$1,660
117	Togo	$1,510
118	Haiti	$1,500
119	Nepal	$1,480
120	Cote d'Ivoire	$1,470
121	Uganda	$1,450
122	Bhutan	$1,400
123	Chad	$1,340
124	Djibouti	$1,300
125	Rwanda	$1,240
126	Burkina Faso	$1,170
127	Mozambique	$1,170
128	Tajikistan	$1,160
129	Kenya	$1,130
130	Central African Republic	$1,100
131	Benin	$1,090
132	Nigeria	$970
133	Eritrea	$960
134	Mali	$950
135	Zambia	$890
136	Madagascar	$840
137	Yemen	$810
138	Afghanistan	$800
139	Niger	$780
140	Ethiopia	$750
141	Congo	$740
142	Guinea-Bissau	$690
143	Congo, Democratic Republic	$680
144	Tanzania	$670
145	Burundi	$660
146	Malawi	$630
147	Somalia	$600
148	Sierra Leone	$550

[1]Income is a country's purchasing power parity based on its per capita gross domestic product measured in U.S. dollars. Since some totals vary widely from year to year, they must be taken as approximate. [2]Iraq's oil has been disrupted by war. [3]Botswana's relative wealth is based on its diamond mines.

Sources: By the author. Based on *Statistical Abstract of the United States* 2007: Table 1324, with a few missing countries taken from the CIA's latest *World Factbook*.

THINKING CRITICALLY ABOUT SOCIAL CONTROVERSY

Open Season: Children as Prey

In Phnom Penh, Cambodia, the city dump is home to many people, and a highly developed social organization has emerged. Pictured here, after garbage has been delivered by truck, people stream around it, struggling to be the first to discover something of value. Workers use metal picks, like the one this child is holding, to sift through the trash. Note that children work alongside adults.

Sociologist Martha Huggins (1993) reports that in Brazilian slums, poverty is so deep that children and adults swarm over garbage dumps searching for enough decaying food to keep them alive. To add insult to injury, the owners of these dumps hire armed guards to keep the poor out—so they can sell the garbage for pig food. Even more shocking, poor children are systematically killed. Every year, Brazilian police and death squads murder close to 2000 children. Some associations of shop owners go so far as to put hit men on retainers and auction victims off to the lowest bidder. The going rate is half a month's salary—figured at the low rate of a Brazilian minimum wage.

A life of slavery is bad enough—but death squads for children? To understand, we must recognize Brazil's long history of violence. Brazil has an extremely high rate of poverty, only a small middle class, and is controlled by a small group of families who, under a veneer of democracy, make the country's major decisions. Hordes of homeless children, with no schools or jobs to attend, roam the streets. To survive, they wash windshields, shine shoes, beg, and steal. These children, part of what are known as the "dangerous classes," threaten the status quo.

The "respectable" classes see them as nothing but trouble. They hurt business, for customers feel uncomfortable or intimidated when they see a group of begging children clustered in front of stores. Some shoplift; others dare to sell items in competition with local shops. With no social institutions to care for these children, some see killing them as a solution. As Huggins notes, murder sends a clear message, especially if accompanied by ritual torture—pulling out eyes, ripping open chests, cutting off genitals, raping girls, and burning victims' bodies.

The plight of these Brazilian children is replicated around the globe. Worldwide, 1.2 billion persons live on a dollar a day or less. Tens of millions of children are on the streets, locked out of schools because their parents cannot afford school fees. And more than a million children die each year from diarrhea because they do not have access to clean drinking water (Mokhiber & Weissman, 2002).

In some societies, even the law fails to provide adequate protection. In China, children younger than 16 are forbidden from working, but an estimated 10 million school-age children, usually girls and often from rural areas, are assemblers in manufacturing plants or work illegally in any number of other activities. Some of these children have been kidnapped. "Children, some as young as four, roam China's relatively prosperous coastal cities, begging on the streets or selling roses deep into the night, apparently victims of schemes that use youngsters as bait" (Ni, 2005). In some cases, "rural schools have contracted out entire classes of students to work in urban factories, supposedly to help defray school costs" (Ni, 2005). And child labourers face appallingly dangerous, unhealthy, and dirty working conditions, including 12-hour shifts with no time off. For these girls, there are no alternatives. They drop out of school because their families cannot afford tuition.

For Your Consideration

Can the most industrialized nations do anything about this situation? Or are they partially responsible? Are these problems "internal" affairs that should be left to the Brazilians or Chinese to handle as they wish? Or are they the result of globalization? Can you do anything to help?

This controversy is also a peerScholar assignment in mysoclab.

people's share of total GDP has skyrocketed over the past 40 years.

GDP measures the dollar value of all final goods and services produced *within* the borders of a country such as Canada or the United States in a given year. GDP must be distinguished from GNP, or Gross National Product, which does not include goods and services produced by *foreign* producers but does include the dollar value of goods and services produced by all Canadian-owned firms operating in foreign countries. GDP is the preferred measure of whether an economy is expanding or contracting used by economists and other social scientists.

According to the U.S. Institute for Policy Studies, there were 497 billionaires worldwide in 2001, with a combined wealth of $1.54 trillion, a figure that exceeded the combined GNPs of all the nations of sub-Saharan Africa or those of the oil-rich regions of the Middle East or North Africa. Moreover, the billionaires' combined wealth was "greater than the combined incomes of the poorest half of all of humanity" (IPS, quoted in Mokhiber & Weissman, 2002).

Modifying the Model

The classification of nations into the most industrialized, industrializing, and least industrialized is helpful in that it pinpoints gross differences among them. But it also presents problems. How much industrialization does a nation require in order to be classified as "most industrialized" or "industrializing"? Several nations have become "postindustrial." Does this new stage require a separate classification? The oil-rich nations of the Middle East are not industrialized, but by providing the oil and gasoline that fuel the machinery of the most industrialized nations, they have become immensely wealthy. Consequently, to classify them simply as "least industrialized" glosses over significant distinctions, such as their modern hospitals, extensive prenatal care, pure water systems, abundant food and shelter, high literacy, and computerized banking.

Kuwait, on whose behalf the United States and other most industrialized nations fought Iraq in the First Gulf War, is an excellent example of the difficulties posed by this classification system. Kuwait is so wealthy that almost none of its citizens are employed. The government simply pays each resident a generous annual salary. Migrant workers from poor nations do most of the onerous chores of daily life, while highly skilled workers from the most industrialized nations run the specialized systems that keep Kuwait's economy going—and, on occasion, fight its wars. Table 5.3 reflects this significant distinction.

TABLE 5.3 An Alternative Model of the Global Economy

Four Worlds of Development
1. Most industrialized nations
2. Industrializing nations
3. Least industrialized nations
4. Oil-rich, non-industrialized nations

SOCIOLOGICAL THEORIES OF GLOBAL AND SOCIAL ECONOMIC DEVELOPMENT

How did the world come to be divided into such distinct worlds of development? The obvious answer is that the poorer nations have fewer resources than the richer ones. As with so many other "obvious" answers, however, this one, too, falls short, for many of the industrializing and least industrialized nations are rich in natural resources, while one of the most industrialized nations, Japan, has few. Four competing theories explain how some countries developed faster than others and how globalization came about.

Imperialism and Colonization

The first theory suggests that the first European nations to industrialize got a jump on the rest of the world. Beginning in Great Britain about 1750, industrialization spread throughout Western Europe. Powerful new technology produced great wealth, resulting in surplus capital. According to economist John Hobson (1858–1940), the industrialized nations lacked enough consumers to make it profitable to invest all excess capital at home. Consequently, business leaders persuaded their governments to embark on **imperialism**, to take over other countries so they could expand their markets and gain access to cheap raw materials.

Backed by the powerful armaments developed by their new technology, the industrialized nations found easy prey elsewhere (Harrison, 1993). The result was **colonization**, where more powerful nations made colonies out of weaker ones. After invading and subduing a country, colonizers left a controlling force to exploit its labour and natural resources. At one point, there was virtually a free-for-all among European industrialized nations as they rushed to divide the continent of Africa. As Europe sliced it into pieces, even tiny Belgium got in the act and acquired the Congo—a country 75 times its own size. While the powerful European nations planted national flags in a colony and sent representatives to directly run the government, the United States, after it industrialized, usually chose to plant corporate flags in a colony and let corporations dominate the territory's government. Central and South America are prime examples of U.S. *economic imperialism*. No matter the form, whether benevolent or harsh, the purpose was the same—to exploit another nation's people and resources for the benefit of a "mother" country.

Western imperialism and colonization shaped the least industrialized nations (Martin, 1994). In some instances, the most industrialized nations were so powerful that to divide their spoils, they drew lines across a map, creating new states without regard for tribal or cultural considerations (Kennedy,

Inside a *maquiladora* in Matamoros, Mexico. The steering wheels are for North American auto makers.

1993). Britain and France followed this policy in North Africa and parts of the Middle East, which explains why the national boundaries of Libya, Saudi Arabia, Kuwait, and other nations are so straight.

World System Theory

Sociologist Immanuel Wallerstein (1974, 1979, 1984, 1990) proposed a **world system** theory. Since the 1500s, Wallerstein argued, economic, political, social, and cultural interactions have grown between nations. Today, these links are so great that they tie most of the world's countries together. At the beginning of the expansion of capitalism from its European origins, Wallerstein identified four groups of interconnected nations. The first group is comprised of the *core nations*, those that first embraced capitalism. These regions (Britain, France, Holland, and later Germany) grew rich and powerful. The second group—the nations around the Mediterranean—Wallerstein called the **semiperiphery**. Their economies stagnated as a result of their dependence on trade with the core nations. The third group, the **periphery**, or fringe, consists of the eastern European countries. Because they were primarily limited to selling cash crops to the core nations, their economies developed even less. The fourth group, the *external area*, includes most of Africa and Asia. These nations were left out of the development of capitalism and had few economic connections with the core nations.

Capitalism's relentless expansion gave birth to a **capitalist world economy**, dominated by the most industrialized nations. This economy is so all-encompassing that today, no single region is outside the reach of global capitalism. All the nations of the world can be classified as core, semiperiphery, or periphery.

CANADA AS A SEMIPERIPHERAL COUNTRY At a time when most sociologists and political economists argued that Canada was a developed core nation, one of the authors of this text, a graduate student of Immanuel Wallerstein in the mid 1970s, tackled the question of whether this was true or whether Canada displayed the characteristics of a semiperipheral country. In an article entitled "Rich but Semiperipheral: Canada's Ambiguous Position in the World Economy," Dan Glenday (1989) presented evidence for Canada as a semiperipheral nation. Canada's major economic sectors, with the exception of banking, insurance, and transportation, are heavily foreign owned and/or controlled. Canada ships its natural resources to the U.S., Japan, and China, but operates its own direct investment outlets in the Caribbean and in other peripheral countries of the world economy.

Why was this important? Semiperipheral countries, according to Wallerstein, possess unique characteristics. First, they act like core countries when trading with the periphery, but appear to behave as peripheral nations when engaged in economic relations with core regions. Semiperipheral nations also display direct and immediate interest in the control of the market at both internal and international levels (1989: p. 238). Clearly, from the point of view of global economic relations, Canada behaved and still behaves like a semiperipheral country.

Glenday argues that Canada's state policies, such as the Free Trade Agreement and, later, the North American Free Trade Agreement, were critical in defining our status in the world economy. Would these initiatives raise Canada's status in the world economy and thereby increase economic and social advantages for all Canadians? Or would they push Canada downward, distancing it from the core countries, and, as a result, negatively impact our economic and social future?

Recently, Glenday (2009) offered an assessment of these and other state policies on Canada's position in the world economy. While Canada remains defined as a rich nation, we are sliding downward in the world economy. How does Canada's descent impact jobs, social choices, and life chances for this and future generations?

Developed core countries offer their citizens access to many economic, social, medical, and cultural advantages, especially when compared to poorer peripheral countries. In relation to semiperipheral countries such as Canada, core countries such as France, Germany, Great Britain, and Japan are better off economically, socially, and culturally. Canada's good fortune lies in our rich endowment of natural resources, from oil and gas to gold and diamonds. Our natural resources are exported to other countries, where they are processed and re-sold in the global marketplace, expanding employment, social choices, and life chances in those regions. Today, Canadians in Alberta and Saskatchewan benefit from the export of oil and natural gas. Tomorrow, Canadians in Newfoundland and Nova Scotia will likely benefit from the discovery and exploitation of offshore natural resources. Instead of unifying the country, the uneven distribution of natural resources is transforming Canada into a patchwork of natural resource "sheikdoms." How long will our good fortune last? On what other industries is our economy being built? What will the extent of social choices be for this and future generations of Canadians? These questions must be addressed and openly debated.

INFORMATION TECHNOLOGY AND THE NEWS As noted at the beginning of the chapter, the extensive movement of capital, technology, people, and ideas between nations that was ushered in by the expansion of capitalism is called **globalization** (Kanter, 1997b). Although globalization has been under way for several hundred years, today's new forms of communication and transportation have greatly intensified the process.

Our extensive interconnection has been made possible in part by the existence of cable news. Satellite, fibre-optic, and other technologies bring events that are happening in remote parts of the world into our living rooms. Communications technology has made the world smaller, with international outlets such as CNN, Fox News, the BBC, and Al Jazeera creating a "global news village" in which those with the means can watch stories from around the world. People can now claim certain commonalities on which to base a shared experience, even though they live in very different cultures and nations.

Conversely, much technology is owned and controlled by a small group of companies and as a result has made the world more divisive—the heavy influence of "Americanized" news underscores the disparity between the United States and the rest of the world. Instead of serving to unite the "global news village," the news often inserts a wedge between civilizations. Deep divisions about how to interpret what is happening in the world are reproduced in news presentations worldwide. All societies today, no matter where they are, are part of a global social system with built-in contradictions.

Dependency Theory

The third theory is sometimes difficult to distinguish from world system theory. **Dependency theory** stresses how the least industrialized nations became dependent on the most industrialized nations (Cardoso, 1972; Furtado, 1984). According to dependency theory, the first nations to industrialize turned other nations into plantations and mines, harvesting or extracting whatever they needed to meet their growing appetite for raw materials and exotic foods. As a result, many of the least industrialized nations began to specialize in single cash crops. Brazil became a coffee plantation for the most industrialized nations. Nicaragua and other Central American countries specialized in bananas (hence the term "banana republic"). Chile became the primary source of tin, and Zaire (then the Belgian Congo) was transformed into a rubber plantation. Nations in the Middle East were turned into gigantic oil wells. A major point of dependency theory is that the domination of the least industrialized nations rendered them unable to develop independent economies.

There is substantial evidence that as capital has moved around the world, poverty has increased and quality of life for millions of people has deteriorated. The process of globalization has accelerated economic competition among countries. To compete with one another in world markets, many nations have lowered wages, eliminated worker support programs and environmental protection, decreased social spending, and dismantled public health care and other essential services (Brecher & Costello, 1998; McNally, 2002). Sociologists such as James Petras and Henry Veltmeyer (2001) argue that globalization is a modern form of imperialism that advances the interests of the powerful and privileged and neither enhances quality of life nor extends social justice to ordinary people.

Culture of Poverty

An entirely different explanation of global poverty was proposed by economist John Kenneth Galbraith (1979), who contends that the least industrialized nations were held back by their own cultures. Building on the ideas of anthropologist Oscar Lewis (1966a, 1966b), Galbraith argued that some nations are crippled by a **culture of poverty**, a way of life that perpetuates poverty from one generation to the next. Most of the world's poor live in rural areas, where they barely eke out a living from the land. Their marginal life offers little room for error or risk, so they tend to stick closely to tried-and-true, traditional ways, according to Galbraith. Experimenting with new farming or manufacturing techniques is threatening, because if they fail, the result could be hunger or death. Their religion also reinforces traditionalism, for it teaches fatalism, the acceptance of one's lot in life as God's will.

Evaluating the Theories

Most sociologists prefer imperialism, world system theory, and dependency theory to Galbraith's culture of poverty theory, given that the latter places blame on the victim—the poor nations themselves. It faults the characteristics of poor nations rather than international arrangements that benefit the most industrialized nations at their expense. But even taken together, these theories yield only part of the picture, as becomes evident from the example of Japan. After World War II, with a religion that stressed fatalism and two major cities destroyed by atomic bombs, Japan—through stripped of its colonies—became an economic powerhouse that turned the Western world on its head. Looking at detailed socio-historical national studies examining the way in which culture, political structure, and class relations affect global economic positioning may provide us with the clearest understanding of globalization, inequality, and development.

Focus Question

Which theory or theories do you think most adequately explain globalization?

THE STRUCTURES OF GLOBALIZATION

Regardless of how globalization developed, why do the same countries remain rich year after year, while the rest stay poor? Let's look at how world inequality is maintained by some of the structures of globalization.

Neocolonialism

Sociologist Michael Harrington (1977) argued that nineteenth century colonialism was replaced by twentieth century **neocolonialism**. When World War II changed public sentiment about sending soldiers and colonists to weaker countries, the most industrialized nations turned to international markets as a way of controlling the least industrialized nations. These powerful nations determine how much they will pay for tin from Bolivia, copper from Peru, coffee from Brazil, and so forth. They also move hazardous industries into the least industrialized nations.

As many of us learn, falling behind on a debt often means that we find ourselves dangling at the end of a string pulled by our creditor. The same is true for neocolonialism. Selling weapons and other manufactured goods to the least industrialized nations on credit turns those countries into eternal debtors. The capital they need to develop their own industries goes instead to debt, ever bloated with mounting interest. As debtors, these nations are also vulnerable to trading terms dictated by the agents of globalization, such as the IMF and World Bank (Tordoff, 1992; Carrington, 1993).

Thus, although the least industrialized nations have their own governments—whether elected or dictatorships—they remain almost as dependent on the most industrialized nations as they were when those nations occupied them.

Transnational Corporations

Transnational or multinational corporations, companies that operate across many national boundaries, also help maintain the global dominance of the most industrialized nations. In some cases, multinational corporations directly exploit the least industrialized nations. A prime example is the United Fruit Company, which controlled national and local politics in Central America for decades, running these nations as fiefdoms for the company's own profit while the U.S. Marines waited in the wings in case the company's interests needed to be backed up. Most commonly, however, transnational corporations help maintain globalization simply by doing business. A single transnational may do mining in several countries, manufacturing in many others, and run transportation and marketing networks around the globe. No matter where profits are made or where they are reinvested, the primary beneficiaries are the most industrialized nations, and especially the one in which the multinational corporation has its world headquarters. As Michael Harrington (1977) stressed, the real profits are made in processing the products and in controlling their distribution—profits that are withheld from the least industrialized nations. For more on multinational corporations, see Chapter 11.

Transnational corporations try to work closely with the elite of the least industrialized nations (Lipton, 1979; Waldman, 1995a; Sklair, 2001). Those elite, who live a sophisticated upper-class life in the major cities of their home countries, send their children to Oxford, the Sorbonne, McGill, or Harvard to be educated. Multinational corporations funnel investments to this small circle of power, whose members favour projects such as building laboratories and computer centres in capital cities, projects that do not help the vast majority of people living in poor, remote villages eking out a meagre living on small plots of land.

The end result is an informal partnership between transnational corporations and the elite of the least industrialized nations. The elite benefit by receiving subsidies (or payoffs); the corporations gain access to the countries' raw materials, labour, and market. Both benefit through political stability, necessary to keep the partnership alive.

This is not the full story, however. Transnational corporations also play a role in changing the process of development in some countries, such as in India and China. This is an unintentional by-product of their worldwide search for cheap resources and labour. By moving manufacturing from the most industrialized nations with high labour costs to the least industrialized nations with low labour costs, they not only exploit cheap labour, but, in some cases, also bring prosperity to certain regions within those nations. Although workers in the least industrialized nations are paid a pittance, it is more than they can earn elsewhere. With new factories come opportunities to develop new skills and a capital base. This does not occur in all nations, but the Pacific Rim nations, nicknamed the "Asian tigers," are remarkable. They have developed such a strong capital base that they have begun to rival the older capitalist nations.

Technology and the Maintenance of Global Domination

The race between the most and least industrialized nations to develop and apply new information technologies can be compared to a marathon runner competing against a one-legged man. The vast profits amassed by multinational corporations allow the most industrialized nations to invest huge sums in the latest technology. Wal-Mart, along with a few restaurant chains, controls 54 percent of the direct sales market in Mexico, with 687 stores in 71 cities (Ribeiro, 2005). Multinationals often use technologies to track their customers' purchases and streamline production processes in order to shave what sometimes amounts to only a fraction of a cent off costs. Gillette spent $100 million to adjust its output "on an hourly basis" (Zachary, 1995). Many least industrialized nations would greatly benefit from a $100 million investment in their national economy, much less to fine-tune production in a single organization. In short, new technologies accrue even more advantages for the most industrialized nations.

ANTI-GLOBALIZATION

José Bové is considered by many to be an important representative of the anti-globalization movement. He is widely known for campaigning against genetically modified crops and has led protests in Brazil and France. His most publicized protest was directed at the cheese used by McDonald's restaurants, which he viewed as the most effective way to protest U.S. trade restrictions against locally made Rocquefort cheese. On August 12, 1999, Bové led a group known as the Peasant Confederation to vandalize a Macdonald's restaurant in Millau, France. He was sentenced to three months in prison and, together with nine others, became known as the Millau 10. (BBC, February 15, 2001)

Targeting the negative practices of transnational corporations is one major strategy of the anti-globalization movement. Such protests usually focus on the following:

- aim for the maximization of profits
- locate where the salaries are lowest
- employ children and women in factories
- destroy the environment through production
- obliterate cultural identities
- amass greater power than many nation states

A second target of anti-globalization protestors is international organizations such as the World Bank, the International Monetary Fund, and the World Trade Organization, whose objective is to promote policies of free trade and balanced state budgets. According to the movement, such policies put an intolerable weight on the shoulders of the poor countries by increasing debt loads and pushing for reductions in social expenditures. Often, protesters request that rich countries "forgive" the debts owed to them by poorer nations.

World Social Forum

Founded in 2001 in Porto Alegre, Brazil, the World Social Forum (WSF) is not an organization or formal group; rather, it uses the internet as an "open space" to bring together social movements, organizations, NGOs, and individuals to discuss alternatives to globalization. In its own words, the WSF seeks to bring together all those who oppose "neo-liberal globalization" and "imperialism in all its forms." It meets in January of every year in order to counterbalance the discussions of the World Economic Forum, which is a Geneva-based foundation whose annual meetings in Davos, Switzerland, bring together leaders of the most powerful economic organizations (companies with annual earnings over $1 billion), national political leaders (presidents, prime ministers, and others), and selected intellectuals.

Eight-year-old Mahashury is a *bonded laborer* who was exchanged by her parents for a 2000 rupee loan (about $14). To repay the loan, Mahashury must do construction work for a year. She will receive one meal a day and a single set of clothing for the year. Because this centuries-old practice is now illegal, the master bribes Indian officials, who inform him when they are going to inspect the construction site.

Globalization, Forced Child Labour, and Slavery

Before attending university, many young Canadians worked part-time. However, in all provinces and territories, there are several laws prohibiting employers from hiring a young person for full-time work (see Chapter 11 for a description of the Canadian labour market and labour laws). The most important restriction is compulsory school attendance. In every province, a young person must attend school until graduation from high school or until she/he reaches the age of 18 (Labour Law Analysis, International and Intergovernmental Labour Affairs, Labour Program, Human Resources and Social Development Canada, October 15, 2006; www.hrsdc.gc.ca/en/lp/spila/clli/eslc/minage(e).pdf). At least five Canadian provinces allow children under the age of 14 to work with permission from their parents and the Director of Employment Standards (www.cbc.ca/childlabour/ilo.html).

The International Labour Organization, a United Nations agency, has established conventions regarding child labour. Convention 138 deals with the minimum age of working and recommends the minimum age of employment of any kind to 15. Convention 182 deals with dangerous work environments for children. On June 22, 2008, Canada signed on to Convention 182 but not Convention 138 (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-ratif8conv.cfm?Lang=EN).

THINKING CRITICALLY ABOUT SOCIAL CONTROVERSY

Poverty: A Global Warning

Poverty and growing social inequality are not simply local problems; they have global dimensions. Current estimates suggest that one in five people in the world live on less than $1 per day and 8 million people die each year as a result of poverty (Williams, 2004; Sachs, 2005). Almost 11 million children die each year before the age of five in developing countries and almost half of their deaths are from preventable causes such as diarrhea, measles, malaria, and acute respiratory infection ("Bid to Cut Mortality Rate," 2005). While the industrial countries have long been aware of global inequalities, economic globalization—along with the increasing prominence of global organizations such as the World Trade Organization (WTO), the World Bank, and the International Monetary Fund (IMF)—have heightened Canadians' awareness of broader poverty issues. In particular, the events of September 11, 2001, resulted in many analysts pointing to the growing chasm between rich and poor nations as a trigger for international violence and terrorism and a threat to world security.

The issue of global poverty is particularly pressing since the neo-liberal course proposed by the WTO and others has become increasingly suspect. The vision that international investment in the economies of developing countries, combined with open markets and more liberalized trade, would level the playing field and trickle down to the world's poor has not been fulfilled. Developing countries, in particular in Africa, have made relatively little headway in reducing poverty levels. Indeed, the World Bank suggests that the economic situation for most of Africa is worse today than it was 40 years ago. Although Africa is home to about 10 percent of the world population, its gross domestic product (GDP—the value of all goods and services produced annually) is only about 1 percent of the global GDP, and the continent receives less than 1 percent of foreign direct investment. Meanwhile, protectionist policies (tariffs and quotas on foreign imports) in North America and the European Union make it almost impossible for African goods to enter these markets (Rees, 2002; Khalif, 2002).

The problem is not confined to Africa. Around the globe, the rich have become richer and the poor, poorer. In 1970, the richest 10 percent of the world's population earned 19 times the income of the poorest 10 percent. By 1997, the ratio grew to 27:1. By this time, the wealthiest 1 percent of the world's population earned as much income as the poorest 57 percent, and the 25 million wealthiest Americans (0.4 percent of the global population) received an income larger than that of the poorest 2 billion people on earth (43 percent of the global population) (Rees, 2002). This economic pattern of inequality translates into a myriad of other inequalities. Currently, 90 percent of the world's medical health research dollars focus on the health problems of 20 percent of the global population. Cancer and heart disease take pre-eminence while the infectious diseases such as malaria and tuberculosis, which cause half the deaths in developing countries, receive relatively little attention (Calamai, 2002). The AIDS pandemic brings into clear focus the life and death consequences of global inequities. There are an estimated 25 million people in sub-Saharan Africa with HIV/AIDS and, despite the development of life-saving drug regimens in Western countries, 2.3 million of those afflicted die each year. In some areas, the population of 15- to 24-year-old females has been decimated and children are left to the care of orphanages, aging relatives, or the streets (www.stephenlewisfoundation.org).

The rich nations have not rushed forward to resolve the global inequalities. The IMF is a specialized United Nations agency with 182 member countries, created in 1944 to help maintain the world monetary system. The World Bank was set up as a lender of last resort to the least industrialized nations. The WTO (which is a successor to other international trade organizations) is intended to bring countries together to improve international trade and, indirectly, encourage global standards in environmental protections, worker protections, and so on. The history of the various global governing agencies is complex, but their roles remain hotly debated and global inequality is a growing concern.

Even more direct efforts at assisting developing countries through the provision of foreign aid have had limited results and elicited only limited enthusiasm on the part of richer nations. Only Denmark, the Netherlands, Sweden, Norway, and Luxembourg have met the United Nations target of contributing 0.7 percent of their GDP to foreign aid. Canada contributes a scant 0.25 percent, behind much smaller economies such as Portugal and New Zealand. Indeed, Canadian foreign aid contributions in 2008 were at their lowest level in 30 years. Interestingly, at the bottom of the pack of 22 wealthy nations providing developmental aid to foreign countries is the United States, contributing 0.10 percent of its GDP ("Saturday Special," 2002, p. A25).

Currently, about one in three of the world's 6 billion people live in a state of "extreme poverty" and inhabitants in 21 countries are subsisting on average incomes of less than U.S.$1000 a year, while at the wealthy end of the scale, citizens of 17 wealthy nations average U.S.$20 000 a year. As widely publicized by Live Aid and other anti-poverty groups, if less than 1 percent of the income of the wealthiest countries was redirected to the poorest, almost everyone on the globe would have enough to eat as well as adequate health and education (Williams, 2004). At present, however, the future for global poverty appears bleak. The global population is expected to grow by another 2 billion people over the next 25 years, 97 percent of whom will live in poorer countries (Rees, 2002; Crane, 2000).

Certainly, if the growing strains of global and local inequalities are not addressed, the negative consequences will likely impact on both the rich and poor (Laxer, 1998). Globalization—with its world trade and world travel in the midst of a world economy—ensures that we all share the outcomes. Ultimately, while the wealthy nations have attempted to create "gated communities," disease and environmental destruction cannot be kept out. If poor countries continue to plunder their natural resources in order to survive and in the process disregard environmental consequences, everyone on the planet will bear the results.

This controversy is also a peerScholar assignment in mysoclab.

While the restrictions vary between provinces and Canada has yet to sign Convention 138, the exploitation of child labour in Canada is not knowingly tolerated. Child labour exists in many other parts of the globe, however. Globalization exposes the poorest people to some of the harshest working conditions. Consider chocolate, for example. Many Canadians and Americans were shocked to learn in early 2000 that some of their favourite candies might have been produced by child labourers in West Africa. In 2000, the U.S. State Department, Knight Ridder, and the BBC reported that roughly 15 000 children worked in conditions of forced labour picking beans in Ghana and Ivory Coast. Trafficked from extremely poor countries such as Mali and Burkina Faso, the children worked on some of the 1.5 million small cocoa farms in West Africa. These farms produce more than half the world's cacao, used to make candy, cookies, or cocoa butter for cosmetics. Attempts have been made to curb child labour on the cocoa plantations. One recent result is the Cocoa Protocol, a partnership of the major chocolate companies, government officials, and others. It called for a deadline of July 1, 2005, to ensure that all cocoa bean products would be grown and processed without violating internationally accepted labour standards. Unfortunately, child labour still thrives on cocoa plantations even amid efforts by activists and others who have filed suit against Nestlé, ADM, and Cargill for their violations of international child labour laws.

All forms of slavery have not been eliminated. Child slavery in the form of the trafficking of young girls for the sex trade affects all parts of the globe, even Canada (see Chapter 6 for a more in-depth discussion of slavery).

A CONCLUDING NOTE

Consider again the three families in the opening vignette. Remember that they represent three worlds of development—that is, globalization, inequality, and development. Their life chances—from access to material possessions to their opportunities for education and even the likely age at which they will die—are profoundly affected by globalization and its consequences. The division of the globe into interconnected units of nations with more or less wealth and more or less power and prestige is much more than a matter of theoretical interest. In fact, it is *your*life we are talking about.

SUMMARY AND REVIEW

What Is Globalization

WHAT IS GLOBALIZATION?

Globalization involves the interaction and integration of increasing numbers of people in the world through international trade and investment, travel and tourism, and information technology and the mass media. p. xxx.

Globalization and Patterns of Movement of People

HOW DOES GLOBALIZATION IMPACT THE MOVEMENT OF PEOPLE?

The globalization of communications technology, the pervasiveness of mass communication—including television, film, videos, and music—and cheap air travel open the world to more people through increased tourism and immigration. pp. xxx–xxx.

HOW DOES GLOBALIZATION IMPACT THE PAID AND UNPAID WORK OF WOMEN?

Globalization involves cutting costs, especially labour costs. This means factories and offices are closed in developed countries and transplanted to less developed countries, where labour—and women's labour in particular—is cheap. In the developed world, globalization means depressing wages and benefits for workers, especially vulnerable workers such as immigrant women. pp. xxx–xxx.

Globalization: The Issues

WHAT ARE THE MAIN ARGUMENTS FOR AND AGAINST GLOBALIZATION?

Proponents of globalization argue that poor countries and their citizens benefit economically from increased employment opportunities and rising standards of living. Opponents of globalization point to the increased wealth, power, and privilege enjoyed by the developed and rich parts of the world that come at the expense of the less developed and poorer regions of the globe. Democracy, human rights, and labour rights are said to be undermined by institutions such as the IMF and the World Bank. pp. xxx–xxx.

Globalization, Inequality, and Development

HOW ARE THE WORLD'S NATIONS STRATIFIED?

The model favoured by the authors of this text divides the world's nations into three groups: most industrialized, industrializing, and least industrialized. This layering represents relative property, power, and prestige. The oil-rich nations are an exception. pp. xxx–xxx.

Sociological Theories of Global and Social Economic Development

WHAT ARE THE MAIN SOCIOLOGICAL THEORIES OF ECONOMIC AND SOCIAL DEVELOPMENT?

The main sociological theories that seek to account for global stratification are **imperialism** and **colonization**, **world system** theory, **dependency theory**, and the **culture of poverty**. pp. xxx–xxx.

WHAT MAKES CANADA A SEMIPERIPHERAL COUNTRY AND WHY IS THIS IMPORTANT TO KNOW?

Canada's major economic sectors, with the exception of banking, insurance, and transportation, are heavily foreign owned and/or controlled. Canada ships its natural resources primarily to core countries but has direct investment outlets in the Caribbean and in other peripheral countries of the world economy. Canada's state policies, such as the FTA and NAFTA, which make us "open for business" to globalization, have consequences for Canadian employment and social and life choices. pp. xxx–xxx.

The Structures of Globalization

HOW IS THE SYSTEM OF GLOBAL STRATIFICATION MAINTAINED?

There are three basic explanations for why nations remain stratified. **Neocolonialism** is the ongoing dominance of the least industrialized nations by the most industrialized nations. A second explanation attributes stratification to the influence of **multinational corporations**, which operate across national boundaries. New technologies give further advantage to the most industrialized nations. pp. xxx–xxx.

KEY TERMS

WEBLINKS

All URLs listed are current as of the printing of this book.

Globalization and Tourism
www.planeta.com

Planeta.com is the first website focusing on ecotourism, conservation, and tourism's effects on local communities.

The Stephen Lewis Foundation
www.stephenlewisfoundation.org

The Stephen Lewis Foundation website provides information on the AIDS pandemic in Africa and the need for greater action from Western countries. Stephen Lewis, a prominent Canadian, is the United Nations' special envoy for HIV/AIDS in Africa.

Runaway World: A BBC 1999 Lecture Series by Anthony Giddens

http://news.bbc.co.uk/hi/english/static/events/reith_99/

The website provides access to text, audio, and video lectures given by Anthony Giddens, who plainly and succinctly dissects the links between globalization and its impact on tradition, the family, and democracy.

Globalization 101

www.globalization101.org/

Sponsored by The Levin Institute (a graduate institute of the State University of New York), this website provides useful, up-to-date information about globalization.

Anti-Globalization

www.anti-marketing.com/anti-globalization.html

An introduction to anti-globalization, including links to anti-globalization and pro globalization organizations.

World Social Forum

www.wsf2008.net/

The main web page of WSF2008, an anti-globalization network.

CRITICAL THINKING QUESTIONS

1. Do you think that the low wage factories of multinational corporations, located in such countries as Mexico or China, represent exploitation or opportunity? Why?
2. Think of something you use every day—such as a cellphone or iPod, or Starbucks or Tim Horton's coffee—and find out where it was manufactured and/or assembled, marketed, and sold. How easy was it to find out? What did your journey of discovery teach you about globalization?