



Big Era Nine
Panorama Teaching Unit
Globalization
1945 - Present

PowerPoint Overview Presentation
Paradoxes of Global Acceleration

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Why this unit?

This unit focuses on the meaning of [globalization](#), its impact on the world, and the varying reactions to this new ideology and system. Scholars have not yet settled on an exact definition of globalization. One definition is that it “denotes the expanding scale, growing magnitude, speeding up, and deepening impact of transcontinental flows and patterns of social interaction.”¹

Globalism is not an entirely new concept. Karl Marx used the term, as did Adam Smith. In the 1970s, however, the symbols and reality of globalism took off with dramatic speed, and soon it circled the planet like the communications satellites that helped make it possible. By the end of the twentieth century, the terms “globalism” and “globalization” had become part of almost every American’s vocabulary. The terms also spread around the world in the same way that the names Bill Gates, Michael Jordan, Madonna, and Barack Obama have done. Whatever we think of the process, none of us can escape its effects. We sometimes refer to our era as the Information Age. Indeed, knowledge is critical to survival in a globalized world. Students need to understand the causes and effects of globalization in order to participate effectively in this new age.

A globalized world heightens the risks in most of our lives. It intensifies competition for jobs, wealth, status, and even survival. If globalization continues to widen the gap between the rich and poor of the world, it may lead to violent social upheavals that ultimately threaten humankind’s survival. If the level and direction of [industrialization](#) continue, dangers to the environment and to the social order could spin out of control. Knowledge of the worldwide impact of globalization and how people around the world are reacting to it will enable students to think more coherently about their own futures. It will provide them with a richer context for understanding the world-scale forces that affect them everyday.

While none of us can escape globalization’s relentless march, human knowledge can make a difference in diminishing its negative effects and enhancing its benefits. In this new world, knowledge is a vital resource, not only to succeed in the global economy but also to shape a world in which our species will thrive.

Unit objectives

Upon completing this unit, students will be able to:

1. Explain the ideological basis of the [Cold War](#) and describe the human and material cost of that forty-five-year struggle.
2. Define globalization and explain how it functions.

¹ David Held and Anthony McGrew, eds., *Governing Globalization: Power, Authority, and Global Governance* (Malden, MA: Oxford UP, 2002), 1.

3. Analyze the impact of globalization by focusing on the role of multinational corporations in various parts of the world.
4. Compare how people in various parts of the world are responding to globalization and analyze the reasons for their differing responses.

Time and materials

This unit has four lessons. The first should take no more than two days. The second can probably be taught in one day. If Lesson 3 is done as a jigsaw, allow a full class period for covering the basic ideas. If teachers elect to have students reflect on each reading as a class, allow two or three days for discussion of their insights. The simulation described in lesson four may take a day or two.

Authors

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The historical context

The unsteady trend toward globalization in the modern age, interrupted in the first half of the twentieth century by the two world wars and the [Great Depression](#), accelerated rapidly after World War II. However, the Cold War, which pitted an American-led alliance against the Soviet socialist one, divided both the political and economic world into two major power blocs.

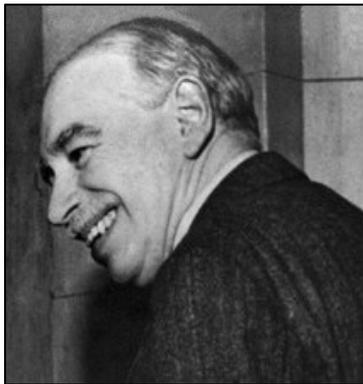
The Cold War also involved a contest of ideologies, which intensified after the two great powers began competing for the friendship of dozens of new sovereign [states](#) that had previously been colonial territories. By 2000, 175 national flags flew over the United Nations headquarters. Both the Soviet bloc and the Western bloc (that is, the United States, the countries of western Europe, and other states allied with them) sought to recruit the newly-emerging [nations](#) to their side and way of life. However, a new bloc of [non-aligned states](#), led by Jawaharlal Nehru of India, tried to carve out a “third way” between the two power alliances. Many of these non-aligned nations tried to forge a synthesis between Western democracy and the Soviet style of state economic planning.

The Cold War brought humanity closer to massive destruction than at any other time in history. As tensions escalated, both sides built huge nuclear arsenals capable of destroying most humans

in the world. Despite several close calls, however, both sides managed to avert all-out war, keeping the peace for forty-five years through the threat of Mutually Assured Destruction, appropriately termed MAD.

During this era, the world economy grew rapidly and economic development became the chief goal of the newly-independent states, often called the “Third World” or “developing states.” After the end of the Cold War in 1990, many of these states turned away from Soviet-style planned economies and accepted the capitalist system. This move ushered in the age of globalization.

The new concept of globalism is tied closely to the ideology of neo-liberalism and draws heavily on the thinking of Adam Smith (1723-1790), David Ricardo (1772-1823), and Herbert Spencer (1820-1903). According to these proponents of economic **liberalism**, humans are essentially economic animals who seek to accumulate wealth and maximize their place in the social order. Adam Smith believed that this was not a bad trait to have; rather, it was the motor force of national power. As a result, **governments** should keep their hands off free competition among individuals seeking to grow rich and instead let the “invisible hand” of competition regulate economic transactions. Many neo-liberals today see the market as a self-regulating mechanism that is the best guarantee of producing the most goods at the cheapest prices.



John Maynard Keynes
British Economist
1883-1946
Wikimedia Commons

This belief in the free market, however, was not widely shared during the first three-quarters of the twentieth century. From 1944 to 1972, the Breton Woods approach, based on the thinking of John Maynard Keynes, was enshrined in the International Monetary Fund (IMF) and the World Bank. According to this approach, governments should play an active role in promoting economic stability in the world by helping to expand purchasing power, maintaining a stable global currency, and applying common rules and discipline on all economies equally. The Keynesian system worked very well until the Japanese and, to a lesser extent, the Korean economies began to compete with the American economy. This led to deficit spending in the United States and a severe imbalance of payments, which in turn produced run-away inflation, high unemployment, and a decline in American manufacturing.

In this economic malaise of the 1970s, a new conservative movement developed in the US and Great Britain under the leadership of Ronald Reagan and Margaret Thatcher. This time the leading intellectuals favoring free market competition were Milton Friedman in the US and Keith Joseph in Britain. The Reagan /Thatcher years are sometimes called “the second coming of capitalism.” Their reforms greatly weakened the power of labor unions and introduced changes intended to raise the market to new heights in their respective countries. To the belief that all people everywhere will benefit from the spread of the free market, Tony Blair, the Prime Minister of Great Britain, and George W. Bush, President of the US, added an energetic program to spread both democratic institutions and market capitalism around the world.

If free market capitalism is the driving force of the new globalism, it follows that those who wish to join the expanding global club must also accept the principles of liberalization of trade, the free flow of capital, and the financial rules set by the IMF. Not all groups and areas of the world, however, see globalization as the best answer to human problems. Movements hostile to the institutions and leaders of globalism argue that it leaves increased poverty in its wake. These movements have emerged in all parts of the world.

Although market capitalism is central to the globalist model, it is not the only ingredient. Others include:

- the enormous growth of information technology, especially by way of the Internet.
- political movements that transcend national boundaries, including many private international organizations.
- the spread of Western-style popular culture.
- the mixing and mingling of cultural styles around the world, for example, the rise of “world music.”

Some people fear that because of the enormous influence of Western culture, “Americanization,” or “McDonaldization,” will eventually swamp local cultures. Others foresee a process of localization of foreign ideas, as people in their communities adapt to new ideas they find appealing and reject those values they deem repugnant.

Lesson 1

Vying for World Supremacy

Introduction

In 1945, the world was anything but united. The second of two major wars was just over. Instead of the end of the war ushering in a period of peace under the umbrella of the United Nations, the world quickly broke into competing factions. The often tense relations between the Soviet Union, on one side, and Great Britain and the United States, on the other, during World War II spilled over into the post-war world. By 1946, Winston Churchill was speaking about an “Iron Curtain” that had fallen between Soviet-occupied Eastern Europe and the West. The boundaries of Cold War alliances established in 1946 essentially remained unchanged until 1989, when the Berlin Wall was torn down.

The western powers, led by the United States, and the Soviet-dominated alliance framed the Cold War debate in highly-charged ideological symbols, words, and actions. Each side sought to convince the rest of the world, particularly the newly-emerging independent states, that its own cause represented the highest human values and that each message carried the hopes of world civilization. Most Americans believed that the Soviet Union was manipulating less powerful communist nations in an indirect attempt to spread communism worldwide and destroy the United States. Citizens in both parts of the world began to see state relations in black and white terms. In Americans’ minds, the United States stood as the only significant opposition to the “evil Soviet Empire.” Looking at both these power blocs was another group of states, which Prime Minister Jawaharlal Nehru of India identified as the non-aligned nations. Many of these uncommitted states tried to forge a synthesis between Soviet state economic planning and western democracy and private enterprise.

Looking back at these years, it is difficult to appreciate how much the Cold War was an ideological struggle as well as a power struggle. It was as much a propaganda war as it was potentially a nuclear war. In fact, the policy of MAD (Mutually Assured Destruction) may have prevented a hot war for forty-five years, making the Cold War a struggle for the “hearts and minds” of the world’s people.

The nuclear arms race underlay Cold War politics for nearly half a century, despite calls by scientists and diplomats for international control and monitoring of nuclear weapons. The Soviets developed their own atomic and hydrogen bombs shortly after the United States did. Britain, France, and China did as well.

The strong place of ideology in the Cold War is evident in the 1950s fears in the United States of a Soviet “war without borders.” This concern about communist infiltration and influence in the US led the House of Representatives Committee on Un-American Activities to try to counter the threat of the Communist Party in American culture. Senator Joseph McCarthy’s aggressive leadership of this committee, resulting in accusations against many innocent people, later gave

rise to the term “McCarthyism.” Meanwhile, in the USSR, Stalin’s iron-fisted rule and culture of political intolerance led to millions of deaths.

Several flashpoints punctuated the Cold War years. The most dangerous of these was the 1962 Cuban Missile Crisis, when the USSR placed nuclear weapons ninety miles off the coast of Florida. For thirteen days the two nuclear giants, who together were capable of destroying the world many times over, hovered on the brink of war. Luckily, Khrushchev decided to remove his missiles, followed six months later by the US removal of its missiles from Turkey.

In one way or another, hardly any of the world’s people could escape the impact of the Cold War, whether from the fallout of the nuclear tests of the 1940-60s, the quest for military bases and influence, or the constant fear of nuclear destruction.

Both sides vigorously pursued their ideologies and a vision of world dominance. Moreover, the US belief in the “Domino Theory”—the fear that if one country turned communist, then its neighbors would follow suit—led to several military conflicts, including the Korean and Vietnam wars. Both superpowers spent gigantic sums on the nuclear stand-off. Recent studies indicate that the US spent \$5.5 trillion on its nuclear arsenal and the Soviet Union spent about \$3.5 trillion. The United States was able to support a huge military buildup as well as to maintain a high level of social services for its citizens, while the Soviet Union’s economy could not compete with the American capitalist system. The Cold War ended in the aftermath of the fall of the Berlin Wall in 1989 and the break-up of the Soviet Union in 1991. The Soviet Union fell largely because its system could not provide both the enormous spending for the military and the basic social services required for its citizens. The collapse of the Soviet empire was primarily an economic collapse.

Procedures

1. Set the stage by briefly reviewing the meaning and significance of the Cold War. Have students review Cold War events they can remember from previous classes. Identify the major blocs: the Western bloc, the Soviet bloc, and the non-aligned nations.
2. Divide the class into three groups. Encourage students to try to place themselves back in 1946, right after the end of WWII, the bloodiest war in history, when the future of the world was not certain. Divide the students into three groups and distribute Student Handouts 1.1-1.6. Students in Group One should have Student Handouts 1.1 and 1.3; Group Two should have 1.2 and 1.4; and Group Three should have 1.5 and 1.6. Assign the Student Handouts for homework or have students read them in class.
3. Have students meet in their three groups and, based on their completed Student Handouts, discuss the following questions:
 - What is the main message each writer/speaker is trying to convey? What do the speakers/writers think are the strengths of their bloc’s position? What “proof” or logic

- are the speakers/writers making to support their position? What are the wider audiences each one might be addressing?
- How does each speaker/writer treat the positions of the other two blocs? What assumptions is each bloc making about the others? What does the speaker/writer say are their weaknesses?
 - Drawing upon these documents as well as your study of world history, what historical experiences are informing each speaker/writer's position?
 - How does each group see the geopolitical and power arrangements in the world?
4. Have Group Three also discuss:
- How did Nehru attempt to combine both the Soviet and American message in his own approach?
 - Why does Nehru think this message is valid for the former colonized peoples?
 - Why might Adam Clayton Powell, an American Congressman, and Richard Wright, an eminent American writer, have attended the Bandung Conference of Non-Aligned Nations?
5. Rearrange the groups to include members from each of the original groups. Have the new configurations:
- Share the major ideas from their readings.
 - Identify the major ideological positions that divide the speakers/writers.
 - Compare the ways the authors of the Student Handout selections challenge one another's positions. How have the various speakers/writers refuted the claims made by the others?
 - What are the points where negotiation might be possible among the three blocs?
 - Why does each speaker seem to think it has history on his side?
 - Share the conclusions from the three groups with the class as a whole.

Summary

As a summary for the lesson, conduct a class discussion based on the information in Student Handout 1.7 (The Cost of the Cold War). Teachers may focus on the following questions:

- How much did both sides spend on the Cold War? The US spent \$5.5 trillion and the Soviet Union spent approximately \$3 trillion (over half of its total budget). How much is a trillion dollars? If you took a trillion dollars in one-dollar bills and stacked them one on the other, you would have a pile that was twenty-three miles high.
- Why was the US able to spend more than the Soviet Union on weapons while still not exceeding 9 percent of its annual budgets?
- How much more is it estimated to cost to clean up the weapons and nuclear waste?
- Why were so many lives lost during the Cold War, and where?

- What does the author think happened that resulted in the fragmenting of the Soviet Union?

Assessment

Assign students to write an essay on one of the following topics:

- What appeals did the Western and Soviet blocs make to newly-independent and non-aligned states to gain their support?
- Compare and contrast ways in which one of the three blocs refuted the arguments of the other two blocs.

Lesson 1***Student Handout 1.1—Winston Churchill’s “Iron Curtain Speech,” March 5, 1946***

Churchill gave this speech at Westminster College in Fulton, Missouri on the occasion of receiving an honorary degree. This selection is excerpted from the speech.

The United States stands at this time at the pinnacle of world power. It is a solemn moment for the American democracy. For with this primacy in power is also joined an awe-inspiring accountability to the future. As you look around you, you must feel not only the sense of duty done, but also you must feel anxiety lest you fall below the level of achievement. Opportunity is here now, clear and shining, for both our countries. To reject it or ignore it or fritter it away will bring upon us all the long reproaches of the aftertime.

It is necessary that constancy of mind, persistency of purpose, and the grand simplicity of decision shall rule and guide the conduct of the English-speaking peoples in peace as they did in war. We must, and I believe we shall, prove ourselves equal to this severe requirement.

I have a strong admiration and regard for the valiant Russian people and for my wartime comrade, Marshal Stalin. There is deep sympathy and goodwill in Britain—and I doubt not here also—toward the peoples of all the Russias and a resolve to persevere through many differences and rebuffs in establishing lasting friendships.

It is my duty, however, to place before you certain facts about the present position in Europe.

From Stettin in the Baltic to Trieste in the Adriatic an iron curtain has descended across the Continent. Behind that line lie all the capitals of the ancient states of Central and Eastern Europe. Warsaw, Berlin, Prague, Vienna, Budapest, Belgrade, Bucharest, and Sofia; all these famous cities and the populations around them lie in what I must call the Soviet sphere, and all are subject, in one form or another, not only to Soviet influence but to a very high and in some cases increasing measure of control from Moscow.

The safety of the world, ladies and gentlemen, requires a unity in Europe, from which no nation should be permanently outcast. It is from the quarrels of the strong parent races in Europe that the world wars we have witnessed, or which occurred in former times, have sprung.

Twice the United States has had to send several millions of its young men across the Atlantic to fight the wars. But now we all can find any nation, wherever it may dwell, between dusk and dawn. Surely we should work with conscious purpose for a grand pacification of Europe within the structure of the United Nations and in accordance with our Charter.

In a great number of countries, far from the Russian frontiers and throughout the world, Communist fifth columns are established and work in complete unity and absolute obedience to

the directions they receive from the Communist center. Except in the British Commonwealth and in the United States where Communism is in its infancy, the Communist parties or fifth columns constitute a growing challenge and peril to Christian civilization.

I repulse the idea that a new war is inevitable—still more that it is imminent. It is because I am sure that our fortunes are still in our own hands and that we hold the power to save the future, that I feel the duty to speak out now that I have the occasion and the opportunity to do so.

I do not believe that Soviet Russia desires war. What they desire is the fruits of war and the indefinite expansion of their power and doctrines.

But what we have to consider here today while time remains, is the permanent prevention of war and the establishment of conditions of freedom and democracy as rapidly as possible in all countries. Our difficulties and dangers will not be removed by closing our eyes to them. They will not be removed by mere waiting to see what happens; nor will they be removed by a policy of appeasement.

From what I have seen of our Russian friends and allies during the war, I am convinced that there is nothing they admire so much as strength, and there is nothing for which they have less respect than for weakness, especially military weakness.

For that reason the old doctrine of a balance of power is unsound. We cannot afford, if we can help it, to work on narrow margins, offering temptations to a trial of strength.

There never was a war in history easier to prevent by timely action than the one which has just desolated such great areas of the globe. It could have been prevented, in my belief, without the firing of a single shot, and Germany might be powerful, prosperous, and honored today; but no one would listen and one by one we were all sucked into the awful whirlpool.

We must not let it happen again. This can only be achieved by reaching now, in 1946, a good understanding on all points with Russia under the general authority of the United Nations Organization and by the maintenance of that good understanding through many peaceful years, by the whole strength of the English-speaking world and all its connections.

Source: *Modern History Sourcebook*, ed. Paul Halsall, <http://www.fordham.edu/halsall/mod/churchill-iron.html>



Winston Churchill
Wikimedia Commons

Lesson 1***Student Handout 1.2—Joseph Stalin’s Reply to Churchill, March 14, 1946***

Stalin replied to Churchill in an interview with *Pravda*, the state-controlled Soviet newspaper. This selection is excerpted from that interview.

In substance, Mr. Churchill now stands in the position of a firebrand of war. And Mr. Churchill is not alone here. He has friends not only in England but also in the United States of America.

In this respect, one is reminded remarkably of Hitler and his friends. Hitler began to set war loose by announcing his racial theory, declaring that only people speaking the German language represent a fully valuable nation. Mr. Churchill begins to set war loose, also by a racial theory, maintaining that only nations speaking the English language are fully valuable nations, called upon to decide the destinies of the entire world.

The German racial theory brought Hitler and his friends to the conclusion that the Germans, as the only fully valuable nation, must rule over other nations. The English racial theory brings Mr. Churchill and his friends to the conclusion that nations speaking the English language, being the only fully valuable nations, should rule over the remaining nations of the world. ...

As a result of the German invasion, the Soviet Union has irrevocably lost in battles with the Germans, and also during the German occupation and through the expulsion of Soviet citizens to German slave labor camps, about 7,000,000 people. In other words, the Soviet Union has lost in men several times more than Britain and the United States together. ...

But the Soviet Union cannot forget them. One can ask therefore, what can be surprising in the fact that the Soviet Union, in a desire to ensure its security for the future, tries to achieve that these countries should have governments whose relations to the Soviet Union are loyal? ...

Mr. Churchill wanders around the truth when he speaks of the growth of the influence of the Communist parties in Eastern Europe ... The growth of the influence of communism cannot be considered accidental. It is a normal function. The influence of the Communists grew because during the hard years of the mastery of fascism in Europe, Communists showed themselves to be reliable, daring, and self-sacrificing fighters against fascist regimes for the liberty of peoples.

Mr. Churchill sometimes recalls in his speeches the common people from small houses, patting them on the shoulder in a lordly manner and pretending to be their friend. ... It is they, millions of these common people, who voted Mr. Churchill and his party out in England, giving their votes to the Labor party. It is they, millions of these common people, who isolated reactionaries in Europe, collaborators with fascism, and gave preference to Left democratic parties.

Source: *Modern History Sourcebook*, ed. Paul Halsall, <http://www.fordham.edu/halsall/mod/1946stalin.html>

Lesson 1***Student Handout 1.3—President Truman’s Address to Congress, March 12, 1947***

In this speech, excerpted here, President Harry S. Truman set forth what became known as the “Truman Doctrine.”

Mr. President, Mr. Speaker, Members of the Congress of the United States:

The gravity of the situation which confronts the world today necessitates my appearance before a joint session of the Congress. The foreign policy and the national security of this country are involved. ...

One of the primary objectives of the foreign policy of the United States is the creation of conditions in which we and other nations will be able to work out a way of life free from coercion. This was a fundamental issue in the war with Germany and Japan. Our victory was won over countries which sought to impose their will, and their way of life, upon other nations.

To ensure the peaceful development of nations, free from coercion, the United States has taken a leading part in establishing the United Nations. The United Nations is designed to make possible lasting freedom and independence for all its members. We shall not realize our objectives, however, unless we are willing to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them **totalitarian** regimes. This is no more than a frank recognition that totalitarian regimes imposed on free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States.

The peoples of a number of countries of the world have recently had totalitarian regimes forced upon them against their will. The government of the United States has made frequent protests against coercion and intimidation, in violation of the Yalta agreement, in Poland, Rumania, and Bulgaria. I must also state that in a number of other countries there have been similar developments.

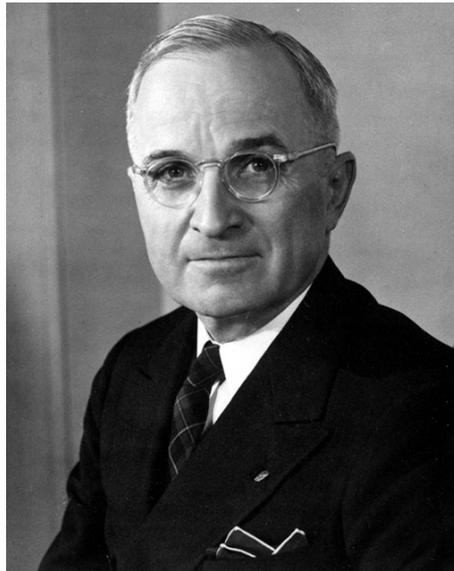
At the present moment in world history nearly every nation must choose between alternative ways of life. The choice is too often not a free one. One way of life is based upon the will of the majority, and is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression.

The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections, and the suppression of personal freedoms. I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside

pressures. I believe that we must assist free peoples to work out their own destinies in their own way. ...

The seeds of totalitarian regimes are nurtured by misery and want. They spread and grow in the evil soil of poverty and strife. They reach their full growth when the hope of a people for a better life has died. We must keep that hope alive. The free peoples of the world look to us for support in maintaining their freedoms. If we falter in our leadership, we may endanger the peace of the world—and we shall surely endanger the welfare of our own nation.

Source: *Modern History Sourcebook*, ed. Paul Halsall, <http://www.fordham.edu/halsall/mod/1947truman.html>



President Harry S. Truman
Wikimedia Commons

Lesson 1

Student Handout 1.4—Soviet Ambassador Novikov’s Telegram September 27, 1946

Ambassador Nicolai Novikov sent this telegram to Moscow. It later came to light in the Russian archives.

Reflecting the imperialistic tendency of American monopoly capital, US foreign policy has been characterized in the postwar period by a desire for *world domination*. This is the real meaning of repeated statements by President Truman and other representatives of American ruling circles that the US has a right to world leadership. All the forces of American diplomacy, the Army, Navy, and Air Force, industry, and science have been placed at the service of this policy. With this objective in mind broad plans for expansion have been developed, to be realized both diplomatically and through the creation of a system of naval and air bases far from the US, an arms race, and the creation of newer and newer weapons. ...

Europe came out of the war with a thoroughly shattered economy, and the economic devastation which resulted during the war cannot soon be repaired. All the countries of Europe and Asia are feeling an enormous need for consumer goods, industrial and transportation equipment, etc. Such a situation opens up a *vista* for American monopoly capital of *enormous deliveries of goods and the importation of capital* to these countries ...

The situating of American bases on islands often 10-12,000 kilometers from US territory and located on the other side of the Atlantic and Pacific Oceans clearly shows *the aggressive nature of the strategic designs* of the US Army and Navy. The fact that the US Navy is studying the naval approaches to European shores in a concentrated manner is also confirmation of this. During 1946 US Navy ships visited Norway, Denmark, Sweden, Turkey, and Greece with this purpose in mind. In addition the US Navy constantly cruises the Mediterranean Sea.

All these facts clearly show that their armed forces are designed to play a decisive role in the realization of plans to establish American world domination.

One of the stages in the establishment of American world domination is their *agreement with Britain about a partial division of the world on the basis of mutual concessions*. The main lines of the clandestine agreement between the US and Britain about the division of the world, as the facts indicate, are that they have agreed that the United States include Japan and China in the sphere of its influence in the Far East whereas for its part the US has agreed not to hinder Britain in solving the Indian problem or the strengthening of [British] influence in Thailand and Indonesia.

In connection with this division at the present time the US is dominant in China and Japan without any interference from Britain. ...

In Japan, control is in the hands of the Americans, in spite of the presence of the small contingent of American troops there. Although British capital has substantial interests in the Japanese economy, British foreign policy with respect to Japan is being pursued so as not to interfere with the Americans' penetration of the Japanese economy and the subordination to its influence. In the Far East Commission in Washington and in the Allied Council in Tokyo, the British representatives as a rule are in solidarity with American representatives who pursue this policy. ...

If the *division of the world* in the Far East between the US and Britain can be considered a fait accompli, then it cannot be said that a similar situation exists in the *Mediterranean* and the countries adjacent to it. The facts rather say that such an agreement in the Middle East and Mediterranean region has not yet been reached. The difficulty of an agreement between Britain and the US in this region is that British concessions to the United States in the Mediterranean would be fraught with serious consequences for the entire British Empire, for which it has exceptional strategic and economic importance. Britain would not be averse to using the American armed forces and influence in this region, directing them to the north against the Soviet Union. However, the United States is not interested in helping and supporting the British Empire in this point where it is vulnerable but in penetrating the Mediterranean and Middle East more thoroughly itself, which attracts them with its natural resources, primarily *oil*.

The current policy of the American government with respect to the USSR is also directed at limiting or displacing Soviet influence from neighboring countries. While implementing it the US is trying to take steps at various international conferences or directly in these very same countries which, on the one hand, manifest themselves in the support of reactionary forces in former enemy or allied countries bordering the USSR *with the object of creating obstacles to the processes of democratizing these countries* but, on the other, in *providing positions for the penetration of American capital into their economies*. ...

Source: *Cold War International History Project*, Virtual Archive, Woodrow Wilson International Center for Scholars, http://www.wilsoncenter.org/index.cfm?topic_id=1409&fuseaction=va2.document&identifier=952E8C7F-423B-763D-D5662C42501C9BEA&sort=Collection&item=Cold%20War%20Origins

Lesson 1

Student Handout 1.5—Prime Minister Nehru Explains Non-alignment

In the first part of this selection, Jawaharlal Nehru, the Prime Minister of India, discusses the doctrine of non-alignment in a speech delivered to the Bandung Conference Political Committee in 1955. The second part is from a speech he delivered in Washington, D.C., on December 18, 1956.

I.

Mr. Chairman, ... we have just had the advantage of listening to the distinguished leader of the Turkish Delegation who gave us an able statement of what I might call one side representing the views of one of the major blocs existing at the present time in the world. I have no doubt that an equally able disposition could be made on the part of the other bloc. I belong to neither and I propose to belong to neither whatever happens in the world. If we have to stand alone, we will stand by ourselves, whatever happens (and India has stood alone without any aid against a mighty Empire, the British Empire) and we propose to face all consequences. ...

We do not agree with the communist teachings, we do not agree with the anti-communist teachings, because they are both based on wrong principles. I never challenged the right of my country to defend itself; it has to. We will defend ourselves with whatever arms and strength we have, and if we have no arms we will defend ourselves without arms. ... But I know also that if we rely on others, whatever great powers they might be if we look to them for sustenance, then we are weak indeed. ...

So far as I am concerned, it does not matter what war takes place; we will not take part in it unless we have to defend ourselves. If I join any of these big groups I lose my identity. ... If all the world were to be divided up between these two big blocs what would be the result? The inevitable result would be war. Therefore, every step that takes place in reducing that area in the world which may be called the *unaligned area* is a dangerous step and leads to war. It reduces that objective, that balance, that outlook which other countries without military might can perhaps exercise.

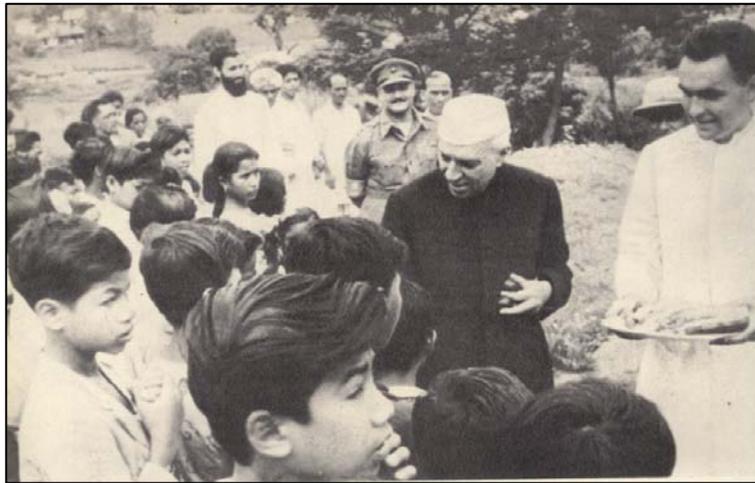
Honorable Members laid great stress on moral force. It is with military force that we are dealing now, but I submit that moral force counts and the moral force of Asia and Africa must, in spite of the atomic and hydrogen bombs of Russia, the USA or another country, count. ...

II.

The preservation of peace forms the central aim of India's policy. It is in the pursuit of this policy that we have chosen the path of nonalignment [non-alignment] in any military or like pact of alliance. Nonalignment does not mean passivity of mind or action, lack of faith or conviction. It does not mean submission to what we consider evil. It is a positive and dynamic approach to such problems that confront us. We believe that each country has not only the right to freedom but also to decide its own policy and way of life. Only thus can true freedom flourish and a people grow according to their own genius.

We believe, therefore, in nonaggression and noninterference by one country in the affairs of another and the growth of tolerance between them and the capacity for peaceful coexistence. We think that by the free exchange of ideas and trade and other contacts between nations each will learn from the other and truth will prevail. We therefore endeavor to maintain friendly relations with all countries, even though we may disagree with them in their policies or structure of government. We think that by this approach we can serve not only our country but also the larger causes of peace and good fellowship in the world.

Sources: I. *Modern History Sourcebook*, ed. Paul Halsall, <http://www.fordham.edu/halsall/mod/1955nehru-bandung2.html>; II. *Modern History Sourcebook*, ed. Paul Halsall, <http://www.fordham.edu/halsall/mod/1941nehru.html>



**Prime Minister Jawaharlal Nehru
and Indian Children, 1967**

Wikimedia Commons

Lesson 1

Student Handout 1.6—An American View of Non-alignment, 1955

In this statement, Matthew Quest discusses *The Color Curtain*, a book by Richard Wright, the Afro-American writer and author of the celebrated novel *Native Son*.

"The despised, the insulted, the hurt, the dispossessed—in short, the underdogs of the human race were meeting. Here were class and racial and religious consciousness on a global scale. Who had thought of organizing such a meeting? And what had these nations in common? Nothing, it seemed to me, but what their past relationship to the Western world had made them feel. This meeting of the rejected was in itself a kind of judgment upon the Western world!"

—Richard Wright

Richard Wright's *The Color Curtain* (University Press of Mississippi, 1994), originally published in 1956, chronicles the Bandung Conference of April 18-25, 1955. The gathering of leaders of 29 African and Asian nations considered how they could help one another in achieving social and economic well-being for their large and impoverished populations. Their agenda addressed race, religion, [colonialism](#), national sovereignty, and the promotion of world peace. Despite the pragmatic premise for such a meeting, it would take on monumental importance for the shaping of future Cold War and identity politics, bearing important lessons for political struggle today.

Bandung was sponsored by the Asian nationalist leadership of Indonesia, Ceylon (now Sri Lanka), Burma (now Myanmar), and the Philippines. The foremost figure of these nations was Ahmed Sukarno, president of Indonesia, who from Wright's description clearly ruled over a police state, however strident his anti-imperialist rhetoric. The prominent personalities were Jawaharlal Nehru, prime minister of India, Kwame Nkrumah, prime minister of the Gold Coast (later Ghana), Gamal Abdel Nasser, president of Egypt, Chou En Lai, premier of China, Ho Chi Minh, prime minister of Vietnam, and Congressman Adam Clayton Powell of Harlem, US. Lesser-known representatives of Algeria, Morocco, Tunisia, Lebanon, Syria, Japan, the Philippines, and others would make interesting contributions.

The strategy of militant Afro-Asian states was to strengthen their independence from Western imperialism while keeping the Soviet bloc at a comfortable distance. This strategic bloc, which was supposed to be independent from the superpowers, was the beginning of what came to be known as the "non-aligned" movement and the "Third World."

Source: Matthew Quest, "The Lessons of the Bandung Conference: Reviewing Richard Wright's *The Color Curtain* 40 Years Later," <http://www.spunk.org/texts/pubs/lr/sp001716/bandung.html>



**Richard
Wright**
1908-1960

Lesson 1

Student Handout 1.7—The Cost of the Cold War

In 1955 President Eisenhower, the only professional soldier among America's postwar presidents, warned, "The problem in defense spending is to figure how far you should go without destroying from within what you are trying to defend from without." One estimate shows that some \$8 trillion (\$8,000,000,000,000) was spent, worldwide, on nuclear and other weapons between 1945 and 1996. At their peak, the world's nuclear stockpiles held 18 billion metric tons of explosive energy: 18,000 megatons. Today, they still hold 8,000 megatons. Compare these totals with the entire explosive energy released by all bombs dropped in the Second World War (6 megatons); in the Korean War (0.8 megatons); in Vietnam (4.1 megatons).

Total Soviet expenditure during the Cold War is hard to quantify; records are inadequate. But Eduard Shevardnadze reckoned that perhaps as much as 50 percent of Soviet national product was spent on defense, on arms and the armed forces, depriving the Soviet people of a better life.

In the United States, according to government figures, expenditure on national defense, which had peaked as a proportion of **gross domestic product (GDP)** during the Second World War at nearly 40 percent, ran at over 10 percent in the 1950s, 9 percent in the 1960s, and declined to around 5 percent in the 1970s, the years of detente. It rose steeply again, however, in the 1980s to over 6 percent. And in real terms it ran at \$400 billion annually, in 1996 dollars, during Korea, Vietnam, and the second half of the 1980s, when it contributed to overall budget deficits.

The United States ended the Cold War a superpower still, with a booming economy. But the poor of the United States, and of the world, could certainly have used some of the resources committed to Cold War armaments, if government had so willed it. Martin Luther King Jr. complained that Lyndon Johnson's promise of a Great Society was lost on the battlefields of Vietnam.

A continuing cost will be that for cleaning up weapons-related nuclear pollution. Estimates of what this will cost in the United States range from \$100 billion to \$400 billion. In Russia and the old USSR, the problem is intractable; they simply will not be able to deal with it.

Above and beyond the dollar cost is the cost in human lives. Though a nuclear catastrophe was averted by the balance of terror, the Cold War's shooting wars did take their toll in death: millions in Korea, in Vietnam, and in Afghanistan; hundreds of thousands in Angola; tens of thousands in Nicaragua, El Salvador, and Ethiopia; thousands in Hungary and Romania. Civilians accounted for more deaths than soldiers in uniform. Men and women died attempting to cross the Berlin Wall; strikers were shot in Poland; protesters were crushed by Soviet tanks in Prague; rebels were killed in Budapest; worshippers were gunned down on cathedral steps in San Salvador. Some of the wars people perished in, post-colonial struggles, would have happened anyway. But the Cold War made each local conflict it touched even more deadly. Covert actions by intelligence services killed tens of thousands more.

The Cold War stifled thought; for decades the people of Eastern Europe, living under a tyranny, were, someone said, “buried alive”—cut off from and, as they felt, abandoned by the West. When the chance came, Germans, Czechs, and Slovaks, Poles, Hungarians, Romanians, and Bulgarians all rejected communism. So too did the peoples of the Americas; in Nicaragua the Sandinistas held free elections and lost them. Given the choice, people chose democracy. Only Fidel Castro in Cuba, the great Cold War survivor, kept the Red flag flying and the cause of socialist revolution alive.

China is the great question mark of the twenty-first century: What will China do? The world’s most populous nation is still ruled by a communist autocracy, though no longer along Marxist-Leninist lines. Will China succeed in reconciling communist ideology with a free market? Will the Communist Party monopoly of power be broken there also?

A Safer World

Although no new world order is in place, the world is far safer for the Cold War’s ending, despite continual outbreaks of ethnic slaughter. It is hard now to realize or recall it, but whole generations in our time lived with the fear that one crisis or another—in Korea, Vietnam, Berlin, Cuba, the Middle East—might trigger a nuclear holocaust, as the two great power blocs clumsily breathed defiance, dug their heels in, took stances, and refused to yield. The world too often went to the brink.

And always, more omnipresent than we ever realized, was the chance of nuclear accident. More than once, as we know now, we came close. Fear was routine, endemic. Children who grew up in the ‘50s and ‘60s remember the air-raid shelter and the precautionary drills—“Duck and Cover.” Chernobyl revealed how inadequate such precautions would have been. Parents in many countries remember that when the world news grew dimmer, they looked at their children and at each other and hoped they would all live to see another day. That fear has been lifted from us.

The balance of terror worked because, when it counted, those in command, on both sides, put humanity’s interests higher than short-term national, political, or strategic advantage. But although they might have known what they were doing in any crisis, we, at the time, were unsure of the outcome.

For 45 years the peoples of the world held their breath, and survived.

Source: Jeremy Isaacs and Taylor Downing, excerpted from “Epilogue: What the Cold War Cost,” CNN cable network special program. URL is no longer available.

Lesson 2

What is Globalization?

Preparation

1. Have students pair up and examine where their clothes and other possessions were made and then share that information with the class. Teachers may extend the discussion by having students suggest where other items such as cars, electronic products, foods, written materials, and so on, were produced. Teachers may also want to ask them to note if there is a pattern to the countries where certain items are produced, for example, electronics from Japan and clothing from the Caribbean. What makes it possible for them to buy goods from around the world?
2. By briefly reviewing earlier eras in world history, establish that cross-cultural interaction is not a new phenomenon. Ask students what, if anything, is new about global interaction now.
3. Distribute Student Handout 2.1 (Worldwide Change 1950 to 2000). Discuss the kinds of changes listed. How does the rate and intensity of change before 1950 compare with the rate and intensity of change since 1950?
4. Focus briefly on worldwide communications. What new technology makes such communication possible? What opportunities do instant worldwide communications offer? How would they affect the spread of information for businesses? If time permits, discuss the implications of other changes, such as rapid travel, new medicines and treatments of diseases, and the expansion of knowledge.
5. Move to a discussion of the many aspects of globalization by distributing Student Handout 2.2 (Aspects of Globalization). As teachers go over each category, they should have students suggest and write down examples they have experienced directly or know about. Emphasize that these categories operate together on a world scale. For example:
 - Technology
Microsoft issues a new version of Windows. A programmer develops a new program to target teen-age markets for soft drinks.
 - Media and Communication
French teenagers launch a fan club for a popular American sitcom. A teacher in New York starts up "I Earn," an Internet site that encourages students from all over the world to communicate in chat rooms.
 - Finance
A big American bank investment company collapses; Morgan Stanley invests in an Indonesian sneaker factory.

- Migration
Workers from Mexico cross the border seeking jobs in the US. A relative of yours marries someone from another country and moves there to live.
 - Production
McDonald's opens a new restaurant in Baghdad. Ford Motor Company invests 1 billion dollars to build a plant in Shanghai. The shoes you wear have parts made in several countries.
 - Trade
You buy a skirt at the local mall that was made in Sri Lanka.
 - Culture
In his State of the Union Address, the President stresses the need to spread democracy and free markets. Television shows from other countries carry intriguing visions of family life. You take up yoga following the system developed in India by B. K. S. Iyengar.
6. Have students create a definition of globalization or, after looking at several definitions, have the class work out a definition of globalization or assign writing a definition as homework.
7. Distribute Student Handout 2.3 (The Ideology of Free-Market Economics). You may wish to discuss the following questions with the class:
- What are the basic aspects of the American free-market ideology?
 - What are the major differences between free-market capitalism and the former Soviet economic system? (You may wish to refer to materials in Big Era Eight on socialism.)
 - Have students discuss why they think the American free-market system prevailed after the Cold War and led to a rapid increase in globalization.

Summary

In their own words, have students explain what globalization means and give several examples of how globalization is affecting their lives and the lives of people in different areas of the world.

Extension

As a review of study of earlier periods of world history, assign students an essay or hold a class discussion on the question: At what time in history did globalization begin?

Assessment

1. Have students defend or refute the statement: "The scale of transformations in human life in the twentieth century was much greater than changes that occurred in all previous eras of history."
2. Have students determine which items on Student Handout 2.1 are causes of globalization, which are results, and which are both. They should support their answer with specific examples.

3. Assign students to interview someone over sixty years of age and ask what she or he remembers about the first time she or he saw a TV, a personal computer, the Internet, an astronaut walking on the moon, and so on. What changes have been especially important to the interviewed person?
4. Ask students to write about how any of the five items on Student Handouts 2.1 and 2.2 has affected their lives.
5. Using magazine illustrations and ads, have students create poster-sized collages that illustrate aspects of globalization.

Lesson 2***Student Handout 2.1—Worldwide Change, 1950 to 2000***

Invention	When	Where	Notes
Credit Card	1950	USA	by Ralph Schneider
Hydrogen Bomb	1952	USA	by Edward Teller's team
Transistor Radio	1953	USA	from Texas Instruments
Nuclear Power	1956	Britain	first power station at Calder Hall
Video Tape & Recorder	1956	USA	
Satellite	1957	Russia	Sputnik I
Microchip	1958	USA	by Jack Kilby
Computer Modem	1958	USA	
Laser	1960	USA	by Theodore Maiman
Heart Pacemaker	1960	USA	by Wilson Greatbatch
Human Space Travel	1961	Russia	Yuri Gagarin - the first human in space
Communication Satellite	1962	USA	Telstar
Tape Cassette	1963	Netherlands	Employed to record and play audio
Computer Mouse	1964	USA	by Douglas Engelbart
Optical Disk	1965	USA	by James Russell - now Compact Disk
Fiber Optics	1966	Britain	by Charles Keo and George Hockham
Portable Calculator	1967	USA	from Texas Instruments
Internet	1969	USA	US military
Manned Moon Landing	1969	USA	Neil Armstrong and Edwin Aldrin walk on Moon
Cash Dispenser	1969	Turkey	by Luther Simjian
LCDs	1970	Britain	by George Gray - Liquid Crystal Display
Microprocessor	1971	USA	

E-Mail	1971	USA	
Floppy Disk	1971	USA	by Alan Shugart
Genetic Engineering	1973	USA	by S. Cohen and H. Boyer
Barcode	1973	USA	
Space Station	1973	USA	Skylab
Personal Computer	1975	USA	Microsoft
MRI Scanner	1977	USA	by Raymond Damadian
Space Shuttle	1981	USA	Columbia was first reusable space vehicle
Space Telescope	1990	USA	Hubble Telescope
Mammal Cloning	1997	Scotland	Dolly the sheep

Adapted from: KryssTal Website, http://www.kryssstal.com/display_inventions.php?years=After+1950

Lesson 2***Student Handout 2.2—Aspects of Globalization***

1. **Development and spread of new technology** among geographically and/or nationally separated peoples (new inventions and discoveries, particularly hi-tech electronic and biochemical tools, techniques, and services).

2. **Media and increased flow of information** among geographically and/or nationally separated peoples (electronic production and exchange of information).

3. **Spread of financial transactions** among geographically and/or nationally separated peoples (investments, flow and exchange of global capital, financial services).

4. **Movement of people** internally and/or across geographic or national boundaries (migrations of people such as workers, refugees, and tourists).

5. **Accelerated trade** of goods and services among geographically and/or nationally separated peoples (exchange of raw materials and manufactured goods and services).

6. **Increased production** in many geographically and/or nationally separated areas (establishment, relocation, and reorganization of businesses, farms, and factories).

7. **Exchange of cultural forms and values** among geographically and/or nationally separated peoples.

Lesson 2

Student Handout 2.3—The Ideology of Free-Market Economics (Neo-Liberalism)

Adam Smith (1723-1790) believed that the economy works best without government interference. He believed the market is a self-regulating mechanism relying on supply and demand to establish equilibrium. Any regulation or constraint of free competition, he believed, would interfere with the natural efficiency of market principles. Herbert Spencer (1820-1903) believed that as a result of evolution the fittest survive and free competition is the best way to assure that the fittest people end up with the most wealth. For Spencer, free market economics was the most civilized method for selecting those who would “rise to the top.”

The driving idea behind globalization is free-market capitalism—the more you let market forces rule and the more you open your economy to free trade and unchecked competition, the more efficient the economy will be. Globalization means the spread of free-market capitalism to virtually every country in the world. Therefore, globalization also has its own set of economic rules—rules that revolve around opening, deregulating, and privatizing the economy, in order to make it more competitive and attractive to foreign investment.²

Milton Friedman, a Nobel Laureate in economics, wrote: “Downsize the government, reduce the welfare state and deregulate the economy. Let the free market determine where capital flows. Forget about striving for full employment (a Keynesian goal) and focus on profits and world-wide investments. This approach will lead to lower costs for the consumer and an increase in world trade. This ... kind of economic organization ... provides economic freedom directly, namely competitive capitalism, also promotes political freedom because it separates economic power from political power. ...”³

The vital functions of a free market can only be realized in a democratic society that values and protects freedom. The free market represents a state of liberty, because it is “a state in which each can use his knowledge for his own purpose.”⁴

Neo-liberal globalists seek to cultivate in the popular mind the uncritical association of “globalization” with what they claim to be the universal benefits of market liberalization: Rising global **living standards**, economic efficiency, individual freedom and democracy, and unprecedented technological progress. Ideally, the state should only provide the legal framework for contracts, defense, and law and order.”⁵

² Thomas L. Friedman, *The Lexus and the Olive Tree* (New York: Farrar, Straus, Giroux, 1999), 9.

³ Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962), 9.

⁴ Friedrich Hayek, *Law, Legislation, and Liberty*, (London: Routledge and Kegan Paul, 1979), Vol. 1:55.

⁵ Manfred B. Steger, *The New Market Ideology: Globalism* (New York: Rowman and Littlefield, 2002), 12.

Lesson 3

How Does Globalization Affect People?

Historical Background

Globalization is a highly-contested concept and practice. Some people, for example, neo-liberal advocates, see globalization as the best way to ensure that most people in the world can eventually achieve a better standard of living. They argue that people work best for a profit and that profit-seeking builds more wealth. More wealth, they say, means a bigger pie to divide up.

Critics of the way globalization is now practiced maintain that the global system is inherently unfair because the industrialized rich countries have such an advantage over the developing states that countries like the US can force poorer countries to provide cheap labor, make them weaken their environmental protection rules, and demand that the governments repress popular discontent.

This lesson is also about the power and impact of large [multinational corporations](#) (MNCs) and corporations with a world-wide reach. Of the 500 largest MNCs, about 180 are based in the United States. The industrial countries normally make large annual profits in their overseas operations. The large MNCs are so powerful that they are often able to have their own way in business matters. They may also have political influence in US politics. Many are the largest donors to political parties.

Sixteen MNCs generate more wealth than a hundred nations produce. Student Handout 3.1 compares the wealth of several of the wealthiest corporations with the total wealth of many nations. Following the statistics are several statements that reflect possible reasons for the gap between developed and less-developed nations.

Student Handout 3.2, which focuses on Nike's labor policies, describes some of the reasons multinational corporations have made large profits, and offers an example of what some residents in New Hampshire did to protest the labor policies that contributed to the gaps among nations.

Student Handout 3.3 addresses the potential threat MNCs pose for water, a basic human need. Short excerpts suggest how large corporations are trying to gain control over water in various areas of the world. Before reading this handout, students might consider their own consumption of bottled water and the implications for the world if everyone's only source of water came from bottles.

In the 1990s Danny Quah, a professor at the London School of Economics, coined the term "Weightless Economy" to describe the present global economy. He cites the fact that the revolutionary development of the Internet and other forms of communication means "weightless" information can travel almost instantaneously to any part of the world.

The weightless economy rests on intellectual capital, competitive schooling, and the support of science and technology—human resources rather than natural resources. Those who can create and share knowledge become the leaders of the weightless global system. The nations that invest in public education, support the scientific community, and subsidize technology produce the knowledgeable people who are likely to prosper in the emerging global age.

Student Handout 3.3 focuses on Narayana Murthy. He is the founder of Infosys, a large and successful information technology company, and a distinguished leader in the weightless economy. The case study also explores how Mr. Murthy and his wife exemplify the way individuals from a specific cultural tradition can create a competitive business in the global economy, while at the same time drawing upon their own tradition and history as they have shaped their management style.

Procedure

1. Distribute Student Handout 3.1 (Comparing the GDP of Countries and Corporations) and briefly discuss the fact that many MNCs have wealth greater than many countries and what this might mean for the world. Ask students to discuss or debate whether or not large multinational corporations operate more or less free of national limitations and if these global businesses will become world powers on their own. Students should then evaluate the various statements that suggest reasons for the enormous gap between the richer and poorer nations in the world.
2. Assign students to read Student Handout 3.2 (Sneaking into Asia) either in class or as homework. After students have read the handout, have them share their reactions to the reading. In what ways does the information on Nike's labor policies affect their lives?
3. Have students read Student Handout 3.4 (A Weighty Player in the Weightless Economy) and discuss the questions at the end of the handout.

Summary

Lead an open discussion with the whole class focusing on the following questions and insights the students share.

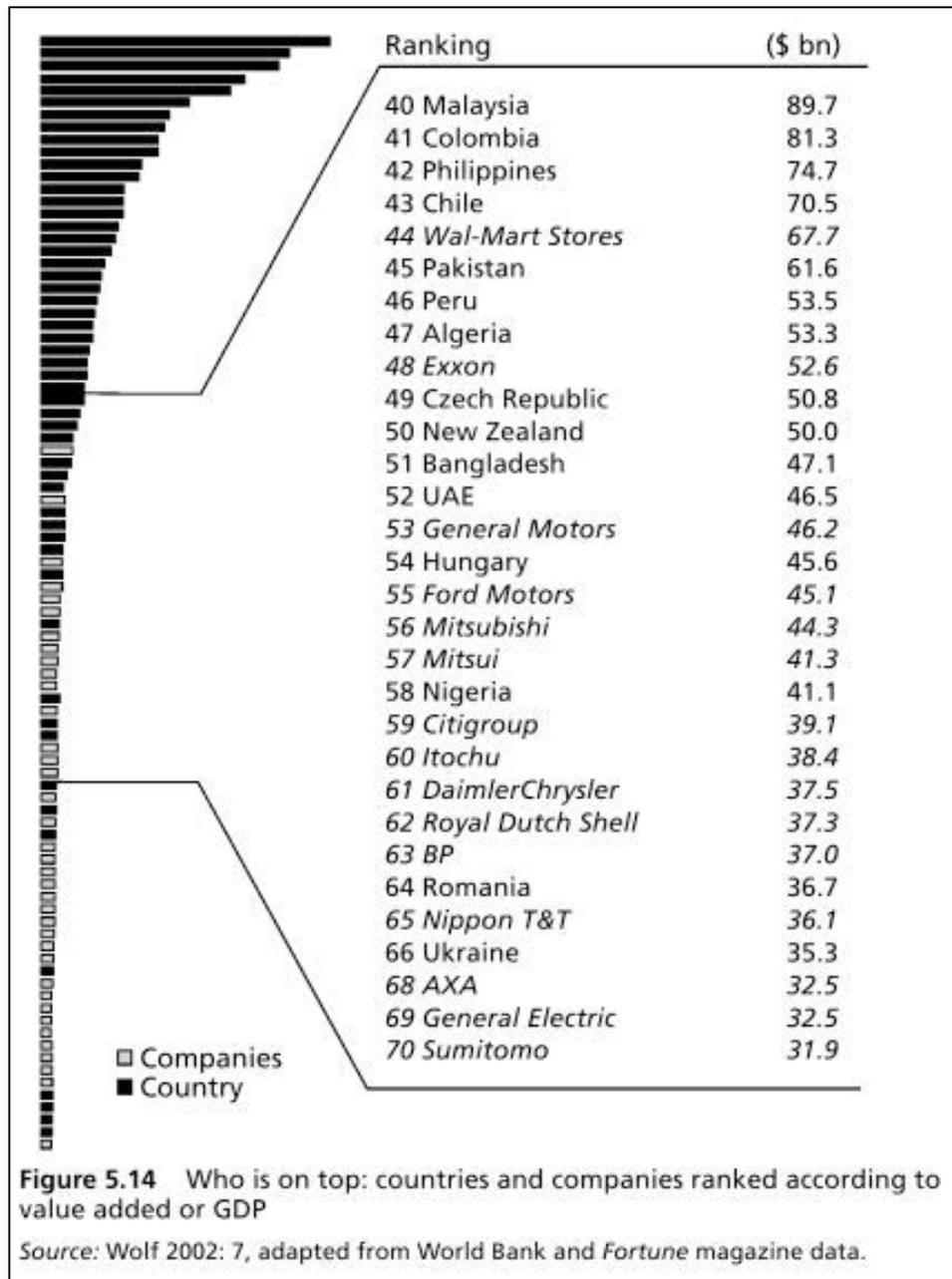
- Why is privatizing water supplies a controversial step? Why are people where this is happening often agitated about this trend? Why should we be concerned?
- What is similar and different about the experience of the Nike and Bechtel corporations in Latin America and Southeast Asia?
- How do Infosys and Mr. Murthy compare with the other two case studies of the activities of MNCs? What are the implications of a weightless economy for the less-developed nations?
- Do you think it is possible for large corporations to be ethical and responsible "citizens" of the nations in which they work? Why or why not?
- What responsibilities, besides making a profit, do large multinational corporations have?

- What are some ways that the world's people might regulate the behavior of multinational corporations?

Assessment

- Have students write an essay that compares and contrasts a multinational corporation with Infosys. Include specific information on the reach and impact of each organization.
- Have students research and report on examples of the so-called weightless economy.
- Have students develop a position paper evaluating the impact multinationals have on developing states.

Lesson 3

Student Handout 3.1—Comparing the GDP of Countries and Corporations**Who Is on Top: Countries and Companies Ranked According to Value Added or GDP**

Source: David Held and Anthony McGrew, *Globalization/Anti-Globalization* (Cambridge: Polity, 2002), 105.

Some Historical Explanations Regarding Vast Inequalities in the Distribution of the World's Wealth

- People in the tropical climates of the world tend to be indolent and less energetic than people of the temperate climates. Consequently, they do not produce as much wealth.
Common nineteenth-century view that many Europeans and Americans had of colonized peoples.
- Because the Industrial **revolution** began in Europe and the US, the new way of production gave enormous advantage to societies located in these areas. Nations like Britain and France used their new wealth to build armies and navies and gradually colonized large areas in Asia and Africa. During this period, the colonized people lost much of their manufacturing and grew poor. When these areas became independent after World War II, they were very poor compared to the Western nations and they have not caught up. Western nations were so much more industrialized that they were able to keep the former colonial people in a continued state of poverty.
See dependency and world-system writings of André Gunder Frank, Samir Amin, Walter Rodney, and Immanuel Wallerstein.
- There was something exceptional about European culture that made Europeans more rational, more inventive, more disciplined, more enterprising, and more democratic than other people. These qualities enabled Europeans at home and in the United States, Australia, and New Zealand to prosper more than people in other cultures of the world.
See writings of David Landes and Eric Jones.
- The people who live in areas of the world that are now poor have been unwilling to freely accept the rational ideas and values of the West. Once they do accept modern rational ideas such as capitalism and democracy, they will prosper as westerners have.
See modernization theory writings of Seymour Martin Lipset, Walter W. Rostow, and Cyril Black.
- Billions of people are kept in poverty due to the policies of the industrial, capitalist countries, especially the United States. The US controls the World Bank, the International Monetary Fund, and the World Trade Organization. These agencies regulate world finance and trade to the American advantage. The policy of the IMF in particular forces developing countries to undermine labor unions, cut back on social services, and open their nations to foreign investment and ownership of industries.
See Worldwatch Institute, Jubilee 2000, <http://www.worldwatch.org>

- It's a fair system now. If the people in any poor country want to work hard and keep from fighting one another, they can prosper in the new free-market, global world. Opportunities are there for anyone who wants to take advantage of them. It may take some time, but a free-market world will bring a better life for everyone.

Neo-liberal view.

- The nations that are stuck in poverty are there because so many of their people believe in one form of religion or another. Until they shed the legacies and control of these religions, they will never catch up with the West.

Neo-Marxist view.

- The United States is an imperialist nation and now, instead of using armies to conquer new colonies, it uses the International Monetary Fund, the World Bank, and the World Trade Organization to control them.

See writings of Noam Chomsky.

- Some of the largest multinational corporations have wealth larger than many countries of the world. No one can control them. If any poor country refuses to provide cheap labor, lower its environmental protection rules, and raise taxes on them, the corporations will simply pack up and move to another area that they can control more easily. These corporations exploit cheap labor markets.

See Sojourners, <http://www.sojo.net>, and MoveOn.org, <http://www.moveon.org>

Lesson 3

Student Handout 3.2—Sneaking into Asia

Nike is one of the most successful multinational corporations. Business operations, manufacturing, and marketing of this type of corporation are spreading around the globe. The Nike Corporation is a US-based firm that began operations in Japan. It relies on an international team of specialists who negotiate with manufacturers, monitor production, and arrange shipment. For example, the 52 separate parts of its popular Air Max Penny shoe, designed by American technicians in a research center in Tennessee, have been produced in five countries—Japan, South Korea, Taiwan, Indonesia, and the United States—and are finally assembled by Chinese workers in a Taiwanese-owned factory north of Hong Kong.⁶

From its base in Beaverton, Oregon, Nike has always outsourced most of its footwear production to Asia, beginning in Japan. As Japanese labor costs rose in the 1970s, Nike shifted production to Korea and Taiwan, which together accounted for nearly 90 percent of its footwear production by 1980. The company began producing in China in 1981, and also built factories in Malaysia and Ireland.

Nike did produce in the US. In 1974, it opened a factory in Exeter, New Hampshire, a former shoe mill town. Another plant followed in Saco, Maine, also an old mill town. By 1977, 200 people were making Nikes at the New Hampshire plant. But, according to J. B. Strasser and Laurie Becklund in a book about Nike, “It was hard to make shoes in America.” Labor costs were nearly US\$4 an hour higher than for imports. Moreover, “there were laws in America about what types of materials could be used. Employees had vacations, regular breaks, and weekends off.”

By late 1984, Taiwanese and Korean workers were costing the company \$1.10 an hour, compared to compensation costs of \$8 to \$11 an hour in Saco. “The last straw for Saco ... was a rush of workers’ compensation claims for injuries allegedly caused by the repetitive nature of the tasks.” Both US plants were closed by 1985. Thereafter, Nike’s footwear would be entirely Asian in origin.

In Nike’s Asian factories, workers had no access to workers’ compensation insurance, vacations, and weekends off. But as Asians gained power in politics and in the workplace, Nike’s practice fled to less democratic locations. In a research report prepared in the late 1990s by a securities firm, analysts reported:

If we delve deeper into where Nike has produced sneakers and its comments about political stability, we notice that Nike tends to favor strong governments. For example, Nike was a major

⁶ Adapted from John Watson, *Golden Arches East McDonald’s in East Asia*, ed. James L. Watson (Stanford, CA: Stanford UP, 1997), 11.

producer in both Korea and Taiwan when those countries were largely under military rule. It currently favors China, ... The communist party is still very much alive in Vietnam. Likewise, Nike never did move into the Philippines in a big way in the 1980s, a period when democracy there flourished. Thailand's democracy movement of 1992 also corresponded to Nike's downgrading of production in that country.

Protesters in Manchester, New Hampshire distributed leaflets in front of Foot Locker, a retail chain that was Nike's biggest wholesale customer. The leaflets read in part:

US workers are competing in a "race to the bottom" with workers from poor countries like China, Vietnam, Haiti, Nicaragua, and Mexico, where giant retail chains and clothing manufacturers go to find the lowest wages, weakest environmental protections, and lowest taxes. In many cases, workers are subjected to starvation wages, 60-hour weeks, and unsafe factories. When they stand up for their rights, they risk getting fired or worse. ...

The leaflet urged readers "to send the companies a message" and stated that workers have a right to a living wage and decent working conditions, the right to unionize and bargain collectively, and the right to have their factories monitored by local human rights groups that could independently assess whether corporate codes of conduct were being observed.⁷

The Nike Corporation in 2000

Number of Nike workers worldwide on any one day	500,000
Average daily wage for Indonesian worker making Nike products	\$1.10
Average daily wage for Chinese worker	\$2.00
Average daily wage for Vietnamese worker	\$1.60
Nike's 1999 revenues	\$9 billion
Annual amount Nike paid Michael Jackson for promoting Nike products	\$20 million
Retail cost of one pair of Nike's Air Turned Sirocco runners	\$120
Approximate cost of making one pair of Nike running shoes	\$5.00

Table Source: *Behind the Swoosh: Facts about Nike*, Victoria International Development Education Association, 2000, http://www.vida.ca/support_items/behind_the_swoosh_ch01.pdf

⁷ Adapted from Arnie Alpert, "Bringing Globalization Home is no Sweat," in *Living in Hope: People Challenging Globalization*, ed. John Feffer (London: Zen Books, 2002), 41-7.

Lesson 3

Student Handout 3.3—A Weighty Player in the Weightless Economy

Narayana Murthy (pronounced “MUR-tee”) was born in 1946, in Karnataka, India. His father was a school teacher in Mysore. Murthy learned about computers in graduate school: “We were introduced to computers—that wonder machine—and I was hooked.”

The atmosphere at his first job, where a modern mini-computer had just been installed, was very collegial. A colleague’s example “taught us how important it is to aspire,” Murthy recalled. “We used to work twenty hours a day; go home at 3 a.m. sometimes and be back at 7 a.m. There was so much opportunity to learn.” He then worked several years in Paris, where he observed how, in a western country, even the socialists understood that wealth has to be first created before it can be distributed. “Only a few leaders create wealth, and it’s the job of the government to create an environment where it’s possible for people to create wealth.”

In 1981, with \$250 he borrowed from his engineer wife, Mr. Murthy and six of his friends founded Infosys Technologies, an information technology (IT) company. After weathering several lean years, the company’s fortunes began to rise in 1991 with India’s economic liberalization, which encouraged investment and greatly eased restrictions on the import of foreign equipment, especially computers. In March 1999, Infosys became the first India-registered company to be listed on an American stock exchange (NASDAQ: INFY). At one point the company was worth \$15 billion dollars.

“My vision is to make Infosys a globally-respected software corporation ... That’s different from a multinational corporation which generally has subsidiaries in different countries. As a corollary to that, I want it to be a place where people of different nationalities, religions, and races will come together and compete in an environment of harmony and meritocracy. We believe that the local people are the best people in a given environment.”

To ensure that his staff would not move to other companies, Infosys increased salaries, introduced a stock option plan for its employees, and strove to make the company a fun place to work. As Murthy explained, “Our assets walk out of the door every evening mentally and physically tired. We must make sure that they come back with a zest to work.”

“I tell my colleagues not to look at the stock market. What we should worry about day after day is to provide quality products to our customers on time and within budget. We must show transparency to investors, not violate any law of the land, and be in harmony with society. The stock market may or may not reward us even if we do that. This is ephemeral.”

In identifying role models that inspired him, Mr. Murthy stated: “Those days our role models were our teachers, both in school and university. They taught us to be inquisitive and articulate. My father used to tell us about the importance of putting public good before private good;

mother would talk about sacrifice and truth. Beyond the basic values of life they didn't discuss too much about our careers.”

“I came from a family of eight children. We had my grandmother, and that means the family was about eleven people at one time. Give and take is the first thing that I learned, that is, the need to sacrifice in favor of somebody else. We did it all the time. In the family, if the father criticizes or the mother criticizes the children know in the end that it is for their own good.”

“My father ... was a great fan of classical music. On Sundays, he used to play music for an hour. One day I asked him: why should I listen to this alien music? He said: ‘What appeals to me is that in a symphony there are over one hundred people, each of whom is a maestro, but they come together as a team to play according to a script under this conductor and produce something divine. They prove that one plus one can be more than two. It's a great example of teamwork.’”

Mr. Murthy stressed aspects of the Hindu tradition that have influenced his leadership at Infosys. One of the Vedic hymns says *Let all living beings prosper*. “At Infosys,” he explained, “we have consciously brought about a respect and dignity for every individual. All of our doors are always open. Everyone has email access. Everyone eats in the same canteen. We all share the same gymnasium. So there is much less hierarchical mindset than in the traditional company.” Murthy believes that Infosys and other new technology industries are helping change the hierarchical nature of Indian society, but adds, “It will take a long time.”

Another important aspect of the Hindu tradition is the relentless quest for knowledge. “Our success at Infosys,” Murthy said, “has always placed a premium upon recruiting people with a high learnability quotient, that is, the ability to extract generic inferences from specific instances and use them in new, unstructured situations.”

Mahatma Gandhi epitomized the qualities of leadership by example, simplicity, and perseverance that Murthy admires and tries to emulate. “In a knowledge company whose core competencies include human intellect and learning,” Murthy said, “leaders have to walk the talk. Any dissonance between rhetoric and action by leaders will hasten the loss of credibility. The words of Mahatma Gandhi are still relevant; Gandhi said: ‘You must be the change you wish to see in the world.’”

Gandhi was always concerned about India's villagers, and Murthy believes that IT can help alleviate many of the problems that rural India faces. Health care, education, and environment conservation can be comprehensively brought to the villages. It can make land records available to villagers and simplify land registration. Workers will be able to communicate with families in remote villages.

“I think if you ask me what distinguishes Infosys from many other companies, it is the following: We have a very strong value system. In fact, when I address new hires, the main thing I talk to them about is the value system. I tell them that even in the most fiercely competitive situation

they must never talk ill of customers. For heaven's sake, don't short-change anybody. Never ever violate any law of the land. It is better to lose a billion dollars than a good night's sleep."

"Beyond a certain level of comfort I think one's wealth should be seen as an opportunity to make a difference to society," Murthy says. "My colleagues think so too. The power of money is the power to give." His wife, Sunda Murthy, adds, "I tell my children: The more money we keep, it is not good for you. I am killing your incentive in life to work hard. We should always remember that the power of money is only the power to give."

In 1998, Infosys established Infosys Foundation, a not-for-profit trust to support initiatives that benefit society-at-large. "Especially in the Parsi community," she explains, "there is a tradition to give away money for the betterment of the people. I strongly believe in it. Because, tell me, if you have money, how much you can eat? How much you can travel? How much you can enjoy? Joy is more a state of mind. God made some people rich for a cause so that we should help others. You are only a trustee of this money. You don't own it. It should go to those people who are born on that side of the line; it is not their fault. I strongly believe it. When the price [of our stock] goes down, I feel bad for the Trust [Infosys Foundation] not for myself, because my way of living in the past twenty-five years, with money or with no money, it is the same. Diet is the same. House is the same, a small two-room apartment. We have not changed. Everything is the same." Mr. Murthy adds, "I continue to wear my *dhoti* at home, I continue to do my *puja* (prayers) at home, I continue to eat with my fingers at home—like my father, and grandfather."

Mrs. Murthy explains why the Infosys Foundation has started over 5,500 libraries in rural areas: "My grandfather was a schoolteacher in a village and he never went out of India. When I was about eight years old, grandfather took me to a library. While both of us were walking down from the library, he told me the story of Andrew Carnegie. Grandfather had never seen America, he had never known Andrew Carnegie but he told me: 'You know, there was a man by the name of Andrew Carnegie in America. A century back he was a billionaire. He left all his money in a will for rural libraries in America, and today if you see any public library in America, it was given by Andrew Carnegie. When you grow up and you get money, you promise me that you will set up one library.' I laughed over it because I never thought I would ever make money. I thought I am teacher's daughter and I will become a teacher."

"By the time I got money, my grandfather was no more, he was dead. I remembered immediately the moment I received that kind of huge money that when you get money, the first thing you should do with it is set up a library like Andrew Carnegie. Keeping that in mind, I started my first library. Today we have completed 5,500 libraries in Karnataka. And the credit goes to the man whom I have never seen, I have never met. I don't know the family but Andrew Carnegie is etched in my mind."

"It is becoming obvious that the world is becoming increasingly interlinked and interdependent," Murthy said, "and that we have to collectively move forward. The ever-increasing income disparities cannot be neglected. A person is no more an isolated entity and in addition to self-welfare must shoulder responsibilities for society-at-large. In the end, unless we can wipe the

tears from the eyes of every poor man, woman, and child on this planet, I do not think any of our lives is a worthy one.”

Source: Donald and Jean Johnson, interview with Narayana and Sudha Murthy, Bangalore, March 2002.

Questions

1. What are the reasons for the success of Infosys? In what ways are its business practices “weightless”?
2. What factors do Narayana and Sudha Murthy identify as important influences on their life?
3. In what ways would you identify Murthy as “very Indian”? In what ways would you identify him as “very modern” or very westernized?
4. What values from the Hindu ethical tradition inform Mr. Murthy’s business practices and his life?
5. Identify the ways in which Mr. Murthy’s business practices and his way of life are a synthesis of outside influences and his own Indian tradition.
6. Identify ways in which the so-called weightless economy might be used to better the lives of people around the globe.

Lesson 4
Globalization for an Equitable World
A Simulation

Historical background

After the Cold War, almost all the states formerly under colonial rule ended their government-controlled economies and embraced one form or another of market capitalism. While many have experienced a higher growth rate and a rising middle class, they also have seen a rise in numbers of poor people. Eight leading industrial democracies, also known as members of the G8—the United States, France, United Kingdom, Germany, Japan, Italy, Canada, and Russia—have met annually to discuss global concerns such as health, law enforcement, and labor. One G8 concern has been the growing gap between the rich and poor in the world. The developing states, therefore, are now ambivalent about globalization. It has brought higher growth rates to many, but at the same time a number of vexing issues, such as a dramatic gulf between the rich and poor, an increase in child labor, increasing pollution, economic decline of the peasantry, and a threat to local cultures. Many countries face widespread agitation within their poorer communities, including protests and riots against large multinational corporations, such as Enron, Nike, McDonald's, and others.

Background for the simulation

Briefly explain to the class what the G8 is and who its members are. Stress that these countries are the major industrial nations of the world and control over 75 percent of the world's wealth. They meet annually to decide on a common global policy and to work out problems among themselves.

Then briefly review or explain what “developing nations” are (also “underdeveloped,” “less developed”). Discuss how colonialism tended to make them poor and why they had little industry when they achieved independence. Soon after independence most of these states launched programs to industrialize rapidly. Many chose to try to combine political liberalism from the west with a planned state-run economy taken from the Soviet example.

Explain that an overwhelming number of the world's nearly 200 states are classified as economically “less developed,” while China, Indonesia, India, Brazil, Argentina, and a few others, in addition to the G8 countries, are relatively industrialized. Stress that after 1990, with the collapse of the Soviet system, the developing states had little choice but to join the global system.

Tell the students that they are going to simulate a situation in the year 2006. At their last two meetings, the G8 nations experienced violent protests against their policies from people all over the world. Protests have also grown uglier at World Trade Organization (WTO) and International Monetary Fund (IMF) meetings. As a result, the G8 members have decided to hold an open

meeting with representatives of the developing world. At this meeting they hope to negotiate some agreements that would benefit both the industrial and developing nations.

By calling for this meeting, the G8 nations have recognized that they have often taken advantage of the developing states but that they are now open to suggestions that might lead to some reforms. This is a major opportunity for the developing states to get their concerns heard.

Student preparation for the simulation

In preparation for the simulation, which should serve as a review and summary of this entire unit, divide the class as follows:

- One group represents members of the G8. Students may represent a specific country or act as a group
- Several groups represent large areas of the so-called developing world: Sub-Saharan Africa, East Asia, South Asia, Southeast Asia, West Asia, and Latin America. The teacher may decide to assign specific nations to each group or have each group represent the area as a whole.

Give each group the briefing pages appropriate to its area. If time permits, encourage each group to go beyond these briefings by researching about some of the states in their areas and reviewing the three previous lessons in this unit for additional information.

The simulation

The teacher or a student should chair this historic meeting. The agenda will be:

1. Greetings and summary of positions from the G8 (three minutes).
2. Greetings and summary of positions from the developing states group (three minutes).
3. The case of the developing states. Three speakers will each have four minutes each to present specific issues such as:
 - rising poverty.
 - increase in child labor and low wages.
 - using up local resources like water and land to produce luxury items for consumption in the West.
 - degradation of the natural and physical environment.
 - industries suddenly pulling out of a state to move to more advantageous settings.
4. The case for the G8 members. Three speakers will have four minutes each to present the good results of their leadership of globalization. These might include:
 - the enormous wealth that has been produced as a result of globalization.
 - the rising [life expectancy](#) and standard of living for many people in developing states.

- the rapid economic growth most developing states have experienced since joining the global system.
 - the reality that no one is going to turn back globalization. It is going to continue to expand.
5. Open discussion among all the participants about plans for the future, including ways to correct some of the major inequalities that currently exist. The simulation can last as long as student interest and time constraints allow. Leave time at the end of the discussion to strive for a few agreements that would accommodate some of the major complaints brought by the developing states.

Assessment

This simulation should serve as a summation of the whole unit and could also serve as the assessment tool. However, in addition to the simulation, students could be required to write up an evaluation of the impact of globalization and the weightless economy on a specific area of the world or on specific industries or groups of people such as farmers, factory workers, or migrant laborers.

Lesson 4

Student Handout 4.1—Background and Debating Tips for G8 States

Background

The industrial nations known as the G8 are Great Britain, France, Germany, Japan, the US, Canada, Italy, and Russia.

The Western European states (Great Britain, Germany, France, and Italy) are more likely to support reforms in the global system. All of them have universal education, health care, relatively good working conditions, strong labor unions, and a high level of environmental regulations. European states strongly support the United Nations. Most of them also support some type of governmental regulation of business and the free market and would like to see more international bodies play a larger role in regulating the global system.

The US is the strongest believer in the market principle, free trade without tariff barriers, and the value of capitalism in general. Recent presidents, however, have imposed tariffs on steel and offered huge subsidies to farmers.

The US and Japan, the two richest nations, controlled more than 20 trillion dollars of the world's wealth, although the US makes up a little less than 5 percent of the world's population and Japan just 1.9 percent.

Background and concerns of G7 Nations—the US, Great Britain, Germany, France, Italy, Canada, and Japan (leaving out Russia)—have been highly industrialized countries with surplus capital and lots of money to invest. They have been looking for areas of the world where they may profitably invest.

In general, investors from G8 have taken the view that potential areas for investment should:

- be politically stable (it does not matter whether they have a democracy or a dictatorship).
- have a disciplined work force with few or no unions.
- have weak or indifferently-enforced environmental rules.
- have a government that is not too vigilant about enforcing safety and health concerns.

Background and concerns of Japan: It has lots of surplus capital and competes with the US and European members for investment opportunities in the developing states. Japan has been:

- competing economically with China. But because China is so much more powerful, today Japan does not want to upset it too much.
- looking for ways to recover from a long recession in the 1980s and 1990s.
- trying to act independently without upsetting the United States. Japan relies on the US for protection against North Korea and China and is part of the US nuclear shield.

Debating Tips

- The most important argument is that, since the growth of free-market globalization in the 1980s, the world has produced more wealth than in the previous 10,000 years of history. The effectiveness of free-market capitalism is centered on this point.
- Because there is now more wealth than ever, it is possible for all the world's people to enjoy a high standard of life, if not now, then in the future. A rising tide will lift all boats.
- The G8 has surplus capital and expertise in engineering, technology, civic organization, knowledge about the world, business organization, and finance. If you are going to modernize you cannot do it without our skills, knowledge, and investments.
- If you follow our example all your citizens will rise or fall based on their own efforts and talents. This will help end corruption and make for greater social efficiency and political stability.
- As you industrialize, you will have a better chance to build genuine democratic political systems.

Lesson 4

Student Handout 4.2—Background and Debating Tips for Developing States

Background

A great deal of diversity exists among the developing states: they represent several religions and cultural traditions, a wide variety in size, resources, and history. India is predominantly Hindu but is home to about 155 million Muslims. Pakistan is a Muslim state with rising militancy among many Muslims. Indonesia is a Muslim state with strong historic influences from Hinduism and Buddhism. Thailand is strongly Buddhist. The African continent embraces a mix of Muslims, Christians, and adherents of local religions. West Asian states are predominantly Muslim. Latin American states are mostly Roman Catholic with a rapidly-growing number of Pentecostal Protestant Christians.

While some of the developing states are democracies, many have authoritarian regimes ruled by one person with the support of the army. A major difference among the developing states is that some of them, such as Indonesia, Venezuela, Iraq, Iran, Saudi Arabia, and Nigeria, have large oil reserves. The oil-rich West Asian countries have capital surpluses to buy things on the world market. Most of them, however, have not industrialized at a high level.

Another big difference is that Africa has been partly marginalized in the globalizing world, in spite of the fact that several states have oil. Africa has not attracted much investment, and many countries there are deeply in debt. Moreover, [AIDS](#) is ravaging many states, and life expectancy is going down. For example, in Zimbabwe the life expectancy was 44 years in 2008.

Many of the developing states have a strong sense of [nationalism](#) as well as unrest among the poor. Periodic outbursts of ethnic and religious violence may occur.

Many developing countries believe that they are in a race against time and are desperate to industrialize and join the industrialized world before they experience widespread desperation leading to violence.

In general, a large portion of the workforce of the developing states still works as farmers providing food for urban populations. Many who grow cash crops like cotton, jute, sugar, and opium to earn cash cannot grow their own food. (“Land that grows money cannot grow food.”)

Many of the developing states have some of the largest cities in the world because poor and displaced peasants have flocked to the cities in search of a better life. Many suffer from high unemployment.

Some general goals of the developing states include:

- reduction of the number of people employed in government jobs, and this work force can be employed instead in productive jobs. For example, in Egypt, one in six workers has a

government job. These jobs are often unproductive but serve to keep the peace by providing jobs to otherwise unemployed people.

- providing minimal social services to people. Health, education, sanitation, and housing are usually in short supply and life is often harsh with low life expectancies.
- more help for the AIDS crisis.
- ways to provide employment opportunities, alleviate widespread poverty, and improve services so as to prevent social unrest and an increasing mobilization of people pressing for change. They fear that foreign businesses may pack up and relocate if better opportunities (lower wages, fewer environmental restrictions, and so on) are available elsewhere.
- finding the capital investment to industrialize and become competitive with the more affluent nations. They know they must turn to richer countries for investments and loans.
- maintaining controls over foreign businesses welcomed in to build factories so that the country does not become a colony of an industrial state.
- avoiding deep, long-term debts for loans from industrialized states. By encouraging foreign businesses to build factories and by taking out loans from international banks, the country hopes to build its own industries and then export more goods on the world market.
- finding ways to ensure that the pressures of development will not result in the loss of cultural values and traditions.

China's concerns include the following:

- It has many characteristics of a developing economy, yet because of its size and growth it is now a player on the world stage. China has been slow to end child labor, increase environmental controls, and allow labor unions to organize. It has no labor unions and uses lots of prison and child labor to compete in the global markets. It is also a major nuclear power.
- It is a major producer of goods and wants to increase its own exports around the world.
- It has weak safety regulations and environmental protection laws.

Debating Tips

- You should remind the G8 nations that they promised prosperity if we joined the global system. But we are still lagging far behind the industrial states, and the gap in wealth is growing. Globalization has proven good for you and not so good for us.
- Your IMF and WTO are forcing us to give up the social reforms we have worked for decades to put in place. You ask us to break unions, give up subsidies for food, travel, medicine, and education. We are going backwards in social services.
- You are exploiting our labor force. That is why you move into our countries. When it was first founded, Nike paid \$8 per hour in the United States. When it moved to Indonesia, it paid \$.10 an hour, and sometimes workers put in twenty hour days.
- Your factories are forcing us to let you employ child labor. More of our young people cannot go to school and must work to support their families.

- Your insistence on private property is destroying rural villages where land has been held in common (communal land) for millennia.
- More must be done about the debt many nations have. For example, in 1996 African nations paid \$2.5 billion more in debt servicing than they got in long-term loans and credits. Funds are going from the impoverished countries to rich countries and creditors. The notion that industrialized countries are pouring money into corrupt, economically-hopeless countries is mostly a myth.
- You are using up more energy and resources than all of us together. The United States alone consumes about 25 percent of the world's energy. You want a clean environment, but when you come to our countries you pressure us to end environmental protection. You are forcing us to give up environmental regulations and our air is becoming unbreathable in Cairo, Calcutta, Jakarta, and other cities.
- Globalization has brought the worst of Western cultural values. All we see on TV is sex and violence on shows produced in your countries. There is no respect for tradition, family life, and religion. You see us only as labor and consumers and never as human beings.
- Unless you can offer more equity in your brand of globalization, we will soon rebel and drop out of the system. Then where will you go for cheap labor?

This unit and the Standards in Historical Thinking

Historical Thinking Standard 1: Chronological Thinking

The student is able to (C) establish temporal order in constructing historical narratives of her own: working forward from some beginning through its development, to some end or outcome; working backward from some issue, problem, or event to explain its origins and its development over time.

Historical Thinking Standard 2: Historical Comprehension

The student is able to (E) read historical narratives imaginatively, taking into account what the narrative reveals of the humanity of the individuals and groups involved—their probable values, outlook, motives, hopes, fears, strengths, and weaknesses.

Historical Thinking Standard 3: Historical Analysis and Interpretation

The student is able to (C) analyze cause-and-effect relationships bearing in mind multiple causation including (a) the importance of the individual in history; (b) the influence of ideas, human interests, and beliefs; and (c) the role of chance, the accidental, and the irrational.

Historical Thinking Standard 4: Historical Research Capabilities

The student is able to (C) interrogate historical data by uncovering the social, political, and economic context in which it was created; testing the data source for its credibility, authority, authenticity, internal consistency, and completeness; and detecting and evaluating bias, distortion, and propaganda by omission, suppression, or invention of facts.

Historical Thinking Standard 5: Historical Issues-Analysis and Decision-Making

The student is able to (B) marshal evidence of antecedent circumstances and current factors contributing to contemporary problems and alternative courses of action.

Resources

Instructional resources for teachers

Berger, Peter L. and Samuel P. Huntington, ed. *Many Globalizations: Cultural Diversity in the Contemporary World*. Oxford: Oxford UP, 2002.

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Stiglitz, Joseph. *Globalization and Its Discontents*. Washington, DC: The World Bank, 2002.

Turner, B. L., et al. *The Earth as Transformed by Human Action: Global and Regional Changes in the Biosphere over the Past 300 years*. Cambridge: Cambridge UP, 1990.

Verslius, Arthur. *Sacred Earth: The Spiritual Landscape of Native America*. Rochester, VT: Inner Traditions International, 1992.

Correlations to national and state standards

National Standards for World History

Era Nine: The 20th Century Since 1945: Promises and Paradoxes, 3: The student understands major global trends since World War II.

California: History-Social Science Content Standards

Grade Ten, 10.11: Students analyze the integration of countries into the world economy and the information, technological, and communications revolutions (e.g., television, satellites, computers).

Michigan High School Content Expectations: Social Studies

World History and Geography. Contemporary Global Issues. CG3 Patterns of Global Interaction. Define the process of globalization and evaluate the merit of this concept to describe the contemporary world.

New York: Social Studies Resource Guide with Core Curriculum

Unit Six: A Half Century of Crisis and Achievement (1900-1945), A. Cold War balance of power, 5. Political climate of the Cold War.

Virginia Standards of Learning

WHII.15. The student will demonstrate knowledge of cultural, economic, and social conditions in developed and developing states of the contemporary world by a) describing economic interdependence, including the rise of multinational corporations, international organizations, and trade agreements.

Texas Essential Knowledge and Skills for Social Studies

113.33 (c) 18: Citizenship. The student understands the historical development of significant legal and political concepts, including ideas about rights, republicanism, constitutionalism, and democracy. The student is expected to: D) assess the degree to which human rights and democratic ideals and practices have been advanced throughout the world during the 20th century.