

Globalization Glossary

Conditionality: Requirements by international institutions like the World Bank, International Monetary Fund and Regional Development Banks that developing countries seeking loans and grants and other assistance make economic and political reforms like elimination of trade barriers and privatization of public enterprises (*p. 18*)**

Comparative Advantage: A unique national skill or resource that enhances a nation's global market competitiveness, such as exportable workforce or English language 'competency' or a raw material such as coffee or tea (*p. 53*).

Cyberlords: The small number of large multinational corporations that own and control access to information and communications technologies worldwide (*pp.80-83*).

Corporate or Economic Globalization: Strategy used by powerful corporations, governments and global institutions to apply strict market principles of free trade, privatization and reduced government regulation in order to control the functioning of the global economy in a way that maximizes their profits and entrenches their power (*pp.21-23*).

Corporate Social Responsibility: The view that corporations should be held accountable for the social and economic impacts of their business behavior on customers, employees and communities and take steps to modify business strategies and make restitution for negative impacts (*p.43*).

Cross Border Dialogue: The establishment of communication between citizens groups (farmers, workers and so forth) jointly affected by globalization in order to develop solidarity and formulate collective strategies (*p.68*).

De-regulation: Dismantling government controls over the private sector often including government oversight of labor rights, health and safety standards, environmental controls, rules of local ownership, accounting and stock regulations.

Digital Divide: A way of identifying the 'haves' and 'have nots' of opportunity for access to information and communications technologies including the Internet) when measured by gender, nationality, geography, income, education, race and ethnicity (p. 91.)

Doha Declaration: The final declaration of the fourth World Trade Organization Ministerial Meeting held in Doha, Qatar in November 2001. In a victory for developing countries, it included the idea that international intellectual property rights agreements should not prevent countries from taking measures to protect public health in the face of health crises like HIV/AIDS (pp.88-89.)

Fair Trade: The development of more direct relationships between small producers, workers, sellers and consumers to establish equitable compensation and security and economic self-sufficiency for small producers, a direct alternative to large profits corporate middlepersons (p.67).

Free Trade: A theory and practice said to promote an unfettered flow of goods and services between countries. In free trade market rules of supply and demand are the sole factors determining trade between nations without government regulations, controls or barriers like tariffs. Each nation produces only what it can do most efficiently, while importing other goods and services. Free trade favors rich and powerful countries and companies over economically poor, small and vulnerable ones (p. 53).

Free Trade Agreements: Agreements between two or more countries to remove barriers like tariffs or labor and environmental regulations that are said to hinder trade in favor of greatly reduced regulation for private businesses and the granting of citizen privileges to corporations from partner countries (pp. 54, 55).

Globalization: In its widest sense it refers to the trend toward increased flow of goods, service, money and ideas across national borders and the creation of a single complex but interconnected global economy and culture dominated by the powerful. Globalization increases the opportunity for communication and dialogue between peoples across the boundaries of race, nationality and geography (p. 12).

Global Commons: The idea that there are certain "public goods" (i.e., water, clean air, education, freedom from disease, national security and peace) that

should be available for everyone and that all the countries of the world have a responsibility for joining together to protect these “goods” (pp.41, 66, 93).

Global Corporations: Corporations that operate in multiple countries and can move their products, personnel, and even factories to the location that would be the most profitable. Their allegiance is not to their country of origin but to the profitability of the corporation. The pattern of ownership and management may also be multinational and may involve partnerships and temporary alliances with other global corporations, even competitors (p.34).

Global Institutions: International and regional institutions established by governments to control and regulate economic and political relationships. They include institutions such as the United Nations, the World Bank, the International Monetary Fund and the World Trade Organization, as well as parallel regional bodies such as European Union and the North America Free Trade Agreement (p.21).

Global Investment: An economic globalization strategy that encourages investors or corporations of one country to build factories, purchase businesses or buy real estate in another country merely to speculate on the rise and fall of the value of currency (p.34).

Human Rights and Capabilities: Internationally agreed upon basic necessities to which all human beings are entitled regardless of ethnicity, nationality or gender such as jobs, food, political participation, leisure, freedom from coercion and violence. Capabilities refer to the political, social and economic environment necessary for human beings to attain these basic necessities (pp 19, 25).

ICTs (Information and Communications Technologies): Hardware and software technical and digital innovations such as cable and satellite TV, the Internet, cellular telephones, call centers and distance learning that dramatically expand the capacity for intra-national and transnational interaction and learning (p. 71).

Intellectual Property Rights: The right to control and derive benefits from writing (copyright), inventions (patents), processes (trade secrets) and identifiers (trademarks) established in national and international law. Originally established to protect creativity, the principle is now used by global corporations to entrench monopolies and guarantee revenues for long periods of time (pp. 87-89).

International Monetary Fund (IMF): Affiliated with the UN, the IMF was created in 1944 to promote international monetary cooperation, facilitate the growth of international trade and resources available to members. It has promoted strategies of free trade and privatization in its assistance strategy.

Livelihoods: The combination of the basics (jobs, health care, income, social security, social service, access to water, electricity, healthy environment, the ability to get an education) that are necessary for well-being and a life of human dignity (p. 19).

Migration: The movement of individuals and families within their own countries and across borders. Globalization has intensified the adverse economic and political conditions that force people to leave their home, resulting in problems in the new country as well as the home country (p.62).

UN Millennium Development Goals: Eight internationally agreed upon goals with specific targets for meeting the needs of the poorest of the world by 2015, including cutting extreme poverty in half, halting the spread of HIV/AIDS, improving maternal health, providing universal primary education and promoting gender equality and the empowerment of women (p.94.)

Neoliberal Model: Another term used to describe the economic strategy that holds that the best global economic system is one that is governed by the market and by promoting the shrinking of government intervention in the economy. This model encourages the shift of the provision of services traditionally thought of as government functions into the hands of private business (p.23).

Offshoring: A corporation's movement of production from its home country to another country, often for the purpose of cutting labor costs and decreasing government regulation in order to maximize profit (pp.60-61).

Outsourcing: The corporate practice of separating aspects of production or service to different locations in the same country or to other countries and/or subcontracting aspects to other companies, always with the goal of minimizing costs (pp. 60-61).

Privatization: The process of reducing, selling or contracting out government-owned and controlled enterprises or services to private companies. For example, water, electricity, telephone, radio, highway construction and tolls, prisons, parks and airport control are often privatized. Also the promotion of private for-profit

colleges and universities and encouraging the establishment of branches in other countries (p.36).

Structural Adjustment Programs (SAPs): Beginning in the 1980s, policies that were designed by the World Bank and the IMF and implemented by developing countries in exchange for loans to manage spiraling debt. These programs often required privatization, deregulation, currency devaluation, and cuts in taxes and in government spending (particularly subsidies and social spending), opening markets to external goods and investment, and stimulating a shift towards production for exports, not internal needs.

World Bank: Affiliated with the UN, a global institution with a current membership of 184 shareholder countries created in 1944 to assist in the reconstruction of Europe. It now focuses on assisting the development of poorer countries by making loans, facilitating capital investment, and promoting foreign investment and privatization. Decision making power is determined by national wealth. The president is always from the United States (p.21).

World Trade Organization: This Geneva-based global institution helps to establish global rules of trade between nations. Founded in 1995, this body of 146 nations replaced the General Agreement on Tariffs and Trade. It has greatly expanded the notion of trade to include services, copyrights and investments. It has the power to enforce rules by imposing sanctions (pp.56-57).

Descriptions reflect the perspectives presented in the *Globalization and Its Impact on Peoples Lives, 2006-2007 Mission Study and Study Guide*, incorporating traditional definitions as well as current usage in the context of globalization.

** Page numbers reference expanded discussion in *Globalization and Its Impact on Peoples Lives, 2006-2007 Mission Study and Study Guide*.

Adapted from the following sources:

Financing for Development – Tools for Women’s Advocacy #3. Women’s International Coalition for Economic Justice, October 2004.

AFSC, *Glossary of International Trade Terms*, at www.afsc.org/trade-matters/learn-about/glossary
Glossary and other resources also available in Spanish.

The Big G--Mission Study on Globalization: Youth Book with Leaders Guide by Tamara Walker.