

CHAPTER 27: GLOBALISM'S DISCONTENTS

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*Why have there been these huge differences in experiences (with globalization)?
The problem is not with globalization but rather with how it is managed.*

*"The international financial institutions have pushed a particular ideology- **talism**- that is both bad economics and bad politics."*

1. Beneficial Globalization
 - a. East Asia has benefitted the most because it took advantage of the "globalization of knowledge"
 - i. "Government took an active role in managing the economy"
 - ii. Financial markets were highly regulated: "it was only when these countries stripped away the regulations, under pressure from the US Treasury and the IMF, that they encountered problems" (219)
 - b. Each of the most successful globalizing countries determined their own pace of change
 - c. Improved health in developing countries, longer life spans
2. The Darker Side of Globalization
 - a. Arrogant mentality of the IMF that imposes bad economic suggestions in terms of liberalization
 - b. Globalization has failed to live up to its potential
3. Lessons of Crisis
 - a. Often times happen to a country that had nothing to do with the root situation and inside came from an outside country
 - b. Underdeveloped countries are like small boats being set into the rough sea or liberalization with untrained captains and no safety mechanisms
 - c. Unfair lending and borrowing between rich and poor countries
4. The Costs of Volatility
 - a. High volatility: increases the risks of investments, request higher than normal profits----> creates poverty, increases the likelihood of recessions
 - b. If a country tries to tax capital, capital leaves. So much of the burdens fall on the poor and middle classes
 - i. Becomes an issue when it happens in a country with no safety nets for these classes
5. Governance of Globalization
 - a. WTO, IMF, and the World Bank provide ad hoc management
6. Governance through Ideology
 - a. In the international governance world, only voices of the financial community are heard
 - b. A single ideology dominates
7. An Unfair Trade Agenda