Chadé Darby December 13, 2018 Prompt 3

Globalization can be defined as the complex and uneven dynamic linking of the local to the global. As globalization has evolved, critiques have addressed the positive and negative effects of this large mechanism. Johan Norberg and Jagdish Bhagwati analyze and support globalization in respect to many global issues including gender inequality, poverty, hunger, and financial crises. Although globalization has helped improve the world, Norberg and Bhagwati overlook the negative side effects of globalization that affect a lot people.

Norberg and Bhagwati’s argument for supporting globalization lies on a neoliberal stance. Norberg appreciates how contemporary globalization has led to liberalization and deregulation. Through globalization, Norberg believes consumers are offered more opportunities “to pick and choose” products from other countries instead of only locally (Norberg 2003: 264). Norberg also supported the amount of development in third world countries due to globalization (Norberg 2003: 266). Similarly, Bhagwati believes globalization “creates prosperity and in turn helps reduce child labor, reduction of poverty, and greater pay equity for women” (Bhagwati 2013b: 2). Both Norberg and Bhagwati believe globalization leaves people better off regardless of where they are in the world. This optimism urges to maintain the neoliberalism project and ignore the important issues caused by globalization.

The development of the global south can be directly attributed to globalization. In the past 20 to 30 years, the global south has been overrun by companies outsourcing labor and production. Norberg, a strong proponent for global capitalism, believes workers are “no longer consigned to working for the village’s only employers, the large and powerful farmers” because they have more opportunities to work and have a better life (Norberg 2003: 265). However, Norberg is forgetting about the history that has spurred a large population of the global south from farming to working in cities. Late 19th century colonial regimes forced native people in the global south from their land so they would look for waged work. This caused a migration to industrial cities where these workers took any job they could find (Hicke 2011l: 1). In Jason Hickel’s article “Rethinking Sweatshop Economics”, he points out that workers “choose sweatshop jobs because they have been made desperate and [have] no alternatives for livelihood” (Hickel 2011: 1). Unlike Norberg’s main point that globalization allows for more liberty and freedom, that is not the case for everyone. Forgetting that many in the global south were put into their position because of capitalism is dangerous and ignorant. Moreover, believing that capitalism has solved the people of the global south’s problems is contradictory to their history. Capitalism cannot be used to solve problems that it has caused.

To decrease wage inequality between men and women, Bhagwati and Norberg believe globalization is the answer. Bhagwati says in order to change pay inequality, “we need to change culture or values” (Bhagwati 2013: 5). This is true however globalization is known for exploitation of women and propelling wage inequality. Women have been carrying out unpaid labor that includes “the reproduction of labor power in the form of producing and raising children and servicing the current workforce” due to gender roles in society (Libcom.org 2011: 3). In countries where patriarchal values in society are strong, multinational corporations’ will come to prey in order to “further their export development strategies” (Leslie 2012: 67). This shows how companies utilize the cultural values in a society to outsource labor and essentially exploit women workers who are highly involved in the production of exports. For example, the fashion commodity chain is highly globalized and characterized by enormous inequalities between genders, race, class, and nationality. Global commodity chains connect all activities associated with the production of one good or service (Leslie 2012: 65). Women make up a majority of the workforce in these commodity chains while the men dominate the executive levels (Leslie 2012: 65). In the fashion commodity chain, women are exploited because they usually work in crowded, unsafe factories while being paid an unbelievably low wage. Many of these women have irregular hours and have experienced job insecurity. Also, factory owners bypass safety laws and put their workers at risk. A real-world example of the exploitation of garment workers was unveiled in the Rana Plaza disaster in Bangladesh in 2013, where over 1,000 garment factory workers were killed and injured. The Rana Plaza factory owner’s apathy and negligence for his workers can relate to the common worry of garment workers in the global south. Although in Bhagwati’s article “Don’t Blame the Brands”, he redirected the blame of disasters like Rana Plaza from global retailers to the owners of the factories by saying “it’s not the place of foreign corporations to monitor or dictate how independent local production units are run” (Bhagwati 2013: 1). I would highly disagree. Global retailers are responsible for where they choose to outsource their labor to. Like Norberg said, with globalization we have the liberty to pick and choose. Ethics is thrown to the wayside when global retailers find a cheap producer. There should be higher expectations for global retailers to care about the production involved in their commodity chains and the workers in their factors they outsource to. Norberg and Bhagwati should consider the means of production and the women whose lives have apparently improved when they were forced by society and neoliberal policies into an unsafe work environment.

An important point to consider when assessing globalization is perspective. Johan Norberg and Jagdish Bhagwati are world renown economists. I don’t know anything about the hardships they may have experienced but their view on globalization is very one-sided and focused on a small amount of privileged people in the world. Vandana Shiva, an activist from India, believes “globalization has been based on the use of force, driven by greed, and resulted in dispossession and displacement from the global south perspective” (Shiva 2005: 2). Globalization is driven by large corporations and multinational organizations such as the World Trade Organization, the World Bank, and the International Monetary Fund. These organizations also help with the spread of neoliberal ideologies by promoting free trade agreements and liberal policies. Additionally, Libcom.org says, “capitalism did not arise by a set of natural laws which stem from human nature: it was spread by the organized violence of the elite” (5). On the contrary, Norberg repeatedly says in his article that global capitalism is spurred on by the people, by human nature, by everyone’s decisions. This idea completely foregoes that the major players in globalization are the multinational organizations previously mentioned instead of by the entire world population. Bhagwati, on the other hand, recognizes the power of those directly in contact with the financial sector. His piece written in 2013 after the global financial crisis noted that new mechanisms tried by the elite created the crisis. I appreciated Bhagwati realizing that although a free market can be unpredictable, certain people can affect it and spur it on. In Bhagwati’s conclusion, he plans to enlist economists to review new mechanisms in the financial sector to prevent another crisis. However, Bhagwati only lists economists that support the neoliberal project which caused the global financial crisis in the first place. Norberg and Bhagwati should consider their arguments for globalization from different perspectives.

In response to the global inequality for income, Norberg downplays the gap between the wealthy and the poor to uphold his argument for globalization. Norberg claims that “if everyone is coming to be better off, what does it matter that the improvement comes faster for some than for others?” (Norberg 2003: 273). This is a bold statement by Norberg and shows how indifferent he is to the struggles of those who are directly affected by globalization. There are about 2,043-dollar billionaires worldwide. Ninety percent of them are men. Based off of Norberg statement, he is fine if improvement comes faster to men than to women as men have an abundance of wealth. That doesn’t seem fair at all and could lead us back to talking about the gender wage gap. Norberg’s statement is overly optimistic and, in a way, misogynistic. Also, the richest one per cent of people in the world continue to own more wealth than the whole of the rest of humanity. Again, this is not fair and globalization has caused this. Another point made by Norberg is “the allegation of increased inequality is just wrong” (Norberg 2003: 274). The data from the UN Development Program, in its Human Development Report, does not account for purchasing power. Norberg believes data used without the purchasing power adjustment perpetuates increasing inequality. However, Jayati Ghosh references the World Inequality Report which takes into account purchasing power and shows that global inequality is actually widening (Ghosh 2018). Although Ghosh’s article was written in 2018, global inequality has been a problem for a while and will continue to increase unless neoliberal globalization is reformed.

In addition to global inequality, Norberg believes that hunger is decreasing as well based off data from the UN Food and Agriculture Organization. According to Hickel 2015, the FAO gravely underestimates due to the vague definition of hunger. The caloric threshold for hunger varies across poor people so the data is flawed. On top of that, the 2006-2008 food crisis was due to neoliberal agricultural policies that Norberg supports. The food crisis was caused by rising prices and a shortage of food in many countries around the world. Structural adjustment and trade liberalization, neoliberal policies, were “imposed by the World Bank and IMF on over ninety developing and transitional economies over a twenty-year period beginning in the early 1980s” (Bello & Baviera 2010: 66). Structural adjustment or economic reorientation caused numerous countries to cut funding to support local farmers which led to a superfluous peasant population. Although Norberg didn’t know about the food crisis, which happened after his article was written, the policies he supported ended up causing the crisis.

Bhagwati believes economic globalization has five dimensions: trade liberalization, direct foreign investment, short-term capital flows, cross-border flows of humanity, and technology. These dimensions would fall under neoliberalism as they promote “the integration of the national economy into the world economy” (3). I found it interesting that despite writing an article defending globalization and creating dimensions of globalization, Bhagwati was not a full supporter of all of these dimensions. This was the one point in his piece where he took an unbiased stance. He critiqued the usage of short-term capital flows as he believed it was a danger to prosperity. Also, Bhagwati advised to be careful with data about globalization unless the dimension being discussed is clear. I will agree with Bhagwati here. It’s important to take into consideration context as globalization is a vast and multidimensional project. Anyways, the globalization Bhagwati describes is of neoliberal ideologies and although noting globalization has caused a global financial crisis, he still seems like a strong proponent for it.

Bhagwati and Norberg touch on how globalization changes culture. In Bhagwati’s article, he highlights how many countries try to defend their culture from economic globalization. Bhagwati criticizes these countries as he believes culture will change anyway and globalization is only a small factor in that. I agree with Bhagwati because most traditional ideas of a culture are kept but other social aspects of culture evolve over time. Bhagwati views the only way to protect culture is using subsidies to propel a sector of the culture and then letting it go and compete with other nations. An example of how subsides have propelled culture is the rise of the Australian film industry. This is a free-market tactic and another example of Bhagwati’s support for capitalism by creating competition. On the other hand, Norberg states through global capitalism, culture will involve freedom of expression and of the press. I disagree with Norberg on this point in regard to the global capitalism pressures from the media for women to conform. In Susie Orbach’s *Losing Bodies,* it is stated that the two characteristics of late capitalism, consumption and the notion of choice, combined with the imperative to reconstruct and perfect the body through visual media influences the modern-day women (Orbach 2011: 2). Women are not able to completely and freely express themselves as “the neoliberal agenda has designated the female body as the site for transformation, control and profit through the media’s exhortation to reshape their bodies” (Orbach 2011: 2). The insecurities women have with bodies are exploited through global capitalism and the neoliberal project, which Norberg fails to acknowledge.

The ecological dimension of globalization was not mentioned by either Bhagwati and Norberg. Climate change and global warming is where the side effects of globalization is extremely negative. Developed countries are ultimately responsible for a majority of climate change so it makes sense that neither Bhagwati nor Norberg wanted to mention it as it would contradict their arguments. Between 1990 and 2007, developed countries increased their emissions by 11.2% (WPCCC 2010: 4). This increase occurred despite statements that a reduction in emissions would be substantially supported by market mechanisms (WPCCC 2010: 7). This is another failed example of economists believing capitalism will fix itself. Regulation is needed and developing countries need to be held accountable.

All in all, I applaud Norberg’s and Bhagwati’s optimistic viewpoints on globalization. I do believe globalization has helped in many ways, but I do not want to say that everything is fine. Like Norberg said in his conclusion, “No one can doubt that the world has more than its share of serious problems” (Norberg 2003: 276).

Firstly, neoliberal globalization needs reform. It is far to controlled by international organizations and the global elite. Everyone should be able to benefit from the spread of interconnectivity and the economy should not be able to stifle certain people from reaping these benefits as well. I would want an economy like Hickel recommended where “one can think beyond the limited boundaries of neoliberal ideology and make an effort to construct a more humane and democratic world” (Hickel 2011: 3). The global elite are authoritarian and undemocratic, and we need new policies where all voices can be heard instead of just the 1%. Also, I am in agreement with Vandana Shiva that “the freedom we seek is freedom for all, not freedom for a few” (Shiva 2005: 4).

Secondly, capitalism needs to be scaled back as well. Capitalism is a system that created class struggle between the working class and the capitalist class. Governments may see less resistance when incorporating more bottom-up policies and expanding the middle class. It may increase the cost of living but will leave a majority of the population better off. Also, governments need to enforce more policies around workers’ rights and minimum wage. Although these implementations may be difficult for the U.S. government since capitalist ideologies are supported by many conservative politicians, it would increase the well-being of the population.

Lastly, gender inequality is still a major issue. With movements like #MeToo becoming popular, women want more freedom. As a feminist, I believe women should be treated the same as men. Women and men should have equal pay in the same job. I do not believe globalization will do that instead we need recognize any discrimination and change. Feminism should be intersectional as well. Women of all races, sexualities, disabilities etc. should be treated equally. Capitalism does not always allow that based on perpetuating gender roles. Women are exploited by this uncontrollable mechanism called capitalism. Through this analysis of Bhagwati and Norberg’s pieces, we see how patriarchal our society is. It’s the 21st century, times are changing, and we need to as well. We need to be more ethical consumers, where we make sure we know where our products are from. I’m glad through this class and through the documentary, *The True Cost,* that I have become more aware of fast fashion. I’m trying my best to only purchase clothing from companies that are sustainable and ethical with their means of production.

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