



## GROUP OF EIGHT

### Globalization and the Developed World

By Chris Coey

#### Introduction

The mid-1950s was the beginning of a new era of globe-spanning relationships. The process of ‘globalization’ has been integrating regional economies, cultures, and societies, breaking down the national and ethnic boundaries that once separated diverse groups of people. The world is now more **interdependent** than ever before, and the consequences of this are complex and wide-ranging. Some have welcomed globalization and celebrated the changes it has wrought. Many governments in the developed and developing worlds have pushed for a more liberalized and open economic system. But globalization has also been attacked, both from an extremist ideology and a more **pragmatic** perspective. Whether the net effect of this process of integration is positive or negative, the era of globalization has changed the nature of societies and economies and created an unprecedented cross-border intimacy.

**interdependent** – *reliance on each other, mutually dependent*

**pragmatic** – *practical, logical*

Globalization, now a fashionable buzzword of academic and political debate, is still a somewhat vaguely defined concept. As Jagdish Bhagwati – one of the foremost scholars on the topic – has put it, “Globalization can mean many things.” New technologies and markets have enabled the spread of Western news media, entertainment, food, and goods, leading to the ‘Americanization’ of traditional cultures in the developing world and even Europe. The telephone and the Internet have enhanced long-distance communication. An American is now closer than ever to an Indian or a South African halfway around the world. Trade, foreign investment, the spread of multinational corporations, and greater cross-border flows of workers and technology have led to economic interdependence and new levels of wealth.

It is this economic aspect of globalization that is having the greatest impact on people across the world and has received both the most strident criticism and ardent praise. Indeed, economics has driven globalization in all its forms. The Western media, entertainment, clothing, and food and beverage companies that have influenced culture in non-Western societies first expanded beyond their traditional borders because demand, and thus the potential for profits, exists abroad. Many globalization critics have lamented this cultural domination and they believe it has led to a loss of diversity. But on the other hand, some supporters of globalization have argued that the diffusion of western culture and news media has led to more free and open societies. Globalization has also meant the freer movement of people across borders because of better job opportunities, higher salaries, and more stable conditions.

Critics have said this has displaced nationals and increased unemployment, but supporters point to the benefits that the economy and consumers receive from the influx of skilled foreign workers.

The most serious criticisms of globalization are based on the consequences that international trade and foreign investment are having. When a largely self-sufficient economy – i.e. one that produces most of its services, agricultural products, and manufactured goods domestically – begins to trade with another country, **domestic** unemployment temporarily increases. Each country specializes in the production of the goods it can make relatively more cheaply, and abandons the industries that produce goods that may be imported for a lower cost than they can be produced, causing workers in these industries to be laid off. The theory of comparative advantage is a model that shows how international trade leads to economic benefits for both countries in the trade partnership: if different countries specialize in the goods they can produce with relatively fewer costs and resources, they can trade to obtain the other goods, meaning that all countries would be able to consume more of each good than would have been possible without trade. So, while consumers in trading countries benefit from the lower prices and greater choice, workers in certain less productive industries are temporarily hurt when these industries are abandoned. The net effect, however, is positive for the national economies.

The fear of being in the less productive industry that might be abandoned if borders are opened to trade drives many labor unions to strongly oppose globalization. Indeed, one of the largest **constituencies** of the anti-globalization movement is organized labor. But while many who oppose a more liberalized world trading system do so for reasons they believe are just and humanitarian, labor unions tend to oppose trade out of more selfish reasons, at the expense of consumers. This is the origin of the conflict between unions and consumers over world trade. In 1999, large and somewhat violent demonstrations involving labor unions took place in Seattle at the World Trade Organization meetings of world leaders, aimed at negotiating greater trade liberalization.

Labor unions were not the only groups involved at the Seattle protests and other demonstrations since then. Many anti-globalists base their opposition to economic integration for more **altruistic** reasons. They believe that globalization is the cause of several social ills, including poverty, inequality, and environmental degradation (Bhagwati 4). These concerns have some basis in fact. It has been argued by many strident opponents of globalization that investment in developing countries by multinational corporations has resulted in the proliferation of **sweatshops**, exploitation of cheap labor, and poor working conditions. Certainly, there have been cases where workers in developing countries have been abused or used for forced labor. But these cases have been rare since the fall of colonialism and extremely unlikely since the intro-

**domestic** – pertaining to one's home country

**constituency** – a part of a whole, a group with a common outlook

**altruistic** – selfless, humane, believing in acting for others' good

**sweatshops** – a workplace with overworked or underpaid employees, often in crowded or unsafe conditions

duction of corporation laws combating forced labor and abuse.

Another charge that has been made by the opponents of globalization is that multinationals pay relatively low wages to their workers in developing countries. Companies such as Nike have been heavily criticized for opening factories in poor parts of Asia and employing workers for a wage far below what any American or European worker would accept. Conversely, the fact that these factories are providing some jobs and wages means more benefits to these workers and their national economies. Generally, the jobs in these factories are highly competitive and pay more than other domestic workers receive, since the corporations pay more attention to employee satisfaction and desire to have high productivity. The mistake that anti-globalists too often make when criticizing the corporations for paying wages that are low by Western standards is that the only reason the corporations have set up production facilities in the developing world is the low wages themselves. If these corporations had to pay higher wages in poor countries, they would not employ as many people or would move their factories back to the rich world where they do not need to pay high shipping costs and where workers are generally more productive.

Economists see more benefits to **foreign direct investment** by multinationals than just increased employment opportunities in the developing world and cheaper products for consumers. In the process of being employed, the workers gain important skills and increase their productivity, creating **human capital** – an important factor in economic growth. These workers are able to leave their jobs and start their own businesses, or pass on their skills to other workers in society. A related benefit of foreign direct investment is that it often creates the opportunity for the diffusion of technologies to the developing society. For example, Nike may introduce a new type of sewing machine that increases productivity of workers, and the workers that gain knowledge of this may then be able to have the device manufactured and distributed in the developing country, increasing productivity. Human capital and technology transfers are two benefits for developing countries that economists cite when praising foreign direct investment. These benefits of foreign investment, combined with the increased employment and wages that are offered to workers in the developing world, help to stimulate economic development. China, which has been on the receiving end of massive flows of foreign investment in factories and service centers, has undergone a long and extremely rapid period of economic growth and modernization. This has undoubtedly increased the opportunities and livelihoods of the Chinese people immensely.

The part of the anti-globalization movement that bases its opposition to economic liberalization on concerns over the effects of international trade and foreign investment is generally open to discussion and reasoning such as that given above. As evidence of the positive effects

**foreign direct investment-** *The act of a company making a physical investment overseas. An example of this is an American company building a factory in Kenya*

**human capital-** *The labor skills one learns used to produce an economic value*

of trade and investment on development become more obvious, and perhaps with some concessions by developed world governments in adopting more equitable trade policies and holding multinationals more accountable, the more reasonable anti-globalists may come to realize that globalization promotes development and benefits the poor as well as the rich.

However, the more extreme anti-globalists, motivated less by concern as by ideology, will be harder to win over. According to Bhagwati, these people “buy into a linked trilogy of discontents” (Bhagwati 4). Their **ethos** is composed of an anti-capitalist, anti-globalization, and anti-corporation mindset. Such views tend to be linked because globalization is considered to be a result of capitalism, and multinational corporations “are seen as the B-52s of capitalism and its global reach” (Bhagwati 4). It is generally young people with a revolutionary or socialist bent that form this ideological camp. Many young people untrained in economics do not see capitalism as a system that can address questions of social justice. Their empathy for others who are suffering has been intensified by the coverage of global poverty on the internet, in the news media, and on campuses.

The anti-globalization movement is a broad and divided group, with varied demands and clashing motivations. Labor unionists are fearful of losing their jobs with expanded trade because weaker industries tend to be abandoned as countries specialize in the production of goods. Extreme anti-globalists are motivated by anti-capitalist ideology, and tend to be youth with little factual criticism or understanding of economics. Finally, the more moderate and reasonable element of the movement, composed of some NGOs and left-leaning intellectuals, politicians and writers, has some legitimate concerns about the effects of globalization on social issues and the poor.

## **Explanation of the Problem**

The anti-globalization movement is a major concern for the Group of Eight plus Five today. The G8 has been the victim of anti-globalization protests for over a decade, because it is composed of the world’s most powerful and ‘most capitalist’ nations. Its traditional support for pro-trade and pro-investment policies among member nations mean the G8 itself is often targeted as being too capitalist. In addition, the vast majority of the multinational corporations that have been condemned originate in G8 nations, particularly the United States. The war between the G8 and the anti-globalization movement is dominated by several baseless criticisms of the G8 as well as a number of merited concerns that the institution ought to consider addressing.

G8 nations are often criticized for giving their multinationals too much freedom to exploit the natural resources and cheap labor in devel-

**ethos**— *dominant assumptions of a people or period*

oping countries. Some anti-globalists believe this rampant overseas **corporatism** leads to poverty, human rights abuses, environmental degradation, and the over-use of natural resources. The argument that multinationals cause poverty is contrary to fact and reason, since people who choose to work in multinationals do so to earn a wage, and they are often **remunerated** more generously than other workers in developing countries. Also, the idea that multinationals abuse their workers and cause vast environmental damage is, for the most part, outdated, since these companies are held more accountable by governments, civil society groups, and internal ethics review committees. The argument that the rich countries should legislate for higher standards for multinationals abroad may hold some merit, however, as cases of bribery, exploitation, and resource over-use are still being documented.

One plainly false accusation is that the powerful G8 nations use their corporations as tools of imperialism, to gain power in small countries with weak governments. A corporation is run by a Board of Directors, which is elected by shareholders to create value, not to do the bidding of national governments. What is more plausible is the belief that corporations themselves sometimes choose to exert undue influence over weak governments and societies, potentially knocking out local competitors or engaging in corrupt political deals to secure greater profits. While contemporary standards tend to do a good job of preventing this, and most managers of corporations have some knowledge and respect for business ethics, this again could be better monitored by the national governments where corporations originate.

The criticism of the G8 nations that holds perhaps the greatest merit is the concerns of many developing countries about market-distorting trade subsidies. The European Union and United States, among others, heavily subsidize some of their export industries, particularly agricultural industries. This leads to extremely low world prices of agricultural goods, often leaving farmers in developing countries unable to sell their products at a profit. The cycle of poverty is perpetuated and developing economies become reliant on the exports of the rich countries. These market-distorting trade practices have not been resolved in the World Trade Organization's Doha Development Round of trade negotiations, discussed in the Recent Developments section.

Another merited criticism of the G8's policy concerns aid to the developing world. This issue is relevant to globalization because aid flows have increased as the developed world has recognized the economic and geopolitical importance of development assistance and modernization. Critics have said that the G8 does not encourage rich countries to give enough aid, or that the aid they give has too many conditions attached to it that it is unhelpful for development. While conditionality of aid is no longer as common as it used to be, these concerns do have some basis; numerous development economists have written that

**corporatism** – where a society is largely run by corporate organizations rather than a government

**remunerate** – to pay, compensate for labor

too much conditionality of aid can actually overwhelm governments and have negative consequences for development. The aid policies of the developed world have also been criticized as being too strict on governments experiencing fiscal crises and having trouble repaying debt. Lending to poor countries expanded greatly in the past few decades, but the interest payments that must be made on this debt have made downturns deeper and more prolonged. As a result, many people – even pro-globalists – have called on the G8 to agree to forgive more third world debt.

Some anti-globalization activists attack intergovernmental organizations such as the World Bank, International Monetary Fund (IMF), and the World Trade Organization (WTO), which they see variously as imperialist instruments of Western **hegemony**, or organizations with good intentions that have the wrong theories and practices to successfully solve social problems such as poverty and inequality. The latter view is less ideological and more plausible. These intergovernmental institutions, which have their roots in the vision for a more integrated and peaceful post-WWII, are critiqued on the basis that their discipline of economics is too neoliberal, or oriented too closely with free-market principles, ignoring the potential for market failures, and diminishing the economic role of government. Neoliberal economic ideology, associated with the Washington Consensus, has been blamed for several devastating economic busts, such as the Argentine crisis of the 1990s. Such concerns have been addressed to the G8 nations because they have the vast majority of the votes and power in the Bretton Woods and World Trade Organization institutions. However, while these critiques were important several decades ago, they are less relevant now that policy changes that recognize the dangers facing economies that are liberalized too rapidly have been made. The unequal system of voting that is weighted according to economic power and size has also been heavily criticized, and has left the intergovernmental economic institutions open to criticism of being imperialist instruments that serve the interests of the rich world. This idea has some merit. But the voting system also reflects economic reality. Ultimately, it comes down to a philosophical debate over how power in these institutions ought to be allocated.

Clearly, there are some legitimate and reasoned criticisms of the G8's developed nations and their policies. Such criticisms, if not resolved, have the power to shift public opinion further against globalization and the G8. It is in the interests of the G8 to temper these criticisms and feelings, because halting globalization is not a practically or politically feasible option, and nor is it desirable. Globalization has brought huge economic benefits to the rich world and many parts of the developing world. Expanded trade and investment has, on the whole, created jobs in the rich world and led to higher incomes and levels of material wellbeing, as the theory of comparative advantage predicted.

**hegemony** – singular  
authority or control

## Recent Developments

### *The Doha Development Round*

The Doha Development Round of trade negotiations, hosted by the World Trade Organization, has so far failed to solve the issue of agricultural subsidies by the European Union and United States. These subsidies, which amount to hundreds of billions of dollars every year, cause overproduction by European and American farms, greatly depressing world food prices. Most farmers in developing countries are unable to produce food this cheaply, so they cannot sell their produce at a profit, and either have to leave the agricultural industry or live off the food they grow without making significant sales. If the **subsidies** did not exist in the developed world, than the developing world would certainly be able to compete more effectively. Also, this idea of subsidies contradicts the idea of free trade and a *laissez-faire* market system- a major facet of globalization. It has been estimated that hundreds of millions of farmers in the developing world live in extreme poverty today simply because of these subsidies.

**subsidies**—*direct aid given by a government to a private organization*

The Doha Development Round participants, including most countries in the world today, have, in a decade, been unable to form an agreement that ends trade-distorting agricultural subsidies. Despite the subsidies being a huge burden on the taxpayers and budgets of these countries, there has not been a powerful enough political movement to take on the farm lobbies and politicians that perpetuate these direct payments to large domestic farms. As a result, the European Union and United States have refused to end these unnecessary subsidies. But with renewed cooperation between the developed countries and the developing world, such trade-distorting policies could be ended, to the benefit of all parties. A mutually beneficial agreement might be possible if developing countries agree to dismantle the import barriers that many have erected to prevent the influx of Western goods, in return for the removal of the American and European subsidies. If this could be achieved, agriculture in the developing world might become a thriving industry, bringing wealth and enhanced development prospects, while the developed world would be able to export more non-agricultural goods that have never been produced by developing countries.

During the recent G8+5 annual forum held in L'Aquila, Italy, in July 2009, the leaders of these nations agreed to set a deadline for this year to agree to end the offending trade subsidies. The negotiations hit their most recent deadlock in July 2008 because of a row between the United States and India over “special safeguard mechanisms” that limit agricultural trade. The economic crisis took some of the attention away from this crucial issue so the setting of a new deadline is an important step forward. It remains, however, to be seen whether leaders will uphold this commitment, which will enhance globalization and provide for

a fairer and more equitable world trading system that can help the poor world to develop faster.

### *The Recent Global Downturn*

The recent global economic crisis is likely to have ongoing consequences for the progress of globalization. It has made people and governments nervous about financial globalization – the global expansion and integration of capital markets – and increasing world trade. The global downturn was precipitated by the American financial crisis that began in 2008 and spread rapidly throughout the world because of the sheer size of the American economy and its close trade and financial ties with other countries. When the American economy plummeted because of subprime mortgage defaults and a massive loss of confidence, international banks and foreign investors in America were also hit. People in other countries began to lose confidence in their markets and banks, causing the financial turmoil to spread. Now people and governments are more wary of cross-border financial flows, which is in some ways healthy; but such skepticism means there is the potential for people to use financial globalization as a **scapegoat**, creating a desire to erect barriers and reverse the progress made in recent decades.

The American downturn also threatens globalization because of the United States' intimate trade links with the rest of the world, which are being severally strained. Decreasing incomes and demand in America caused imports to fall, impacting export industries in the United States' many trade partners. These countries' falling exports and worries about trade deficits (which occurs when imports exceed exports) induced many to increase their **tariffs** on imports or set quotas to limit the quantity of a good that may be imported. This has led to a world that is more hostile to trade and globalization than before the crisis.

The implication that globalization helped spread the global economic crisis has provided fuel to the anti-globalization movement's fire. There are certainly some measures that the G8 nations ought to consider to limit the propensity for a downturn or financial crisis to spread globally. Greater regulations on global financial markets and capital flows may place some limits on globalization, but these could be beneficial in the long run if they decrease the risk of another deep global economic crisis. Some regulation will also help to satisfy the demands of the anti-globalization movement and other groups who consider the risks associated with free and unmonitored flows of capital to be too great. A strengthening of the World Trade Organization and the commitments of nations to free and open world trade would help to prevent the sudden erection of trade barriers in the event of future global downturns. This is important because these trade barriers are often justified on the basis of fear and generally make such crises deeper.

**scapegoat**—a person or group made to bear the blame for others or to suffer in their place.

**tariffs** – taxes levied on imported goods to generate government revenues or reduce imports

## Focus of Debate

The ‘Group of Eight’ developed nations ‘plus Five’ developing nations must decide how best to respond to the criticism of the anti-globalization movement. Since the movement is broad and divided, with different demands and motivations, it is important to decide which concerns are based on fact and which criticisms are based on ideology rather than fact. The more legitimate and reasoned criticisms of the G8’s policy on globalization, if not resolved, have more power to shift the balance of public opinion against globalization and the G8. The anti-globalization movement’s networks are influential and far-reaching, and if the G8 is too complacent, concerns will grow into hostility towards globalization and the institution.

Intensified anti-globalization and anti-G8 sentiment could lead to a number of serious negative consequences. If the G8 lost credibility, and earned a poor reputation politicians might be hesitant to ratify G8 policy. If antagonism spreads enough, it could lead to the election of anti-globalist politicians and parties, perhaps bringing the end to the globalized era. Policies such as trade and immigration barriers, the breaking up of multinationals, and the rise of nationalist economic and social policies would slow or reverse the integration process and threaten the economic and social gains that have been made.

It is in the interests of the G8 and its five developing member nations to temper these concerns. The focus of the debate will be on what policies the G8 nations can and are willing to change in order to make globalization more favorable and fair and to address the more legitimate concerns of some critics.

## Questions for Policymakers

The G8 must decide how important public support for globalization is, and what policy changes the governments of its member countries can afford in order to make globalization more favorable and fair so that the concerns of critics will be tempered. The advocacy networks of the anti-globalization movement are influential and far-reaching, and with too much **complacency** from the G8, concerns will brew into a deeper and broader hostility towards both globalization and the G8 itself. To avoid such potentially apocalyptic consequences, and to remain relevant and respected as a global institution, the G8+5 nations must strike a balance between the rich world’s globalization agenda and the anti-globalization movement’s social agenda.

**complacency**- *A feeling of security while unaware of potential danger or problems*

## NGO Perspectives

### *Oxfam International*

Oxfam International is a non-governmental organization that works directly with poor and disadvantaged communities to give them the power to influence decision-makers and improve their livelihoods. This means that globalization, which has deep economic and political effects, is an extremely important issue for Oxfam. Because of the complexity of the globalization process, there are numerous issues that concern the organization. Overall, Oxfam is in favor of globalization, because of the benefits it brings in terms of economic development. However, Oxfam is very critical of certain aspects of globalization that, if left unregulated and unmonitored, often result in **inequitable** growth as some groups gather too few of the benefits. As the Oxfam website states, "Trade generates incredible wealth, and links the lives of everyone on the planet. Yet millions of people in poor countries are losing out." Oxfam blames the rules controlling trade, which it claims favor the rich nations that have greater power to set the rules of the international trading system.

**inequitable**- unfair or uneven

Oxfam believes that in a better system, trade rules would be evaluated on the basis of how they share the benefits of world trade, whether they respect and further human rights, and how environmentally sustainable they are. Additionally, Oxfam believes that trade could help millions of poor farmers and workers in low-income countries overcome poverty. Also, the state of human rights in the developing world could be improved if trade the booming trade in weapons could be more tightly regulated. Furthermore, there could be stricter pollution regulations on goods transport and tighter standards on goods that create carbon emissions during the production process. The World Trade Organization, an intergovernmental organization that helps to regulate the international trading system, will need to change if this is to be achieved.

### *The Heritage Foundation*

The Heritage Foundation, a conservative American think-tank, is a strong believer in the power of globalization to spur development and improve economic growth, both in poor and rich countries. International trade, the institution argues, is the most important source of external financing of development. This opinion stems from the classical liberal economic ideology that values free markets and the private sector, and disdains regulation and government intervention. In a world with governments that have fully liberalized their economies, globalization and trade would flourish, and the classical view predicts that this would cause rapid development and strong economic growth throughout the world.

According to The Heritage Foundation, however, industries and companies are protected from competition by tariffs, **quotas**, subsidies, and other barriers to trade, and this regulation means less efficiency and an ultimate loss to consumers. The think-tank's view of trade regulation is expressed in this statement: "While policymakers often justify such protectionism as a means to bolster their domestic economies, these measures are likely to have just the opposite effect." Unfortunately, the institution claims, few leaders are strong and brave enough to withstand protectionist pressures from special interest groups.

**quota**— *the share or proportional part of a total that is required from, or is due or belongs to, a particular state*

The Heritage Foundation is in support of a resolution to the Doha Round of negotiations, arguing that the current international trading system has too many market-distorting policies by governments, particularly subsidies and tariffs, and thus is highly inefficient. In addition, The Heritage Foundation strongly criticizes the TRADE Act, introduced into Congress in June 2009, because it adds more regulatory barriers and requirements into US trade policy. The think-tank also argues that the TRADE Act "... is likely to sound the death knell for the international trade system as a whole", although this may be hyperbole.

#### *The Center for American Progress*

The Center for American Progress, a liberal, **progressive** think-tank, believes in the possible benefits that globalization can bring. The lower costs of transport and of obtaining information that go hand-in-hand with the forces of globalization have increased trade in goods, services, capital and workers. The Center for American Progress believes that these factors have led to faster growth in global output and wealth. However, it argues that greater income inequality has been an unintended consequence of globalization, and disputes the view that "all boats [are] lifted with the rising tide of globalization." Citing the statistic that the average hourly wage for 80 percent of American workers has risen by over a penny since 1973, the Center for American Progress argues that trade has been unbeneficial for less-skilled labor in America, yet has benefited the richer classes greatly, resulting in widening inequality.

**progressive**- *an interest in new ideas*

## **Possible Solutions**

### *Fair Trade*

Many NGOs and civil society groups concerned with the effects of trade on developing economies and poor farmers have put forward the idea of 'fair trade'. For example, fair trade promotes the buying of goods and agricultural products from developing countries at similar prices to what domestic producers would receive, rather than the very low prices that do not allow poor producers to make profits and earn a living. Fair trade, as the name suggests, may help individual farmers,

who are often considered to be victims of trade globalization. However, the higher prices of importing fair trade goods also means that there is likely to be a lower quantity of imports demanded than there would be under the low prices that are realized with free trade. While some companies selling fair trade goods and foods have thrived because of demand from consumers who are concerned about people in developing countries, it is unclear whether such a system of fair trade could be implemented on a greater scale and endorsed and regulated by governments.

### *Better International Regulation*

The World Trade Organization (WTO) regulates the international trading system by formulating and enforcing binding **multilateral** agreements. By promoting freer trade with concrete incentives, it allows its many member states to collectively overcome protectionist policies, which can be a politically tempting strategy but which are generally bad for economies. Because of its governance system, the WTO is largely controlled by its most powerful members, the G8 nations. Therefore, if G8 nations could work more closely with developing countries in the WTO, more equitable global trade rules could be formulated that reduce the negative impacts of globalization. The Doha Development Round will be one step in this direction, if it can be concluded.

**multilateral-** *having many sides*

The International Monetary Fund (IMF), another intergovernmental organization, plays a large role in helping developing countries manage their economies and reap the benefits of globalization rather while avoiding its downsides. Globalization has been marked by massive amounts of foreign investment and sudden changes in trading patterns. The IMF's policy advice can help countries better manage the sometimes volatile flows of investment and goods, and as such can be an important tool for improving globalization. With a governance structure similar to that of the WTO, the IMF is also controlled to a large degree by the G8 nations.

The WTO and IMF are not the only options for improving international regulation to address the more legitimate concerns of the anti-globalization movement. Governments can also take the individual initiative to change their own policies that concern globalization. Multinational corporations can be better regulated by their domestic governments to ensure that foreign investments in the developing world are made in an ethical, sustainable, and environmental way. Trade barriers that serve special interests can be unilaterally eliminated or reduced, regulations that focus on social and environmental issues can be put in place, and inefficient and inequitable subsidies can be phased out. Only some aspects of globalization are much more difficult to control, such as cultural globalization or 'Westernization'.

## Conclusion

Globalization is a complex issue with many aspects – some positive and others negative. In recent decades, it is been a positive force for change overall. But although globalization has much more positive potential, certain groups have been opposing it. Their voices are becoming stronger and are threatening this process and the Group of Eight plus Five. All the members of the G8+5 – both the developed nations and the rapidly industrializing nations – have benefited from globalization. It is important for you, as a leader of a G8+5 nation, to consider how to treat the varied concerns of the anti-globalization movement. Separating concerns that are legitimate from those that are based in blind ideology will require judgment, and creating solutions to these negative consequences of globalization will require cooperation and creativity.

## Guide to Further Research

Because of the complexity of globalization and the difficulty of defining the process, it can be hard to find very specific information. However, a lot of the effects of greater world integration can be observed or read about in the news or even deduced based on common sense. Globalization is also a controversial issue, so it is crucial to consider a range of sources. There are several popular but academically oriented books about globalization, including Jagdish Bhagwati's "In Defense of Globalization", Joseph Stiglitz's "Globalization and its Discontents" and Thomas Friedman's "The World Is Flat". These can be heavy but interesting and useful reading. However, information from websites is also suitable. The World Trade Organization, the International Monetary Fund, and the World Bank all provide have nuanced pro-globalization information. Governments often have some information about their policy as relating to trade, international investment, multinational regulation, and other aspects of globalization. Some other websites not affiliated with governments are critical of globalization. One of the more respectable sources that fits into this category is the Global Policy Forum.

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