

Activities

1. Go over the True/False Quiz (Pages 2 - 3) and the Case Studies (Pages 5 - 6) with your group; if you have more than eight persons, divide into smaller groups. Read *Players in the Globalization Process* (Page 4) for background information.
2. To find out about what the Church has to say about globalization, have your group(s) look over *Globalization - The Basics and the Church's Response* (Pages 7 - 8) and *Globalization - The Church's Perspective* (Page 9).
3. Ask your group(s) to prepare a brief presentation on globalization, with visual aids and any kind of creative or dramatic touches (i.e., a newscast, a human interest story, etc). Have them give their presentations and discuss.
4. Create a prayer service to ask for discernment for world leaders and involvement of all people of good faith so that we may find workable solutions to extreme poverty and so that just world systems and structures may be developed and supported.

Further Resources

The Paper: Read the newspaper regularly! Try to find differing perspectives on world events, and “read between the lines” to analyze what is going on from the perspective of Catholic Social Teaching. Think about how news events affect the poor and vulnerable.

In The News: For help, check our Web site’s “In the News” section for analyses of current news events from the perspective of CST.

EfJ Units: For more about global issues, go through the Education for Justice unit on Debt and the the section on Global Poverty in the Poverty Unit. Look for upcoming units on Trade and Corporate Accountability.

Called to Global Solidarity: International Challenges for U.S. Parishes: Check out this book published by the United States Catholic Conference of Bishops. It includes excellent resources for parishes on globalization.
<http://www.usccb.org>



Activity

TRUE/FALSE QUIZ ON GLOBALIZATION

Directions: Write true or false on the line after each statement about globalization.

1. Global wealth doubled from \$14 trillion to \$28 trillion in one decade. True or false? _____
2. According to the World Bank, this wealth has reduced global poverty. True or false? _____
3. Almost one fourth of the world's population (1.2 billion people) lives on less than \$1 per day, the measure for extreme poverty. True or false? _____
4. Almost 50% of the world's population lives on less than \$2 a day, the measure for poverty. True of false? _____
5. About forty countries today are poorer than they were twenty years ago. True or false? _____
6. The top seven developed countries in the world (called the G-7) have 10% of the world's population and 63% of the wealth. True or false? _____
7. Seventy-five percent of the world's population lives in the 133 nations which are still developing (called the G-77), but these 133 nations combined have only 20% of the wealth. True or false? _____
8. Women suffer harsher consequences in the global economy. Women and their children make up more than 70% of the poorest people on earth. True or false? _____
9. Two-thirds of the 125 million children in the world who do not go to school are girls. True or false? _____
10. Workers have, for the most part, benefited from globalization. True or false? _____
11. In the last two decades, more basic services have been given to private for-profit corporations (privatization) in the U.S. and abroad. True or false? _____



Activity (continued)

TRUE/FALSE QUIZ ON GLOBALIZATION

Answers and Explanations

1. Global wealth doubled from \$14 trillion to \$28 trillion in one decade. **True.**
2. According to the World Bank, this wealth has reduced global poverty. **False.**
In a single day under globalization, poor countries lose nearly \$2 billion due to international trade, 30,000 children die from preventable diseases, and \$60 million drains from poor countries to rich ones through debt payments.
3. Almost one fourth of the world's population (1.2 billion people) lives on less than \$1 per day, the measure for extreme poverty. **True.**
4. Almost 50% of the world's population lives on less than \$2 a day, the measure for poverty. **True.**
5. About forty countries today are poorer than they were twenty years ago. **False.**
Sixty countries are poorer today than twenty years ago.
6. The top seven developed countries in the world (called the G-7) have 10% of the world's population and 63% of the wealth. **True.**
7. Seventy-five percent of the world's population lives in the 133 nations which are still developing (called the G-77), but these 133 nations combined have only 20% of the wealth. **False.**
The G-77 countries have only 15% of the world's wealth, despite the fact that they are home to 75% of the world's people.
8. Women suffer harsher consequences in the global economy. Women and their children make up more than 70% of the poorest people on earth. **True.**
9. Two-thirds of the 125 million children in the world who do not go to school are girls. **True.**
10. Workers have, for the most part, benefited from globalization. **False.**
American CEOs are now paid 517 times as much as their production workers, whose real hourly wages went down 10% over the last 25 years.
11. In the last two decades, more basic services have been given to private for-profit corporations (privatization) in the U.S. and abroad. **True.**



Fact Sheet

GLOBALIZATION - THE PLAYERS

Transnational Corporations:

Large corporations (such as Nike, Hanes, Dole, Exxon, etc.) who have operations around the world. They are not closely regulated by any international body, and, because making a profit is their main responsibility, they often move factories to, or subcontract factories in, nations that offer the lowest wages, environmental standards, taxes, etc. to make the most profit for their shareholders. Of the world's primary economic financial powers (with the largest revenue), 49 are countries—and 51 are corporations.

Investors:

Large banks, investment firms, mutual funds, hedge funds, etc. who “move” money around constantly, buying and selling internationally. They also have little international regulation. (Note: The assets of the world's top 3 billionaires is more than the combined economies of all of the world's least developed countries and their 600 million people.)

World Trade Organization:

The WTO grew out of GATT, the General Agreement on Tariffs and Trade, an international trade agreement which developed at the Bretton Woods Conference after World War II. This conference also created the United Nations, the World Bank and the International Monetary Fund. The WTO develops and enforces trade rules for all member nations; for example, it can decide that certain countries' environmental standards are unfair barriers to trade. Another example is the banana controversy. With the U.S. backing, the WTO recently ruled that the European Union could not give a preference to buying bananas from its former colonies in the Caribbean. However, the small farmers in those islands can not compete with the lower prices of large corporations (Chiquita, Dole, etc.) who mainly operate in Latin America. Thus the Caribbean farmers are not selling their bananas, are losing their land and livelihood, and their families are falling into poverty.

World Bank:

The World Bank makes loans for development purposes (roads, power plants, etc.) to developing countries to move people out of poverty and into self-sufficiency. When poor

countries fall behind in loan payments (they cannot seek bankruptcy protection like corporations such as Enron can), the Bank makes additional loans that dictate the poor country's economic system so it can pay back the growing interest. These structural adjustment policies (SAPs) have meant countries in Africa, for example, have had to cut back funding for health care, education, and social services. People in these counties must now grow food for export to pay off loans rather than for feeding their own people.

International Monetary Fund (IMF):

The IMF's mission is to maintain financial stability throughout the world. The IMF provides “bailouts” to save economies in severe trouble. It also lends money to developing countries and sets SAPs. The IMF, like the World Bank, is funded by developed countries, who control much of the decision-making, but it also receives millions every year from poor countries paying part of their ever-growing interest.

U.S. Treasury Department:

Because of its economic power and financial input, the U.S. controls 17 % of the World Bank and IMF decision-making power, giving it a larger share of power than any other country in decisions. It also plays a dominant role in the WTO. Many of its decisions in these bodies are shaped by the U.S. Treasury Department, which handles financial and currency matters for the U.S. Government. The current director, Paul O'Neill, was the head of a multinational corporation, Alcoa, before joining the Bush Administration.

NGO's:

Non-governmental organizations (NGOs) are a wide range of non-profit groups representing different communities and segments of civil society (citizens as opposed to governmental officials). They include large organizations such as Oxfam and the Sierra Club; faith-based groups such as the Center of Concern and the Maryknoll Office for Global Concerns; and community groups such as the Council of Neighborhood Women (Brooklyn, NY). Such groups are increasingly working together through growing networks to bring positive change and economic justice to people in poverty and without power.



Case Study

GLOBALIZATION: THE MIGRATION OF WORK AND WORKERS

Mexican wages along the border with the U.S. fell from \$0.97 per hour in 1990 to \$0.71 per hour in 1998. NAFTA took effect January 1, 1994 (Mexican National Population Council). The price of a basic food basket increased 370% from 1994 to 2000 (Mexican Association for Studies in Defense of the Consumer).

By Kristi Denny, Oxfam

The Tennessee Industrial Renewal Network, TIRN, was formed in 1989 to respond to a huge wave of plant closings throughout the state. Most of these plants moved out of the U.S. seeking lower wages and taxes, a less organized workforce, and weaker environmental regulations. Since 1994, provisions of the North American Free Trade Agreement, NAFTA, have encouraged employers to benefit from these circumstances in Mexico.

Since 1991, TIRN has led groups of displaced workers on visits to their former plants, seeking understanding and cross-border collaboration with Mexican workers. Oxfam supports these exchanges as part of a wider effort to build citizen coalitions that can organize and voice their objections to policies that negatively impact the poor.

Working class wages in Mexico have fallen at least 30 percent in real terms since NAFTA was implemented, and a million Mexican farmers, who can't compete with U.S. grain imports, have been driven off their land. Subsidized U.S. agribusiness can grow corn and grain below production costs and then dump their produce on Mexican (and other) markets at prices below market value. Another million Mexican workers have lost their jobs in small and medium sized industries that cannot compete with transnational corporations.

Workers from Tennessee visiting their contemporaries in Mexico find that they are all victims of agreements that are negotiated by financial institutions with no accountability to the people affected by their rules. While NAFTA trade has forced farmers off their land in Mexico, more than 400,000 U.S. workers have lost their jobs in NAFTA-related plant closings. The U.S. has also lost more than 33,000 small farms that cannot compete with subsidized agribusiness any better than Mexican farmers.

Most displaced Mexicans have little choice but to immigrate. While men leave in search of work, women, children, and elders find work in maquilas or sell trinkets to tourists. Children work beside their mothers, spend the day with their grandparents, or fend for themselves on the

streets. The work is monotonous and mentally and physically stressful. A worker from Puebla said, "We don't want to be this cheap labor that our president offers to companies on a silver platter. We are human. We have families. The wages that we make are just enough to live a really bad life."

Workers still live in cardboard shacks constructed around maquilas as long as 30 years ago because they do not benefit from the wealth generated by their labor. Another worker told us, "NAFTA's changes in our labor laws will soon enable employers to pay hourly wages instead of regular salaries, with little or no benefits. These are conditions laid out by the International Monetary Fund and multi-national institutions that make more money through this squeeze on workers."

Free trade as set forth by NAFTA and the proposed Free Trade Area of the Americas (FTAA) agreement is organized to advance the interests of large corporations and financial institutions. As workers and poorer communities in all countries come together and gain understanding about how these agreements damage their lives and their families' futures, they will be able to advocate for changes that will protect their rights. Alfredo Dominguez, President of the Authentic Worker's Front, a non-governmental labor organization, said "For us the only good thing that NAFTA brought was the relationships with North American workers. We now have many good friends that we didn't have before."

Discussion Questions

1. Is TIRN working in the spirit of Catholic Social Teaching? Discuss which aspects of Catholic Social Teaching are related to this situation, such as Dignity of the Human Person, Option for the Poor and Vulnerable, and the Rights of Workers.
2. If workers are not benefiting from NAFTA, why and how did it pass through legislatures and win approval?



Case Study

CENTRAL AMERICA: YOUTH GANGS - A PRODUCT OF CULTURAL GLOBALIZATION

San Jose, 14 Jan (IPS/Nefer Munoz) — The violence unleashed by hundreds of thousands of members of youth gangs or “maras” in Central America is a source of alarm for political leaders and civil society organizations, which have failed to come up with effective solutions to curb the growing phenomenon. Social scientists report that Central America’s maras are branches of gangs in the U.S.—a combined effect of globalization and the poverty and social marginalization that reign in this region.

“Gangs in the region are a variation on transnational organizations” and involve hundreds of thousands of young people ranging in age from 12 to 35, Nicaraguan philosophy professor Jose Luis Rocha declared. Rocha works at the private Central American University (UCA), an institution that has studied the emergence and activities of youth gangs in the countries where they have shown the greatest growth. The largest, most active gangs are found in El Salvador and Guatemala, followed by Honduras and Nicaragua.

The researchers point out that the youth gangs, known in Central America as “maras,” are highly organized and heavily armed, and are both victim and victimizer.

The phenomenon was imported from the U.S. city of Los Angeles, California, especially from two large gangs that have brought their methods of violent crime, initiation rites and behavior patterns to Central America. Mara 18 and Mara 13 take their names from two streets in Los Angeles, where they first emerged. “Most of the ‘mareros’ or gang-members are 18 to 25, but some members are almost kids, while others are older,” said Rocha, who along with a team of social scientists at the UCA prepared a study titled “Maras and Gang-Members in Central America.”

Rocha noted that Mara 13 and Mara 18 have taken root in Central America as a phenomenon linked to migration, mainly fed by poor youngsters who have voluntarily returned from or who have been deported from the U.S. Many of them have brought to Central America the customs of the Los Angeles gangs, such as tattoos, rap music, baggy clothing and their own unique vocabulary and way of speaking.

“This is simply one clear illustration of the globalization process,” said Rocha, who explained that the gang-members were not common criminals but stole or attacked out of a hunger to “be someone,” and to be taken into account by a society that has excluded them. He cited studies sponsored by the UN Development Programme (UNDP), which show that Central America is one of the regions with the greatest socio-economic disparities in the world. At least 50% of Central America’s 36 million people live in poverty. Non-governmental organizations point out that society’s strong animosity towards youth gangs has merely fuelled the violence, while few attempts have been made to understand the underlying causes of the phenomenon and come up with solutions.

Many of Central America’s mareros are youngsters who have dropped out of school and who have found no opportunities in the labor market. “For many of them, it is easier to learn to kill than to learn to write,” said the activist. “The mareros have been demonized in Central America,” said sociologist Juan Jose Soza. “But the truth is that when you get close to them, you discover that they are just youngsters like any others, with their own dreams, sorrows and ambitions.” Some experts say the maras are the heirs to the culture of violence left behind in Central America by the armed conflicts of the 1970s and 1980s, and point out that their violent activities are facilitated by the large number of small arms available on the black market. “The maras use violence as a form of life and as a way of gaining social visibility,” Salvadoran psychologist Maria Salvador declared.

Discussion Questions

1. Why has the migration of poor people become a widespread problem?
2. How are the gangs in Central America a “form of a transnational organization?”
3. What do the professionals believe is necessary to deal with the problem of gangs?



Fact Sheet

GLOBALIZATION—THE BASICS & THE CHURCH’S RESPONSE

Globalization is in danger of becoming a swearword, the target of protests from Prague to Seattle. What is all the fuss about? How does globalization violate the principles of Catholic Social Teaching?

Interconnectedness

Globalization means interconnectedness. The world is interconnected by new technologies of communication, by the constant movement of money (capital), and by a global marketplace that makes the boundaries of nations less significant than ever before.

“Globalization requires a new culture, new rules, and new institutions at the world level . . . the more global the market, the more it must be balanced by a global culture of solidarity that is attentive to the needs of the weakest.”

John Paul II, May 1, 2001.

“The Church’s doctrine teaches that economic growth must be integrated with high values . . . [and] therefore fair, stable, respectful of cultural and social individuality, as well as ecologically sustainable.”

John Paul II, May 17, 2001.

Inequality of Benefits

While some have profited greatly from the new global marketplace, many others have fallen deeper into poverty, as the gap between the rich and the poor continues to widen, in the U.S. and around the world.

“The Church expresses profound concern that our world is divided by the tragic fault line between those who can benefit from the opportunities of globalization and those who are cut off from them . . . This requires leadership by those nations whose religious and cultural traditions should make them most attentive to the moral issues involved. Respect for human dignity and belief in the dignity of all the members of the human family demand policies aimed at enabling all peoples to have access to the means to improve their life.”

John Paul II, Statement to George Bush, July, 2002.

The Digital Divide

While technology can enhance human well-being, unequal access to technology threatens the common good and the lives of billions of impoverished peoples who live on less than \$2 day.

“May the great gifts of technology be used for the promotion of the human dignity of all.”

John Paul II, December, 2001.

Workers’ Rights

Workers in the U.S. and other countries have become more vulnerable as industries constantly seek a cheaper work-force and devise ways to use less workers in producing goods.

“Workers must not become tools, nor slaves of production, but rather actors in their own development . . . globalization must never violate the dignity of the human person.”

John Paul II, May, 2000.

Increased Migration

Unemployment and poverty in many poor countries has led to a flood of migrants within and among countries.

“The ultimate resolution of the problem of forced migration and illegal immigration lies in changing the conditions that drive persons from their country of origin . . . and fostering economic development in those countries.”

U.S. Catholic Bishops, November, 2000.

Destruction of the Environment

Increased production of consumer goods threatens the environment as more resources are used up and pollution continues to be a major problem.



Fact Sheet (continued)

GLOBALIZATION—THE BASICS & THE CHURCH’S RESPONSE

“Environmental protection needs to go hand in hand with globalization, and corporations should be made to answer for actions that damage human health or the natural environment around the world.”

Archbishop Diarmuid Martin, Vatican Permanent Observer to the United Nations.

Weakening National Sovereignty

Because of international trade policies, the conditions set by the World Bank and IMF on developing countries, and the practices of multinational companies, there has been a weakening of local and national communities, with many national governments no longer able to protect the common good of their societies.

“Globalization must not be a new version of colonialism.”

John Paul II, April, 2001.

“Under free trade, the strong compete with the weak, the developed with the underdeveloped. International cooperation and regulation are needed to protect the weak and vulnerable countries, to allow participation of states and citizens at all levels, so there is a truly democratic and equitable process”

The Catholic Bishops Conference of England and Wales, 1997.

The Feminization of Poverty

Women around the world, who usually have the responsibility for family well-being and household work, are also workers who have been particularly affected by low wages and poor working conditions. This has led to their exploitation as enslaved workers in the growing global sex trafficking market.

“The feminization of poverty is a major problem in the world.”

Caritas Report, Vatican City, February 2002.

“As an expression of her mission, the Church must stand firmly against all forms of discrimination and abuse of women.”

John Paul II.

“The UN Fourth World Conference’s Platform for Action’s sections on the needs of women in poverty, on ending violence to women, on education, employment and development coincide with the Church’s own mission.”

Kathryn Hauwa Hoomkwap on behalf of the Holy See Delegation to the UN’s 23rd Special Session, June, 2000.



Fact Sheet

GLOBALIZATION - THE CHURCH'S PERSPECTIVE

The tradition of Catholic Social Teaching can help shape just social structures. Catholic Social Teaching does this by ethical principles drawn from the gospel and from the wisdom forged by reasoned reflection on human experience.

Some of the most basic of these principles which address the challenges of globalization are:

First, the dignity of the human person, created in the image and likeness of God, is the central goal and governing norm for all economic and political structures, policies, and activities.

Second, this dignity can be realized only in community and solidarity with others in sustainable development that cares for the natural environment. When emergent forms of globalization support and enhance the dignity and quality of human lives in vital communities, they help realize what God has created humans to be: men and women destined for lives of justice and solidarity with one another. Forms of globalization that threaten human dignity, undermine community, exacerbate gender or racial inequalities, or destroy the integrity of the natural world are contrary to this intent of God. They are forms of what Pope John Paul II has called social sin.

Third, this implies that participation by all is an essential touchstone for assessing the justice of the emergent patterns of the global marketplace. If globalization is to help realize the hope of a more universal community of

persons around the world, its success must be measured by the degree to which persons actively participate as decision-makers in the new institutions being created. Where persons are left out or marginalized by these institutions, injustice is being done, and these institutions must be challenged and reconfigured.

Fourth, where such injustice is in fact occurring, those who are poor, marginalized, or powerless have the single most urgent claim on our concern and practical action.

Fifth, the practical realization of this vision calls for the development of global institutions that are respectful of small and intermediate-sized communities following the principle of subsidiarity. Global economic institutions must support national and local economies, not destroy or undermine them. Similarly, cooperative and democratically international political institutions, other regional institutions of cooperation, and effective national governments are needed to ensure that markets serve people.

Social Responsibility in the Age of Globalization

