

Life and debt response assignment

Business



Life and Debt Response Paper Taylor Sun 9/29/2011 St. John's University

Globalization has been a controversial topic for decades followed by the industrialization. The debate of whether it is positive or negative for the human race has caused much divergence, consequently leading to vast conflicts between different cultures, nations, and peoples. Although globalization brought convenience to the lives of a few on a daily basis in the industrialized countries, it also brought about world power monopolies controlling the trade system, exploitation of workers in developing countries, and victimizing the societies that are unable to self sustain.

In the 21st century, signs of globalization are everywhere, in both industrialized and developing countries. When you take a sip into that freshly picked coconut brought home from a local supermarket, do you think of the farmers in Malaysia that had grown the tree, the Japanese operated shipping company that had flown the cargo to the United States, or the American manufacture company that had packaged the delicious fruit, and had delivered it to the supermarket near you for your convenience?

Or, every time you get ready and put on your brand new sneakers that you had just purchased from a department store; do you think of the shoelaces made in Mexico, sowed together in the sweatshops in China, and the British founded brand that designed your sneakers? My guess is no. We as the privileged ones do not recognize these traces of globalization anymore in our everyday lives, because we are so accustomed to the way of life made possible by globalization.

However, the less fortunate ones in the other parts of the world struggle everyday to make ends meet without enjoying the benefits of globalization, but rather they are the majority that are sacrificed in the process of making the lives of a few effortless and comfortable. Before viewing the film “ Life and Debt,” like most people, I had never really thought about the pros and cons of globalization either, but after watching this documentary, I was stunned at how globalization can affect people’s lives in such a negative way.

In the film, large corporations and organizations such as the World Trade Organization and the World Bank act as antagonists for the Jamaican economy and its people. Take World Bank for example: idealistically, debt assistance would be given to the low profits countries by the World Bank. It is countries like Jamaica that the World Bank should have a fundamental position to engage in recreation by working with governments, and guaranteeing a strong authority and control. If these programs are not carried out, attracting overseas and domestic investment would be more complicated and difficult; therefore, globalization would descend on itself.

But is that really the case? According to the documentary, Jamaica currently owes more than \$4. 5 billion to the IMF, the World Bank, the Inter-American Development Bank, and many other leading loan companies in the world. The significant advance that these loans have set out to accomplish has not yet, and probably never would deliver its purpose. In the film, the World Bank has been portrayed as a deceiving and misleading world power, dominating the world economy with almost absolute control.

Because Jamaica needed the loan so urgently from the lending agencies, that the agencies were able to negotiate a “ mutually beneficial” relationship with the Jamaican government. Jamaica had no choice but to settle and come to terms with the new deal that the World Bank has offered. The deal was of high interest, too high of an interest to be paid off by just relying on the Jamaican economy’s exchanges. It is also of low wages for workers in hope to increase the employment rate, too low of wages to make ends meet for these workers.

This almost forces the Jamaican government to turn to foreign trades to barely attain its income. This situation also gave opportunities to the large companies to exploit the workers with less than minimum wages. If the people are in poverty struggling to put food on the table, how can there be peace and prosperity? Poverty and violence almost always come in pairs. Efficient legal systems and a healthy financial system are crucial to the success of a nation and its economy. If Jamaica doesn’t get out of the debt crisis somehow, it can never advance into a prosperous nation.

The World Trade Organization plays another key role in this phenomenon that is not only taking place in Jamaica, but also occurring in many other countries in development. It has almost become a global government in the sense of regulating the entire world’s trading systems, controlling the wealth travelling in and out of countries. In order for the Jamaicans to change this system of invisible power over their now independent country, Jamaica must earn the majority of the vote in the World Trade Organization to gain permission to alter the balance of the trading system.

The majority of the votes are held in European nations whom are benefiting from the devastating situation of the Jamaicans. The percentage of votes each country hold are determined by the impact and size of its economy. The United States being the largest economy in the world holds as many as 17% of entire world's votes, making it the single largest vote holder. Japan comes in second, followed by Germany being third. This is going to be a never ending cycle that the Jamaicans won't ever be able to get out of without some kind of policy change or outside assistance.

With this situation, Jamaica became a nation forever cast in the shadows of debt. Without denying its contributions, globalization has brought the world better access to goods that were not even imaginable before its existence. It brought competition to the market therefore decreasing the price for consumers. It gave numerous opportunities for business to flourish and brought wealth and prosperity to many nations. It is the beginning form of a new world order for humanity to progress and advance as a single subject. As we all know, no plan is perfect. In the process of executing this ideal of globalization, many nations are sabotaged as well.

Poverty, violence, corruption, unemployment, large disparity between the rich and poor, and underdevelopment of education and health care systems are the defects of globalization just to name a few. Although injustice and inequality almost come hand in hand with the practice of globalization, but can we really abolish it at once? From a morality stand point, globalization is no different from owning slaves in the sense of forcing less privileged people from developing countries to work for large monopolies, with disproportionate wages for the workers in contrast to the profit that these

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companies generate. But I believe from the standpoint of the advancement of the human civilization, globalization is inevitable. Without globalization, the human race cannot advance as a whole; therefore, slowing down the development process of humanity. We might not think of this matter this way, but globalization has only been in the existence of the entire human history for a very brief period; thus, the structure of this global system has not yet fully organized itself to prevent any defects in its practice.

A perfect example is the more micro Chinese economy in terms of the macro globalization. As we all know, China has been one of the fastest growing countries in terms of finance and economy. There were many loopholes within the government regulations for businesses in comparison to already developed nations such as the United States and Great Britain in the past years, providing opportunities to cheat the system; resulting in a generation of overnight millionaires. With the realization of this situation, there have been changes made to prevent this from happening any further.

If one nation is able to adapt and adjust its system to improved and recover from the flaws, why can't the World Trade Organization change its ways to come up with a better arrangement and structure to eliminate the injustice and immoralities? Globalization has brought many things to the table for everyone, both negative and positive. We human beings need to focus more on the macro result of globalization rather than the relatively micro side effects of this phenomenon.

I believe with the passing of time and the recognition and understanding of the issues of this matter, we will be able to modify and progress our ways to

recover and prevent future occurrences of the problems we face today.

Globalization will not always be what we know of it in today's society. In

time, it will eliminate its flaws and achieve its ultimate goal of uniting people

of different backgrounds, cultures, and nations into one group of people

working towards a better tomorrow.