The dialogue on globalization

Summary by William D. Murray, study group chairman

A major role of the CIBERs entails bringing people from business disciplines together with those from other specialties, particularly language and cultural, to examine issues beyond those of the usual economic problems faced in the course of business in the U.S. Since its first award the University of Colorado CIBER has supported business-language education, research and course development that brings business-related items into the scope of non-business faculty, and travel by business faculty to study business and cultures in other countries.

As part of this activity CIBER supported development by Political Science Prof. Joel Edelstein of a two-semester course sequence in political economics that examined and compared the economics of “rich countries and poor countries”. Since the interaction between Political Science and Business faculty yielded benefits to programs in both disciplines this support was expanded to support Prof. Edelstein’s attendance at gatherings of the developing anti-globalization movement to determine what issues were being uncovered. This led to further interest by CIBER in the specifics of globalization as it became a major topic of investigation and discussion.

This report summarizes CIBER activities on globalization issues. Part A, “A Dialogue on Globalization”, covers a study by faculty from different disciplines, results of which were extended and carried to other projects. Part B contains summaries of the discussion papers presented by participants in the dialogue. Outcomes and extensions of the dialogue are summarized in Part C, while the Appendix is an annotated bibliography of material reviewed in the study.

A. A DIALOGUE ON GLOBALIZATION

1. Background

The disturbances led by opponents to “globalization” at the meetings of the World Trade Organization (WTO) in Seattle in 1999 (and in subsequent meetings of almost all international institutions that in any way relate to trade) focused on the bad side of globalization. Too often the response of the business community had been to ignore the complaints against globalization as being just the cries of radicals. At the same time governments of many developed countries and most multi-lateral institutions involved in trade issues had been defending past actions and positions rather than identifying and responding to real issues. The net effect was a set of monologues (at varying levels of intensity) that contributed little to the solution of problems. In the spring of 2001 the University of Colorado CIBER decided that an attempt should be made to establish a real dialogue on problems and issues related to globalization and the globalization study was initiated.

An objective of the study was to identify how American businesses can respond to any real globalization problems and to use information gained to promote long-term growth and profitability of their international operations. It was founded on the premise that firms have a strong self interest in creating and supporting business climates and business environments that lead to better products at lower cost, that tap the creative capabilities of populations outside the United States, and that help to develop future customers. A specific objective was to determine where business education and training could help promote those interests.

A group of interested faculty members from different disciplines and with different perspectives agreed to review and discuss the issues raised by opponents of globalization. A fundamental idea was that such issues can be discussed and views can be exchanged in open discussion among people who respect and will listen to others’ views. Identification and articulation of real problems that can be addressed and responded to was more important than finding agreement on “solutions” to problems that often have no simple solutions.
The dialogue on globalization

Summary by William D. Murray, study group chairman

2. Study Group Members

Over the two-year period that the group held meetings there was some change in its composition, depending on the issues being addressed. Except for attendance only on some specific issue the study-group members were:

- College of Liberal Arts and Sciences:
  - Department of Anthropology: James Igoe.
  - Department of Political Science: Joel Edelstein, Christoph Stefes and Stephen Thomas.
- Graduate School of Public Affairs: Peter DeLeon, Christine Martell, M.Jae Moon and Jorge Rivera.
- The Business School: Herman Aguinis, Kang Rae Cho, E. Woodrow Eckard, Chen Ji and John Ruhnka.
- Institute for International Business (CIBER): William Murray and Donald Stevens

3. What is “Globalization”?

The group heard and read many descriptions of globalization used by opponents and proponents, including:

- A plan by multi-national enterprises (MNEs) to gain monopoly power and profit at the expense of workers?
- A move by American companies to undermine other cultures?
- “International economic integration, allowing people to pursue their own goals”? (The “liberal view” as expressed in The Economist, “Globalisation and its Critics, a survey of globalisation”, Sept.29, 2001)
- “An increase in the extent to which individuals and institutions transact or exchange with others based in nation states other than their own, or otherwise influence them through their economic and social behaviour”? (Centre for Economic Policy Research Paper No. 8, commissioned by the European Commission Group of Policy Advisors, June 2002).
- “A process leading to conditions of real competition in the global market”? (Paolo Savona, in Review of Economic Conditions in Italy, 2000, No.1, Banca di Roma)

Rather than taking time to agree on a definition the study group devoted its energies to examination of issues that have been raised by proponents and opponents independent of what of what they define as “globalization”.

4. Objections to Globalization and some Related Questions

If we set aside the more vocal edge of the anti-globalization movement that opposes all forms of economic growth we can find serious concerns about the excesses that can result from unfettered expression of market economics. These are the concerns that should be examined and responded to. Joel Edelstein outlined these for the study group as “essentially four main overlapping areas of concern”:
The dialogue on globalization

Summary by William D. Murray, study group chairman

1. Direct impacts of increased mobility on employment and wages and on the relative power of trade unions and governments in relation to transnational corporations,

2. The tendency of treaties and organizations that govern the movement of capital, goods and labor to transfer to barely accountable bodies the power of government to act in furtherance of the wishes of citizens,

3. Constraints imposed by policies enforced by the “Bretton Woods” institutions (World Bank and International Monetary Fund) on the abilities of national governments to further the economic and social development of their societies, and

4. Issues arising from large differences in resources available to actors in the market. Within the four major economic concerns are many details that can be examined for cause, effect, and correction, if needed.

Beyond the economic issues, concern has been voiced about the effects of globalization on cultures around the world. Most often this concern is aimed at American companies like McDonalds and Wall-Mart and it is difficult to determine if the effect on culture is as important an issue as is the economic competition from these companies. For example, is Wall-Mart different from the local “big box” stores and supermarkets in France and Germany? If McDonalds is a cultural eyesore in Verona, why is it so popular with the Veronese (this author’s experience)?

When looking at changes that have taken place in the economies and cultures of societies it is necessary to consider causes of the changes. It was important to separate what is due to globalization from that which results from other factors, such as technology, corrupt practices, government activities and cultural issues within societies. Which problems are due to what causes?

One finds a large number of organizations and agencies promoting or opposing globalization, in almost all cases for the “benefit” of the people of developing and/or developed countries. This raises the question of who is to decide what is best for the people concerned. Do all governments speak for all their people? Have the multi-lateral organizations that support global trade and the various NGOs that oppose it polled the populations of the underdeveloped countries, asking specific questions to determine the needs and the desires of people?

Many of the specific issues that arise in the debate give the appearance that globalization is a “zero-sum game”. For example, many labor leaders in developed countries assume that low-level jobs lost in their countries cannot be replaced. Much of the protectionism in developed and developing countries presumes that imports cause a net loss to the population of the protectors. History has shown that it is possible to conduct commerce and to have interaction among different populations and cultures to the benefit of all. How can we conduct “globalization” with benefits to all participants? A major part of this question is the issue of short-term support of those who are economically disadvantaged during a transition.

Whenever capitalism (or any other economic system) has been carried to an extreme that caused a net loss for a population or resulted in major hardships for significant parts of that population corrections have been made to the system. Some corrections have been made through laws and regulation by government with agreement or endorsement of the people. Unfortunately, too many corrections have come with major political upheavals. What are the effects of democracy and freedom on globalization issues and what are the effects of globalization on democracy and freedom?

In considering the current status of globalization and its effects, what can be learned from careful examination of the histories of some countries that have undergone significant change in the past 50
The dialogue on globalization

Summary by William D. Murray, study group chairman

years? China, India and South Korea are obvious candidates for study, but Ireland and Portugal also provide interesting and different examples.

An examination of the late 1990s Asian financial crisis, its causes and effects, and the recoveries made by different countries can be useful in finding improved approaches to capital controls under a variety of conditions. Should alternatives to the so-called "one-size fits all" approach of the World Bank and the International Monetary Fund (IMF) be considered?

5. Meetings of the Study Group

The group held meetings from June 2001 through September 2003. The setting was informal with emphasis on discussion rather than presentation of and questions on “positions”. The interaction demonstrated that reasonable people can conduct serious discussions of a topic that has so many diametrically opposed views.

A set of papers used by Prof. Edelstein in a political science course was distributed to the study group to provide background for the discussions. These consisted of a concise review of the background of the debate and of the arguments for and against globalization, a summary of the argument that increased global trade has not provided the benefits claimed by the IMF and the World Bank, and reports in the press (both popular newspapers and specialized periodicals) that outlined various ideas of proponents and opponents. Several times during the study papers that identified new ideas or modified views on the debate were distributed to the group. At the study group meetings one or more members might distribute data or “position papers” for review by group members. These are summarized in Part B of this report.

The meetings started with a review of the primary objective: to identify real problems that could be addressed by the various “players” and to uncover ways to address the problems, with particular attention to what U.S. companies can and should do in their long-term best interests. The initial discussions allowed the members to identify their views based on information they had heard or read and to raise questions on the views of other members. The group decided that it would be best to address specific sub-issues in order to not get stuck on broad issues that are not amenable to specific solutions.

Prof. Edelstein succinctly and clearly explained the major objections to globalization (stated in Section 4 above and summarized in more detail in Part B). Joseph Stiglitz, a Nobel laureate and former chief economist of the World Bank, has written a book, “Globalization and its Discontents”, that supports many of these views. The Appendix contains references to this book, two reviews that summarize and comment on the book, and a more recent paper by Stiglitz.

Subsequent discussion focused on questions about the data and the objections raised by opponents. What are the specifics of growing inequality? Has globalization really resulted in increased poverty? (A paper by Sala-i-Martin, summarized in the Appendix, sheds more light on these issues.)

Do WTO, IMF and World Bank policies really reward large corporations over small enterprises? Who do these super-national organizations really represent and who controls them? In the case of many developing countries is the problem too much or too little globalization? Do the developed countries restrict growth of trade by developing countries by imposing protectionism against the only products that the latter group can export? (At least one opponent of globalization (Oxfam) has come out for true free trade to aid developing countries and has been criticized sharply by other opposing groups. A summary of the Oxfam report and some responses is included in the Appendix.)

What are the power relationships among MNEs and countries? Can MNEs exploit their mobility (if they have such) to work against governments? Are most companies driven by short-term profits and what is the relationship to globalization? Have MNEs exploited third-world workers and, if so, have corrections...
The dialogue on globalization

Summary by William D. Murray, study group chairman

taken place? What are examples of how MNEs destroy cultures or the environment and are there counter-examples?

Isn't a large cause of problems the inefficiency of and/or corruption in many governments in the developing world and in some former Soviet Union countries? Lack of freedom and absence of a free press help governments to move in directions different from the best interests of their people.

What specific data can we find about benefits of and problems with globalization? Can we examine current problems and develop corrections based on experiences and methods used by successful “globalizers”? Both South Korea and China have been successful in developing as global economic powers and a look at some details of their successes and problems can lead to some generalization of “principles and practices” useful to both developing economies and developing companies.

Experiences of globalization problems should not focus only on economic issues for countries and companies. As in any aspect of human experience there can be unforeseen consequences of what initially looks like a plan for economic success. It is difficult to foresee some of these consequences to parts of a population or culture and when problems develop despite sound planning there needs to be a mechanism for correction, which from a political standpoint often is difficult to accomplish.

Just as the private-sector view (Business), the government perspective (Public Affairs) and long-term cultural experience (Political Science and Anthropology) are important (while difficult) to bring together to solve broad problems in the usual academic environment, they equally must be considered in practical solution of economic problems in countries as they develop. For example, in an environment where the private and public sectors are widely separated, and often at odds, applying methods of one sector to the other can be very useful. This is particularly true in financing development.

The review above demonstrates the breadth of discussion topics that can illuminate deliberation on such a broad issue as “globalization”. Interaction on such a broad topic was an especially useful experience for the participants.

6. Working Toward Solutions

Despite the very large differences in viewpoints among the members of the study group, members agreed that there are real social and economic problems in the world. The members did not agree on causes of these problems, or even on whether the problems are getting better or worse. Unfortunately, valid data can be found to support almost every viewpoint on these issues. The study group concluded that specific smaller issues, rather than the broad question of whether “globalization” is good or bad, must be addressed if any problems are to be solved.

It could be fruitful to investigate what are the root causes of the social and economic problems that exist. How much is caused by globalization (or by lack of globalization)? How much results from unfair (or biased) globalization, where the benefits flow only to the developed world? What part of the problems result from continuing advances in technology or the inability of people in developing countries to take advantage of advances in technology? How does the absence of freedom and of democracy in such a large part of the developing world keep people from obtaining potential economic and social benefits? How have greed and self-interest on the part of business or government leaders resulted in distortions of the normal economic laws, not only in global business but in the U.S. economy as well? While these are interesting and important questions, obtaining valid answers probably goes beyond the capabilities of the study group (but some issues are being pursued by individual members).

A positive approach to addressing the topic entails identifying a set of objectives for globalization and determining how various policies and practices can contribute to those objectives. A part of this approach is the identification of limits and constraints placed by the very nature of the participants on the parties.
The dialogue on globalization

Summary by William D. Murray, study group chairman

The assumption that each participant wants to support long-term economic and social benefits for all participants will open the investigation to ideas for cooperative and participative activities and away from actions that lead to confrontation among the parties.

A first step might be to identify how increases in global commerce can meet the objectives of all the participants. It is difficult to specify the specific objectives of all people in the developed and the developing countries, but general aims of all people can be assumed. These certainly include improvements in economic status to allow for acquisition of goods, but at a more fundamental level to a large part of the world’s population are freedom from hunger and illness, perhaps followed by freedom to pursue their own interests and to associate with others of similar interests. Since commerce is largely centered on economic items its benefits should be used in the solution of the fundamental problems related to poverty as well as for economic improvements for those who are not at the lowest levels.

To move ahead the basic objectives of the various actors should be determined:

- Objectives of global businesses: (short-term solution of current problems, but long-term growth in revenues and profits; differences among types of business; benefits to all “stakeholders”)

- Objectives of local businesses (including “cottage industries”) in host countries: (suppliers, competitors, businesses operating independently from MNEs) (short-term solution of current problems, but long-term growth in revenues and profits; differences among business types; benefits to all “stakeholders”.) I.e., while profits and revenues might be in different forms, the same objectives as those of global businesses.

- Objectives of governments of host and home countries of global businesses: (democracies, benevolent autocracies, self-serving autocracies). (We should ignore goals of governments that are not working toward benefit of populations, except to identify where commerce might influence those governments to do otherwise.)

With the diversity of objectives where do we find congruence of interests? For example, global companies need customers and suppliers, suppliers need customers and global companies can be customers for local businesses, governments need tax income to support long and short-term social benefits for their populations, global companies can provide job-specific training for workers.

In order to obtain long-term success in global ventures American companies should endeavor to be “good citizens” in every country in which they have operations. Since the social benefits received by workers vary from country to country, some of the activities they support economically in the U.S. (ex. retirement programs, health benefits) are provided by governments of other countries (and indirectly by companies through payment of taxes). In other countries the company must provide a large part of social benefits in order to maintain a productive workforce and must provide a higher degree of training when government-sponsored education is limited. This does not mean that companies must provide U.S.-level pay scales (which might cause significant social problems in a country that has much lower scales). However, it is in the long-term benefit of a company to establish pay at a level that will cause workers to remain employed to reduce turnover and the associated increases in training costs and associated lower productivity (wages competitive with similar industries in the country or region). Several U.S. companies participate in the ”Global Reporting Initiative“ (www.globalreporting.org), an international public/private sector activity that develops and disseminates “globally applicable sustainability reporting guidelines for voluntary use by organizations reporting on the economic, environmental and social dimensions of their activities…”

The developed countries can assist economic development of the underdeveloped and developing by undertaking “fair free trade”. There remain many too many barriers to increased trade by countries whose main products are related to agriculture or textiles. Tariffs, regulations, and economic support of their own
The dialogue on globalization

Summary by William D. Murray, study group chairman

agricultural and textile industries by OECD countries make it difficult for large and small producers in other parts of the world to develop and export their products. Similar support and restrictions on major industrial products (particularly steel) mainly interfere with free “intra-OECD” trade, but are less damaging to the economically developing world.

Major barriers to the economic progress of developing countries result from actions of the governments of many such countries. Absence of democracy and freedom (particularly of a free press) make it difficult for the views of the people regarding trade and economic progress to be heard. Even well meaning autocracies establish a top-down view of what is good for the populations and many autocracies place their wishes and needs ahead of those of their people. Where autocracy does not squelch progress, in many cases bureaucracy does, imposing rules and regulations that inhibit local entrepreneurship, investment, development and free trade. Often the rules are claimed to be for the good of the population, but too often it benefits only the growth of the bureaucracy. In too many cases regulations breed corruption. Governments of developing countries, abetted by funds received from tax payments by companies, must place greater emphasis on development of human resources and on social programs that assist those who are negatively affected by increases in trade (and by advances in technology). Open partnerships between host governments and MNEs can assist in these ends.

International organizations, such as the U.N., the World Bank, the IMF, and regional trade associations, in order to gain support of the developing countries, must pay more attention to social issues and the effects of economics on societies and cultures. Fortunately much progress is being made along these lines. Recent activities of the World Bank and the IMF direct much more attention to reduction of poverty as a goal of international commerce. These include the “Poverty Net” activity and the new World Bank handbook of guidelines to assist countries to obtain financial support from the Bank. (The handbook, a paper by David Dollar, and a policy research report by the Bank staff are referenced in the Appendix.) The Centre for Economic Policy Research has made recommendations (see The Appendix) to the European Commission that trade policy reflect the needs of populations of the less developed countries. Poverty issues have been raised in continued discussions among the NAFTA countries and with those who have expressed an interest in joining NAFTA.

Groups that oppose globalization should work with the organizations that are trying to make globalization a benefit to the developing world. Too often opponents have narrow views of “the problem” and make no effort to identify solutions to specific problems. An example is found in papers by the Center for Economics and Policy Research, one of which is referred to in the Appendix. (This is not the similar-sounding Centre that is identified in the previous paragraph.) It is much easier to rally against those who have been successful (perhaps with the idea that “if we take it all away from them we’ll all be equal”). Slogans such as “people ahead of profits” reflect a total misunderstanding of how profit in private enterprise drives growth and can benefit all participants. Even among the opposing groups there are very few common objectives. When Oxfam (an organization dedicated to reducing poverty) recommended removing trade barriers to goods of developing countries (see the reference to “Rigged Rules and Double Standards” in the Appendix) outspoken members of other groups implied that Oxfam is undermining the common objective. It would be more useful if others would follow Oxfam’s lead in proposing ways that technological advances and economic progress can benefit the poor around the world.

One criticism of approaches the IMF and World Bank have used to work on investment and trade issues, and particularly to meet economic crises, is that these agencies employ a “one-size-fits-all” approach. By this, critics claim that all countries are assumed to have the same needs and the same problems. While many supporters of global trade dismiss the criticism as being just negativism, the paper by Sala-I-Martin referred to in the Appendix offers data showing that there are large differences in poverty levels and in economic inequality among countries. Other studies cover differences in governance, regulation, corruption, freedom, economic opportunity for individuals, and other factors that affect development and well being among countries. While the studies have different objectives, the fact that there are differences suggest that needs (and, to business people, opportunities) should be addressed separately by country,
The dialogue on globalization

Summary by William D. Murray, study group chairman

or at least by groups of similar countries. The paper by Prahalad and Hammond referenced to in the Appendix describes an example of how this might be useful.

7. Conclusions (Where do we go from here?)

The first answer to this question was another question: Is there anywhere for this study group to go? Has the topic already been over-studied? If the group continues to meet what value can it add to understanding issues and /or solving problems? Are there specific smaller topics within the general subject that can be interesting for us to address? Perhaps there are a few cases studies that can be undertaken to obtain a better understanding of specific issues. Is the group equipped to develop “specifications” for a corporate good global citizen that might be useful to American companies?

The group felt that it was time to expand beyond the activities of this small study group. The information gathered and the views expressed could be the basis for faculty/student seminars in individual disciplines or as multi-disciplinary activities. Material covered could be assembled and offered to faculty members for use in courses or research. For example, Prof. Manuel Serapio developed a course in the Business School’s MSIB program using much of the material the group accumulated and used study group members and outside speakers to present views on the subject. (The syllabus for the course is referenced in Part C of this report.) CIBER could sponsor outside speakers for classes or seminars on these globalization issues and can provide funding for single- or multi-disciplinary courses and seminars.

This report and the Annotated Bibliography contained in the Appendix have been assembled to provide information for other CIBERs and for other schools who wish to undertake similar activities. We hope that the report will help and encourage projects like the one described that bring together faculty (and students) of different disciplines to examine in detail a complex and important topic that crosses the usual academic boundaries. The University of Colorado participants in this study all benefited in the effort and continue to cooperate on other projects.

B. DISCUSSION PAPER SUMMARIES

This Part of the report contains a summary of the presentations, discussion papers and research reports that were delivered by the participants during the study.

A. Joel Edelstein of Political Science outlined the objections raised by the main body of the anti-globalization movement. The critics generally accept the inevitability (for many the desirability) on increased mobility of capital, goods and labor. This main body wants the market to be employed to benefit not just a few, but most, people by use of regulation, planning or changing the characteristics of the actors. There are four overlapping areas of concern:

• The impacts of mobility of trans-national corporations on employment, wages, and positions of trade unions and governments. Competition causes companies and industries to rise and fall causing dislocations and regional recessions. This leads to lower wages in high-wage areas and weakens the link between productivity and wages. Demand management loses its effectiveness.

• The tendencies of treaties and the organizations that govern the movement of capital, goods and labor to transfer to barely accountable bodies the powers of government, limiting governments’ abilities to act in furtherance of the wishes of their citizens. This leads to a liberal trade and investment regime under which most forms of regulation (ex. labor rights and environmental quality) are prohibited or at least weakened by the ability of the WTO to impose fines and sanctions. Substantive democracy is weakened.
The dialogue on globalization

Summary by William D. Murray, study group chairman

- Constraints on the ability of national governments to further the economic and social development of their societies. These are imposed by "Washington consensus" policies enforced by the "Bretton Woods" institutions (World Bank and IMF). This approach emphasizes growth at almost any cost with the assumption of "trickle-down" benefits to populations. It denies to states the capacity to protect themselves from large-scale rapid capital movement.

- Issues arising from large differences in resources available to some actors in the market. Larger and more powerful enterprises prevail, resulting in loss of social and political features of society of interest to citizens.

B. John Ruhnka (Business School) provided a summary of criticisms of and arguments for globalization, taken from references and readings distributed to the group. Among the criticisms not specifically included in Prof Edelstein’s summary are:

- Underdeveloped countries must suppress labor and environmental concerns to attract foreign direct investment. Thus they are restricted from introducing the freedoms and social guarantees of the advanced countries. Since problems of growth and income distribution are set aside there is a tendency for the average level of world civilization to decline.

- Globalization perpetuates a disconnect between the will of the ruling elite and that of the population in some countries, reinforcing anti-democratic governance and poverty and ignorance of a large body of people. Even in a democracy national governments are forced to make decisions on free trade and foreign investment without properly considering effects on the poorest of their people. Economic efficiency can become the sole standard of social protection.

- U.N. figures reveal that the number of people in absolute poverty grew from 1 billion in 1993 to 1.2 billion in 1998, showing that globalization has failed. (See Weisbrot and Baker reference in the Appendix.) However, note that when population growth is considered there has been a decline in the proportion of people in absolute poverty in every major area of the world except in countries of the former Soviet Union and those in sub-Saharan Africa. (See the papers by David Dollar and by the Centre for Economic Policy Research in the Appendix.)

- The benefits of globalization are (and will be) uneven. The National Intelligence Council report “Global Trends 2015” (www.cia.gov/reports/globaltrends2015) predicts that most of Africa, much of the Middle East, Eastern Europe, South, central and Southeast Asia, and South America can be left far behind wealthier and more technologically advanced countries by 2015. Many causes beyond global trade are discussed in the report.

Arguments for globalization include:

- No matter what the arguments about income distribution, income first must be created. Research shows that countries that embrace globalization have a much better record of creating wealth than those that do not. (See, for example, the references to papers by David Dollar, Sala-I-Martin and the World Bank in the Appendix.)

- Foreign Direct Investment is a critical component of globalization and FDI connects industries and countries to the most advanced competitors who can establish productive facilities within national economies. This leads to increased trade since products are produced wherever they find greatest economic efficiency. (Recall Adam Smith.) Poorer countries gain investment capital and advanced technologies.

Balanced opinions included:
The dialogue on globalization

Summary by William D. Murray, study group chairman

- Globalization and economic growth cannot by themselves overcome many of the root causes of poverty (such as overpopulation, war, corruption, illiteracy, lawlessness, disease and oppression of the poor), but economic growth can build the economic environment for addressing many of the other problems.

- Paolo Savona (See reference in the Appendix.) stated that a global market cannot be created simply with agreements for the free circulation of goods, services and capital plus unabridged speculative activity in the monetary realm. They must be accompanied by the management of distortions to competition, not only social abuses but also the failure to control the monetary aggregates and unbridled play of foreign exchange transactions.

C. Woodrow Eckard of Business questioned the data that has been used by opponents to claim that globalization has caused an increase in economic inequality. He presented some charts on U.S. pre-tax household-income distribution taken from Bureau of Census data. The income does not include “in-kind” income. The chart below summarizes household-income growth measured at four periods, two each from peak-to-peak and trough-to-peak:

Reasons for the apparent small increase in household income at the lower level have been identified as import substitution for domestically-made products, the increased values placed on education as technology drives the economy, immigration at the lower-education levels, and deregulation in transportation and telecommunications. Questions included the effects of lower levels of unionization, distinctions between capital and labor income, and the relationship of the data to globalization as opposed to advancing technology.

Prof. Eckard also questioned whether there is as much corporate influence on U.S. government policy as has been claimed by some. He presented data on the distribution of Political Action Committees and their contributions for the fiscal year 2000, as reported by the Federal Election commission. This data showed contributions of $61 million by 1281 corporate PACs, $34 million by 209 labor PACs, and $46 million by 607 PACs categorized as Trade/Membership/Health. Of the ten largest contributions, the top contributor was a professional group, Assn. Of Trial Lawyers, the 2nd, 3rd, 6th & 9th were from Labor, the 4th was identified as Other, the 5th, 7th & 8th were Trade associations, and the 10th was Corporate.

At a separate meeting Eckard presented his views that there is a close correlation between government autocracy and poverty. He proposed that autocratic rulers, who establish their own “rules of the game” that help them retain power and also inhibit productive economic activity, caused the widening income disparity exhibited in many under-developed countries. Globalization threatens these rulers because international economic players create pressures for rule of law and a reduction in central control of economic activity. Autocratic third-world political systems represent a key challenge to western free-market democracies hoping for an integrated world economy. Prof. Eckard has written a paper on this topic. (See reference in Part C, Section 1.)

D. M. Jae Moon of Public Affairs provided some background on economic growth in South Korea. In all, the quality of life, as well as the economic health of most people has been raised by South Korea’s participation in global markets. He provided data on growth rates of per-capita gross domestic products and investment ratios for several Asian countries from 1960 through 2000.

Prof. Moon also reviewed the effects of the Asian financial crisis from 1997 through 1998 on South Korea and several Southeast Asian countries. The crisis started with the floating of the Thai baht in July 1997, followed by sharp economic declines in that country as well as Indonesia, Malaysia, Indonesia, South Korea and the Philippines. A lesser decline was felt by Japan, Hong Kong and Taiwan, while China was little affected. He noted that from 1999-2000 South Korea and Malaysia returned to more normal GDP growth while Indonesia and the Philippines recovered more slowly. The following chart identifies the...
The dialogue on globalization

Summary by William D. Murray, study group chairman

changes in per-capita GDPs and investment ratios in 1998 and in consumer-price indices and stock-market prices from 1997 through 2000 in these countries:

E. Stephen Thomas (Political Science), using examples from past and recent history of the U.S. and of China, provided a historical perspective on economic and trade issues. He pointed out that there is now a reaction against excessive growth of wealth, as has occurred many times in the past. When economic distortions have become too large, in the view of a significant part of the population, corrections have been made. Examples in U.S. history include the growth of labor unions to respond to oppressive working conditions, the introduction of anti-trust laws to deal with excessive economic power of companies and associations, and the formation of the Securities and Exchange Commission to oversee the securities industry and its practices. Current globalization issues should be viewed in this historical framework.

China’s experience with “globalization” from 1800 to 1949 was that of a country having had militarily enforced unequal treaties imposed on it. As a result of the treaties China was unable to capitalize on the benefits of foreign trade, as Japan was able to do from the 1870s to 1939. Most of the benefits accrued to foreigners, who controlled a large percent of the industrializing economy. This (and most of what China had learned about benefits of free trade) was abruptly terminated in 1949 when Mao and his supporters declared the People’s Republic of China. China became isolated, but even without knowledge of western technologies its economy grew at about 5%/year for 30 years.

Subsequent to 1980 China’s development has been a mix of neo-mercantilism (like post-WWII Japan) and the centrally micro-managed and regulated economy of the Soviet Union. The success (until 1998) of Taiwan, Singapore, Hong Kong and South Korea demonstrated the benefits of an export-led economy. Deng Xiaoping and his successors moved toward a market-driven economy, believing that capitalist-style markets could be harnessed for socialist goals and benefits. This appears to allow the centuries-old Chinese cultural patterns and free-enterprise spirit to expand to lead to an economy that is less than 10% centrally planned.

Western (and Japanese) companies and governments interact with a China that is the world’s 4th-largest producer (see “Burying the Competition”, Far Eastern economic Review, Oct.17, 2002), able to provide products of good quality at low cost, and at the same time is a potential market of 1.4 billion people whose economic level (and demand for products) is growing at a larger rate than the economy itself. This is a large problem or a major opportunity, depending on your viewpoint. Thomas and Chen Ji (who offers the perspective of a person raised in China, having seen first-hand the economic changes of the 1980s) were able to present a broad and balance picture of the present and expected future Chinese economy. They have co-authored several articles in the China Business Daily on the developing financial institutions in China. (See Part C, Section 1.)

F. In all the discussions Christine Martell from Public Affairs was most bothered by the effect of globalization on cultures. She was concerned that MNEs, particularly American MNEs, with support from the policies of the IMF and the World Bank, have the economic power to impose their values on the cultures of developing countries without the agreement of the people. She finds globalization inseparable from development, with the real question, “whose development?” A precursor to a successful partnership (including partnerships for successful long-term economic interaction) requires that a host country be able to identify its own needs and work to meet these needs. This requires that there be citizen participation in governance and a strengthening of local governments. Availability of temporary economic “safety nets” and more permanent support to help through cultural shifts are an important aspect of successful partnerships. These factors in successful partnership should be supported by MNEs.

At another meeting Prof. Martell outlined research she has undertaken on financing municipal development in developing countries. Her examples were taken from Brazil, where private-enterprise methods were examined as an alternative to municipal bonds that are readily available to municipalities in
The dialogue on globalization

Summary by William D. Murray, study group chairman

this country. She is extending her study to comparisons of credit markets for municipalities in Poland, Indonesia, Philippines, South Africa and Mexico. This topic was interesting to Business School faculty who are more familiar with private-sector funding.

G. William Murray (Institute for International Business), who admits to the biases of a former executive in a successful global company, argued that it is in the best interest of MNEs (and of all American companies) to focus on the long-term. Businesses engage in global activities for any of several reasons: acquisition of natural and human resources, expansion of markets to new customers, lower cost manufacturing, and (most generally) participation in the economies of many countries to benefit from diversities of customer interests, of employee knowledge, education and skills, of product development, manufacturing and shipping cost, and of economic trends. His own experience was with a company that had the last (most general) objectives.

Prof. Murray’s response to the four basic concerns about globalization was: With regard to the impact of increased mobility on employment and wages, this appears to be less a problem of globalization than that of competition and of technology. There always are pressures to maintain a well-trained workforce that can adapt to new technologies and competitive pressures, and an associated obligation of companies to provide opportunities for training to meet the challenges. Regarding powers transferred to “barely accountable bodies” (World Bank and IMF), multi-lateral agreements appear to be superior to a larger quantity of bilateral trade agreements. The former type appear to be more amenable to modification to meet the needs of more people, less susceptible to narrow-interest uneconomic features, and more adaptable to fair “refereeing” (as by the World Trade Organization).

On the concern about constraints on national governments to work for their people, countries are free to opt out of multi-lateral agreements. Most that do so appear to do it for narrower reasons than the general welfare of their people. “Issues arising from differences available to actors in the market” appears to be less a problem with actors who are free to compete and use their skills (within certain “rules of the game” designed to promote openness and fairness to all participants). A role of multi-lateral institutions, associations, and governments is to formulate and monitor the rules to see that the game is benefiting all the players.

Murray proposed that it is not too much, but too little globalization that is the problem. Most successful MNEs benefit from clear and fair rules. It is the unsuccessful ones who try to benefit from restrictive and protective rules and laws. To have long-term success MNEs must be “good citizens” wherever they operate. Fair competition increases the benefits to employees, countries, customers and the companies themselves

g. One approach to examining globalization issues is to focus on outcomes, particularly to determine if globalization is supporting desired outcomes. Kang Rae Cho of Business commented that it is important to determine the impacts on people and societies, but there are different views on measuring “impact’. The free-market view is to identify the forces that result in increases or decreases of benefits to society. A “radicalist” approach would look at the distribution of benefits, for example, to owners vs. workers. A nationalist viewpoint will compare what is with the expectations, while a more idealistic approach would compare what is with what could have been. This demonstrates the difficulty of coming to agreement on the merits of and problems with globalization. Cho identified a symposium on the various views of globalization that had been sponsored by the Academy of International Business. An overview appears in “Introduction to the Symposium: Multinationals, the Janus Face of Globalization”, Journal of International Business Studies, vol.32, no.3, Sept. 2001, pp383-400.

At another session of the study group Prof. Cho presented a concise overview of the cultural and economic history of Korea, with emphasis on relations with its Asian neighbors. He followed that introduction with a discussion of the recent political and economic experience of South Korea and the factors that led to its rapid economic growth. Some of the political issues it faces at the present time result
The dialogue on globalization

Summary by William D. Murray, study group chairman

from lack of understanding by the U.S. of the views Koreans had on some of the people selected for leadership roles after WWII and the split of Korea.

H. Public Affairs’ Jorge Rivera presented the results of research he had been conducting on ecological performance of hotel companies in Costa Rica. He correlated ecological performance, using parameters established by the Costa Rican government, with the nationality of ownership and of management. While the data available so far did not provide conclusive “evidence”, it did show that American-owned hotel companies and, independently, hotels managed by American companies paid significantly more attention to ecological issues than those owned and managed by others. Perhaps this is due to the attention American companies devote to desires of their customers. Many international visitors to Costa Rica (the main customers of the hotels) go there because of the many ecologically significant sites.

I. The relationship between globalization and poverty was the topic of research being undertaken by Courtney Essary, a student in the Graduate School of Public Affairs. She presented the results of this research, addressing the question, “Does globalization help to decrease poverty levels or make the situation worse?” to the study group. Current literature shows great disagreement on this. Ms. Essary performed statistical analyses to determine how postulated measures of globalization (foreign direct investment, trade as a percent of gross domestic product, the percent of populations that have telephone lines, and per capita number of internet-service hosts) relate to poverty measurements (per capita gross national product, gross domestic product growth rate, Gini coefficient, infant mortality rate, female illiteracy and male illiteracy).

Her model was run for Bangladesh, China, Ghana, India, Indonesia, Mexico and Uganda. The results indicated that increased globalization has a positive relationship (that is, a decrease) to mortality and illiteracy. No significant relationship was shown between globalization and GNP, GDP growth rates or income inequality. The conclusions of the study pointed to the need to add social protections and investments in health and education for the poor to allow globalization’s benefits to result in more reductions in world poverty. There are many factors involved in the overall poverty problem. Solutions must address all factors in the form found in each developing country. Globalization should not be a substitute for development strategy, but a tool to complement it.

j. James Igoe from Anthropology presented an example of unforeseen consequences of what initially was to be a means to promote economic progress for a developing country (in this case, Tanzania). He has been studying the effects of national parks on economies, cultures, and well being of people in developed and developing countries. For Tanzania, a national park was expected to improve the national economy in a way that would be ecologically friendly. The abundance of African wildlife and the natural beauty of the park would greatly expand tourism, bringing foreign exchange to a country with imports that exceed exports by about 75%. In 1999 receipts from tourism made up a little more than the net import-export shortfall.

The unforeseen circumstance was the effect on a significant part of the agriculture-oriented population. Draining apparently useless swamplands for park use upset the balance of arable land, water sources and cattle-grazing areas, and the cycle of land use that permitted the land to be self-sustaining. This is a classic example of the need for consideration of all aspects of a population’s economic and cultural activities in development planning. (Recent publications on this subject by Prof. Igoe are referenced in Part C, section 1.)

K. The complexity of the globalization topic and its interacting issues make it difficult to find “answers” based on data available. The Business School’s Herman Aguinis recommending applying the tools of meta-analysis to determine the effects of many variables on others. Meta-analysis is used extensively in epidemiological studies and other applications where there are a number of independent studies that are difficult to tie together. Prof. Aguinis described the method and showed how it can be used to form a basis for correlation of results of many individual studies.
The dialogue on globalization

Summary by William D. Murray, study group chairman

L. The research of Cristoph Stefes of Political Science has focused on difficulties in development of representative governments and democratic institutions in countries that have a history of authoritarian rule. Recently he has been studying the effects of changes in government structures in several countries that formerly were part of the Soviet Union. Georgia, Armenia and Azerbaijan all have had difficulty introducing democracy and the associated benefits for their people. The legacy of corruption, including bribery, graft, extortion, nepotism and embezzlement, that were common under Soviet rule is difficult to break.

Prof. Stefes outlined Georgia’s attempts to introduce democracy and free enterprise following the rise to political power of a young and reformist elite. He described the need to introduce a rule of law that allows a free economy to develop and compared the experience of Georgia with the other two countries. The economic penalties of a restrictive system and the measures needed to break the cycle of corruption were emphasized. A paper on this topic by Stefes is reference in Part C, Section 1 of this report.

C. OUTPUTS AND EXTENSIONS OF THE DIALOGUE ON GLOBALIZATION

This part of the report summarizes some outputs of the globalization study and some extensions to other CIBER activities. Most of these outputs and extensions continue to develop into further extensions. To a large extent the globalization topic has become a major “theme” for the CIBER project. On most cases the summaries here include references or links to find further details on the activity described.

1. Research Studies: While many of the study topics have become part of the research agenda of the participants, there are several that specifically are related to material presented by study participants. Inquiries on any of this research can be directed to the faculty member directly at University of Colorado, Denver, CO 80217-3364.

   • The research of Woodrow Eckard, Professor of Finance in The Business School, is focused on business economics. In a recent paper he addressed an issue of corrupt leadership in developing countries and the negative affects on economic growth that result: E. Woodrow Eckard, “Are Autocratic Rulers Also Inside Traders? Some Cross Country Evidence”, Economic Inquiry, v.43, n. 1, 2005.

   • Prof. Stephen Thomas of Political Science for several years has teamed with Sr. Instr. Chen Ji of The Business School in studies of the development of financial institutions in China. The latest is: Chen Ji and Stephen Thomas, “China’s Bond Market Matures, Slowly”, China Business Review, v. 32, n. 1, Jan-Feb 2005. Several articles on other aspects of the financial institutions (banking, stocks) have appeared in earlier editions of CBR.

   • The effects of advances in technology and other forms of “modernization” on people in developing countries are the subjects of research by Prof. James Igoe of Anthropology. Recently he co-edited a book, Igoe, J. and T. Kelsall, eds, Between a Rock and a Hard Place: African NGOs, Donors, and the State, Durham, NC, Carolina Academic Press. A paper, “Convergence and Conflict between Global Indigenism and Global Environmentalism: a multi-scaled analysis of ecology, equity, and ethnicity” is forthcoming in Globalizations, Routledge, Taylor and Francis Group, UK.

   • Development of democracy and economic growth in countries that had been under authoritarian rule is the topic of the research of Prof. Christoph Stefes of Political Science. The results of some of his investigations of progress of some former Soviet states will appear as “Clash of Institutions: Clientele and Corruption vs. Rule of Law”; by Christoph H. Stefes in The Rule of Law in the
The dialogue on globalization

Summary by William D. Murray, study group chairman


2. Courses: Topics related to globalization have been introduced into courses in several disciplines. The following are examples of courses that address the specific issues that were covered in the globalization study.

- INTB 6800 (Special Topic Seminar initiated by Prof. Manuel Serapio) Dialogues on Globalization. While knowledge of economic globalization topics is essential to the education of future international-business managers, globalization is a broader concept than economic globalization. Politics, business, trade, finance, culture, labor relations, environment, population, conflict and other issues are parts of globalization. This seminar addresses these inter-related issues, using readings, guest lecturers, and team projects.

- ANTH 4070/5070 Culture and Development of Globalization. Anthropological critiques of development and globalization point out that they have occurred without regard for the diversity of human culture and human need. Beginning with this analysis, this course goes a step further by examining culture and values of development, and how they affect the way development gets done.

- PSC 5026 and 5036 Global Political Economy I, Rich Countries and II, Poor Countries. This two-seminar seminar explores the implications of the growing integration of the global economy. Changes in organization of production, distribution, and services that result in association with rapid technological change are considered. In the first semester affects on the United States, compared with Japan, Germany and Sweden are covered. The second semester focuses on newly industrialized Asian countries, poor Latin American countries, and extremely poor non-industrialized societies.

- P AD 6600 International Development and Intersectoral Service Provisions. A seminar on roles, responsibilities, opportunities and constraints of the private, public, and nonprofit sectors in economic and social development in developing and transitional countries. Topics addressed include globalization, public and private partnerships, business strategies, corporate-NGO partnerships, and governance.

- Study Abroad, International Business and Political Science: A Window on China. For the past few years Prof. Stephen Thomas (Political Science) and Sr. Instr. Chen Ji (Business) have led groups of students on two-week intensive field studies in Beijing, Nanjing, Suzhou and Shanghai. The studies include seminars with American and Chinese experts on political, economic and business issues and visits to foreign-invested companies, as well as historical and cultural sites.

- Two faculty members have led study-abroad programs related to global health in Asia. In several two- to three-week courses led by Prof. Blair Gifford (Business/Health Administration) students learned about health problems, health delivery and health management in China, Thailand and Viet Nam. Prof. Craig Janes of Health and Behavioral Science took students to Mongolia for an 8-week summer study on global health issues. In addition, students saw opportunities for research-internship placement with NGOs and clinics operated by the Mongolian government. The course was partially funded by the Fulbright Foundation.

3. Global Forum: Issues of globalization became topics of parts or all of several meetings of the Global Forum, held twice a year and attended by executives of companies heavily involved in international business and their guests. Experts in current topics on global issues make presentations and lead discussions. Issues of the Global Forum reports can be accessed XXXXXXXX.
The dialogue on globalization

Summary by William D. Murray, study group chairman

- At the November 2002 meeting Ambassador Gail Schoettler gave a briefing on “The Politics of Globalization” and students from the seminar “Dialogues on Globalization” reported on the results of their team studies on issues they had examined during the course. Three members of the Global Advisory Board offered “Business Perspectives on Globalization”. A panel consisting of Richard H. Bard, Deputy Chair, Federal Reserve Bank of Kansas City, Peter Widmer, former Chairman, Julius Baer Investment Management, Zurich, Switzerland, and Raul DeGouvea Neto, Associate Professor of international business at the University of New Mexico reviewed the economies and the related politics of the U.S.A, Europe and Latin America. Llewellyn D. Howell, Senior Research Fellow at the University of Hawaii spoke on “Business Strategy and Political Risk” and Domingo F. Cavallo, former Minister of Economy for Argentina covered “The Future Path of Argentina and Latin America”.

- The May 2003 Forum was devoted to issues of “political uncertainty in the post-Iraq era”. Speakers at the meeting included Eric Schwartz, Senior Fellow, Peace and Conflict, Council on Foreign Relations and director of a Council task force on post-conflict Iraq, the report of which was published before the conflict began. Daniel Brumberg of the Carnegie Endowment’s Democracy and the Rule of Law project, and Associate Professor at Georgetown University, spoke of the relationships between the Palestine/Israeli conflict and the fate of Iraq. Gianni Picco, CEO, GDP Associates Inc. and long-time United Nations Official spoke of Iraq and oil, which cannot be separated. The three speakers were joined by Peter Widmer, former Chairman, Julius Baer Investment Management, in a panel discussion of global impacts of post-conflict Iraq.

- “The global economy under siege” was the topic of the December 2003 Forum. At the meeting Marvin Weinbaum, Professor Emeritus, University of Illinois and former analyst in the U.S. Department of State’s Bureau of Intelligence and Research, gave an overview of Pakistan. Daniel Brumberg (who was a speaker at the May 2003 Forum) reviewed the politics of democracy in the Middle East. Together they looked at Iran and the forces that shape its interests. Chris Thomson, Chairman of the Board, Gold Field, Ltd. and chairman of the World Gold Council, covered a health topic that can have great impact on further development, “AIDS in South Africa”. There was a panel discussion of globalization with Weinbaum, Brumberg joined by Peter Widmer (Julius Baer Investments, see May and Dec 2003 above). Peter Widmer led a discussion of the expanding European Union, with summaries of issues and expectations of Hungary and the Slovak Republic as they enter the E.U. by Eugene F. Megyesy, Counsel General of Hungary and Gregory J. Fasing, Honorary Council, Slovak Republic.

- In the summer of 2004 the Global Executive Forum included a trip to visit “a new face of Europe” as the European Union (and N.A.T.O.) have expanded. Attendees spent time in the Czech Republic, Slovenia, Slovakia and Austria to obtain briefings from government, business, law and university representatives. They also heard from Radio Free Europe executives and held a meeting at O.P.E.C. headquarters with key officials of the organization that influences 40% of the world’s oil production and ¾ of its oil reserves. This forum report includes comments on what the members learned from the meetings and what might be expected in the future.

4. Educating for Success in the Global Economy: A CU Faculty Workshop: In September 2003 faculty of many disciplines from all the campuses in the CU system met to discuss ideas on how we might work together to better educate our students. The very successful workshop brought together more than fifty faculty to discuss a challenging set of questions. After hearing from panels and speakers the gathering was divided into small working groups. Summaries of some of the more important ideas are:

- How to better educate our students:
The dialogue on globalization

Summary by William D. Murray, study group chairman

- We should work together on all campuses to cultivate authentic teaching and participatory learning, inspiring and exciting students toward life-long study and involvement in their own learning.

- We should cultivate an understanding among the entire faculty of the needs of citizens who live and work in the 21st century global environment, such as the needs skills in critical thinking, problem solving, negotiation, cultural understanding, listening, leadership, and ethical behavior.

- We must assure concrete literacy, for the sake of students and their capacity for competence as future leaders and for the sake of the community to benefit from the leadership.

- We must shape curricula to include basic communication skills for competence and leadership in society in the 21st century global environment.

- For success in the global environment it is essential that graduates have mastered working expertise in one or more foreign languages, not only for the language skills themselves, but also for understanding the associated cultures.

- **Joint-degree programs:**
  - The Joint BA (Spanish & Portuguese-Boulder)/MSIB (Denver) have been successful. Students have graduated and received good jobs in their areas of interest.
  - The German language department is interested in participating in the joint program. Departments of International Affairs, East Asian Studies and Religious Studies have expressed interest.
  - Methods for implementation of additions to the joint programs were examined.
  - A similar joint program is a part of a new International Studies degree at Denver.

5. **Overseas Faculty Development programs:** Training programs for faculty in international business and related disciplines have been conducted by the CIBERs since the start of the CIBER activity. (See Faculty Development on the CIBER home page.) A unique Faculty Development in International Business (FDIB) in China was cosponsored with other CIBER schools.

- In January 2004 Managing Director Donald Stevens and Sr. Instructor Chen Ji of the Business School led a group of faculty members from U.S. schools of business on an FDIB program in China. The FDIB was cosponsored by the CIBERs from the following universities: Brigham Young, Duke, Colorado, Connecticut, Florida, Hawaii, Illinois, Kansas, South Carolina, Southern California and Wisconsin. For a two-week period faculty visited the Yangtse Delta (Suzhou and Shanghai) and the Pearl River Delta (Guangzhou and Shenzhen) to see first-hand the rapidly developing economies of those areas of China.

- The China FDIB was repeated in January 2005. Attendees included the two associate deans and two leading professors from the University of Colorado at Denver. After the experience the Colorado members led an Economic Club of Colorado and two International Executive Roundtable meetings (see section below) to offer other faculty members and business executives the benefit of what they had learned during the FDIB.
The dialogue on globalization

Summary by William D. Murray, study group chairman

6. International Executive Roundtable meetings related to globalization: The Institute for International Business started its International Executive Roundtables (IER) before it became a member of the network of CIBER schools. At these meetings, attended by faculty and students from a variety of disciplines, an informal presentation is made by a key person from the business community or, occasionally, by a faculty member who has had a unique experience to report on. Discussion of issues raised is emphasized to encourage real interaction among attendees. Since October 2001 many of the IER have covered topics related to globalization, including:

- October 2001- Professor Joel Edelstein (Political Science, University of Colorado at Denver) described Swedish social democracy in the age of globalization: perspectives from labor, business, government and political officials, and policy analysts.

- October 2002- Joel Porter, V.P. International Program Development and Systems Analysis, Lockheed Martin Astronautics, described the globalization of Lockheed Martin.


- July 2003- Lawrence Kurlander, Chairman and CEO, Central Asia Partners, raised the question “Globalization- is it dead?” and discussed the issue.

- November 2003- “Hong Kong and China’s Pearl River Delta: a Globally Competitive Partnership” was the subject covered by Saimond Ip, Executive Director, Hong Kong Pearl River Delta Foundation, and Glenn Shive, Director, Hong Kong America Center.


- November 2004- Jeff Gilb, President and CEO of Parascript Corp. reviewed the history and status of “Parascript: A Russian/American Venture in Recognition Technology and Software”.

- December 2004- Peter Bryant, CEO of TransTech USA described his company’s approach to helping technology companies enter new and global markets.

7. Related Issues: As the globalization studies progressed it appeared that, while certain issues appeared to be amenable to compromise and solution, other aspects broadened and new issues emerged. These included:

- Health of employees, customers and communities in which international companies operate. The activities that companies must engage in to support health issues vary from locale to locale, depending on the general health environment, the actions (or lack thereof) of governments and the traditions and economics of support for health treatment. For example, the problem of AIDS in Africa that strongly affects companies operating there was a topic at 12/03 Global Forum (see section 3 above). CIBER assisted in initiation of the Center for Global Health (CGH) that was initially in Health Administration within the Business School and now is a cooperative venture of the medical, public health, environmental health, and health administration parts of the recently merged University of Colorado at Denver and Health Science Center. An interesting project of CGH is an undertaking carried out with Rotary District 5450 (Colorado) that foments communication and interaction between middle schools in the Denver area and similar schools in developing countries. The activities of the Center are described on its web page, Center for Global Health.
The dialogue on globalization

Summary by William D. Murray, study group chairman

- A corollary (some say result) of globalization is the “outsourcing” of activities from higher to lower cost areas. This has taken place in the past in manufacturing within a country (ex, move of automobile manufacture from the Midwest to the southeast in the U.S.). The movement of manufacturing to lower cost locations outside the U.S. has increased over the past three or four decades, notably with the “maquiladeros” for product assembly in Mexico, and later with moves of manufacturing activities to Asia. More recently the large increase in outsourcing of service jobs, such as call centers and information technology support have raised concerns in the U.S. and the E.U. With support from the Colorado Institute of Technology and CIBER, Prof. Manuel Serapio has been conducting research on the amount and the nature of outsourcing by Information Technology companies in Colorado. He also continues to study the internationalization of research and development. More information on his IT outsourcing study is described in QQQQQQ.

- The rise of terrorism and the continuing assaults on computer-based information systems have raised physical and information security to a high level of concern to global business. Since the attacks of 9/11/01 CIBER has given attention to issues of security as they relate to U.S. business. At the Global Forum of October 2001 there were two presentations related to the new threat. George Mitchell, former Senator and Senate majority Leader, set the tone with a talk “Conflict Resolution in Divided Societies” and Peter Chalk, policy analyst at the RAND Corporation, Washington, D.C., spoke about “Terrorism, National Security and the New Realities”. The April 2002 Forum devoted considerable time to the topic: Mark Purdy, senior manager, Policy and Corporate Affairs Group, Accenture, London, U.K., discussed “Business in a Fragile World; Nancy E. Sodenberg, vice president, International Crisis Group, spoke on “After Afghanistan: the Next Challenge”; Peter Chalk of RAND addressed “Terrorism in Southeast Asia: Springboard for Terrorist Attacks”; and former Senator Gary Hart spoke about “National Security Threats: Challenges in the 21st Century”. Llewollen D Howell, senior research fellow of the Pacific Asia Management Institute, University of Hawaii, spoke about “Business Strategy and Political Risk” at the November 2002 Global Forum. These and other Global Forum articles can be found at RRRRRR.

APPENDIX - ANNOTATED BIBLIOGRAPHY ON GLOBALIZATION