CHAPTER 2
GLOBALIZATION AND CONTOURS OF AMERICAN HUMAN RIGHTS POLICY

A new socio-economic phenomenon which is sweeping the world today is globalization, a concept which has been fashionable since about the mid-1980s. The term, globalization, is best suited to describe the ever-intensifying networks of cross-border human interaction. Many scholars have attempted to define globalization from various perspectives. In the works of prominent authors such as Roland Robertson, David Harvey and Anthony Giddens, we find distinctive formulations that may help us overcome the limits of the globalization discourse which has so vexed economists and international relations theorists. Robertson, for example, using a conventional structural functionalist framework which separates the economic, political, cultural and social spheres of human society, dates economic globalization to well before the onset of the modern age, and acknowledges that political globalization (the rise of international organizations, interstate summities and so on) has been a developing process since. But he identifies a recent qualitative advance in the potential for global cultural integration owing to ‘compression of the world’ and ‘global consciousness’.¹ In Robertson’s view globalization has been going on for a long time, predating even the rise of capitalism and modernity, but it has accelerated only in the last decade or so because it has moved to the level of consciousness.² This resonates with Anthony Giddens’ definition of globalization. He has aptly summed it up as: “Globalization can thus be defined as the

intensification of world wide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa".3

Following the works of Pierre Bourdieu, a contemporary sociologist, David Harvey, himself a social geographer, argues that symbolic orderings of space and time provide a framework for experience through which we learn who or what we are in society.4 Harvey argues, for example, that the development of cartography in the Renaissance permitted the objectification of space and the accurate measurements of land, thus supporting the emergence of private ownership in land and the precise definition of transferable property rights, thereby replacing the confused and conflicting feudal obligations that had preceded it. The organization of space holds the key to power. Today the freedom of capital to move wherever it wants to go world-wide gives the capital-owning international bourgeoisie a decisive advantage over the mass of workers who are restricted in their movements and migrations by the passports they carry.5

The essence of economic globalization is free trade, and it is fairly clear that free trade produces more wealth, although it is not always clear where this wealth goes. However, the effects of globalization do not confine itself only to the economic sphere. Modern ideas such as democracy and human rights also make an impact on hitherto traditional societies urging them to question some of their own practices. For example, female genital mutilation is widespread in parts of Africa; with the increase of outside influences that accompany globalization, this procedure is under mounting attack. Similarly, in

India, the women's rights movement, pushed along by the influence of Western ideas, is slowly giving poor village women more say over their economic and personal lives. Critics of globalization, however, emphasize the fact that big companies or Multinational Corporations (MNCs) are often more focused on profits than on the well being, or human rights, of their workers. They are also sometimes willing to support corrupt and oppressive regimes if those governments allow them to operate freely. This all hinders human rights. As a 1998 United Nations Report put it: "[multinational corporations] are unaware of or disregard the impact their activities could have on economic, social, and cultural rights, whether at the collective level or at an individual level. These companies are frequently, if not always, behind massive human rights violations." Economic globalization is a new phase of capitalism, which involves a transition to a qualitatively new stage in the world system. The United States is the dominant core nation under whose aegis globalization is unfolding. One aspect of globalization, with which we are more familiar with, is the development of a global economy – transnational companies, complex international trading agreements, global markets, the spread of a certain free-market culture to all parts of the world. It is part of a process of progressive integration of the world economy through falling barriers to trade and exchange and greater mobility of capital. As of now, the scope for globalization does not go beyond the markets for products and some services and the market for capital. When it comes to labour, the forces of globalization are not allowed free play, and conscious and explicit

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7 Ibid.
state intervention prevents the emergence of a global market for labour. There are various reasons for this. Labour is not just a factor of production. It is also the recipient of the economic, political and cultural benefits of being part of a society. Social habits and customs differ; and so does the colour of the skin. It is not easy for any society to overcome age-old prejudices. The most important reason impeding freer movement of labour, however, is the desire on the part of the rich countries to preserve their standard of living which breeds restrictions on immigration.

ORIGIN AND TRENDS IN GLOBALIZATION

Although the process of globalization has been going on for centuries, the past 20 years have seen a spectacular growth in its intensity, scope and visibility as a public issue. The origins of the movement are rooted in and in large part unified by this period of globalization. While increasing integration through trade and investment has been a feature of the global economy since the Second World War, several pivotal events in recent decades have led to a sudden acceleration in its social and political prominence. In the North, the oil crisis and the suspension of dollar convertibility in 1972 marked the end of the ‘long boom’ of post-1945 Keynesianism. They also triggered the meteoric rise of the global capital markets which made earning and keeping ‘market confidence’ an increasingly important determinant of government policies. In the South, the Mexican government’s near-default on its foreign debt in 1982 marked the end of the post-war era of import-substituting industrialization and began a long and painful period for

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9 Ibid.
developing countries, characterized by the burden of massive foreign indebtedness, and the rise in political influence of the International Monetary Fund (IMF), World Bank and international capital markets, all three of which ushered policy-makers away from development policies focused on the domestic market and towards a strategy of export-led growth. Finally, the fall of the Berlin Wall in 1989 and the subsequent collapse of Soviet communism led to the rapid integration of what became known as the ‘transition economies’ of the former Soviet Union into a seemingly triumphant model of market-driven economic change.

At a political level, these events brought in their wake two important developments. The crisis in state-led developments in the Third World and the discrediting of the old Soviet-based Communism was also accompanied by – and a major cause of – the disorientation of the Left as a whole. Certain trends within globalization in turn compounded this disorientation. The first of these was a shift in power away from the state, driven increasingly by global economic trends (such as global financial markets) that eroded governments’ ability to manage their economies. The result was a perceived crisis in social democracy. The second trend was the rise of the New Right. By the early 1980s, the market was seen to have won a definitive triumph over the state, leading to the resurgence of free market ideology. The American fear of a looming Soviet threat gave way to a new dawn for liberal democracies and, more importantly, for a global market based on the aggressive economic model of Anglo-Saxon capitalism. The elision of ‘market democracy’ became a staple item in Western leaders’ lexicon. At an economic level, these political developments helped drive the rapid expansion of trade and

11 Ibid.
12 Ibid.
investment flows, as large parts of Latin America and Asia adopted export-led growth strategies, and the countries of the former Soviet empire were rapidly, if partially, absorbed into an increasingly integrated global economy. 'Globalization' quickly became the shorthand for this model of expansion – a complex mix of technological, economic, political, and cultural change.

Globalization was accompanied and underpinned by a set of interlocking institutional developments at both international and national levels. First, the existing structures of global economic governance were overhauled. The World Bank and the IMF redefined their roles to become bastions of neo-liberalism. A web of bilateral, regional and global international trade and investment agreements, culminating in the creation of the World Trade Organization in 1995, bound the new system in place. The early 1990s thus saw a remarkable degree of internal consensus over the model of global economic and political management promoted by global institutions and the most powerful state players – a model variously titled 'neo-liberalism' or the 'Washington Consensus',¹³ a term first coined in 1989 by John Williamson, of the Institute for International Economics, to describe the conventional wisdom at the U.S. Treasury Department, the World Bank, and the International Monetary Fund on policy reforms that would aid development in Latin America. The Consensus consisted of a core set of ten policy recommendations that most official Washington thought would be good for Latin American countries. Later, these

¹³ Ibid.
policies formed the core of structural adjustment programmes around the world. The policy could be summarized in 10 propositions:¹⁴

- Fiscal discipline;
- A redirection of public expenditure priorities toward fields offering both high economic returns and the potential to improve income distribution, such as primary health care, primary education, and infrastructure;
- Tax reform (to lower marginal rates and broaden the tax base);
- Interest rate liberalization;
- A competitive exchange rate,
- Trade liberalization;
- Liberalization of inflows of foreign direct investment;
- Privatization;
- Deregulation (to abolish barriers to entry and exit);
- Secure property rights.

But the dominance of the neo-liberal variant of globalization proved short-lived. Events throughout the 1990s undermined both the ideological and theoretical foundations of the Washington Consensus, and its political base of support. Globalization and the erosion of national sovereignty drew growing public attention to the undemocratic and closed nature of the increasingly powerful global institutions and the influence and lack of accountability of global corporations. The phrase “Washington Consensus” became a

lightning rod for dissatisfaction amongst anti-globalization protestors, developing country politicians and officials, trade negotiators, and numerous others after the financial crisis in East Asia.¹⁵

The East Asian financial crisis started in mid-1997 and affected currencies, stock markets, and other asset prices of several Southeast Asian economies. Triggered by events in Latin America, particularly after the Mexican peso crisis of 1994, Western investors lost confidence in securities in East Asia and began to pull money out, creating a snowball effect. The financial crisis was triggered by events in Thailand with the bursting of the speculative bubble in the real estate markets. The effects of the Thai crisis were then immediately transmitted to the neighboring countries. With a time lag, both Hong Kong and Taiwan came under speculative attacks in October 1997, but were able to ward them off. Korea was not so lucky. A series of corporate bankruptcies, a rising current account deficit, and increasingly serious nonperforming loan problems at commercial and merchant banks threw the country into a severe currency crisis in late November 1997. By October, developing countries in Latin America and Eastern Europe also began to feel the effects of the crisis with plunging stock markets and rising interest rates. The World Bank’s report, Global Development Finance 1998,¹⁶ attributed the crisis to the build-up of vulnerabilities in the East Asian economies that led to a loss of market confidence. The key problems were in the financial sector, where distorted incentives, lax regulatory standards, poorly managed financial liberalization, and inadequate disclosure and supervision encouraged excessive risk taking. These financial sector weaknesses led


to poor investments and a proliferation of non-performing loans. Large capital inflows amplified these problems and fueled domestic demand which, coupled with the depreciation of the yen against the dollar, caused real exchange rates to appreciate. However, this increase in vulnerabilities did not fully account for the unexpected spread and subsequent depth of the crisis.

The IMF played a controversial role during the crisis, causing many to term the crisis as "IMF crisis." To begin with, the IMF was criticized for encouraging the developing economies of Asia down the path of "fast track capitalism", meaning liberalization of the financial sector (i.e. elimination of restrictions on capital flows); maintenance of high domestic interest rates in order to suck in portfolio investment and bank capital; and pegging of the national currency to the dollar to reassure foreign investors against currency risk. However, the IMF came under fire due to its response to the crisis. As country after country fell into crisis, many local businesses and governments that had taken out loans in U.S. dollars, found themselves unable to pay their creditors. In response, the IMF offered each nation a multi-billion dollar "rescue package" to enable these nations to avoid default. However, the IMF's support was conditional on a series of drastic economic reforms influenced by neo-liberal economic principles called a structural adjustment package (SAP). The SAP's called on crisis nations to cut government spending to reduce deficits, allow insolvent banks and financial institutions to fail, and aggressively raise interest rates. The reasoning was that these steps would

restore confidence in the nations' fiscal solvency, penalize insolvent companies, and protect currency values. However, the effects of the SAP's were mixed and their impact controversial.19

In the mid-1990s, before the Seattle, Prague, Washington and other demonstrations in the North against the World Trade Organization (WTO), the World Bank and the IMF, the world had already witnessed almost two decades of strikes, mobilizations and other forms of popular protest across the countries of the South in reaction to the economic policies of these institutions. The people most affected by those policies were seen by the international financial institutions (IFIs) as having neither the wisdom nor the right, and certainly not the leverage, to contribute to the economic-policy debates in their own countries. Their continued exclusion from the economic-decision making process both at the national and global levels guaranteed that economic-policy programs would not be changed to reflect their growing needs and priorities. The counter-capitalist movement grew to protest at, and fill, these lacunae in the system of global economic governance. The term most commonly used for this phenomenon is the ‘anti-globalization movement’.20 Globalization can improve the economic well-being of the people, but sometimes at the cost of their political power. Outside powers, major trading partners, and international organizations, such as the World Bank and the IMF, impose conditions on poor countries that take away local political power. Large companies may also support abusive governments or practices that deny people their basic human rights.

19 Ibid.
Globalization is not inherently evil, but it has the potential to do great harm – and perhaps great good.

Opposition to corporate globalization has been growing for several years, a trend underscored by increasing media attention since 1995. The large number of demonstrators at the Seattle WTO Ministerial Conference, November 29-December 3, 1999 underscored the scale of opposition to corporate globalization. Prior to Seattle, the most recent associated event occurred six months earlier, on June 18, 1999, when protests known as “J18” were organized to coincide with the G8 Economic Summit in Cologne, Germany. The focal point was the City of London, where a march of 2000 people degenerated into a riot in which 42 people were injured and damage was estimated at one million pounds sterling. But the activities were not confined to London; cities in North America and Europe also were involved, and in most cases financial districts were targeted. Bringing together a broad spectrum of interests and agendas, J18 incorporated both people and technology. While the former demonstrated on the streets, the latter featured in cyber-attacks against business institutions. Five months later, there were demonstrations by J18’s counterpart A16, against IMF/World Bank in Washington, DC. There were further protest activities at the OAS Ministerial Meeting in Windsor, and the World Petroleum Conference in Calgary.21

Globalization is a very complex set of processes that operate at multiple levels – political, economic, and cultural. In this context, the human rights debate can be analyzed in the context of globalization from the basis of Richard Falk’s argument that there are two kinds of globalization: ‘globalization from above’ (GA) and ‘globalization from below’

21 Ibid.
Political GA is reflected in Western countries, particularly the United States, and global financial institutions pressuring countries in the South to adopt Western style liberal democratic system of governance, multi-party elections at regular intervals, respect for individualistic civil and political rights and so on. A collective confidence that the United States knows better than the rest of the world what human rights are and how they are rank-ordered, has led the government to a growing extent to pontificate, cajole, exhort, and extort through sanctions political actions from countries around the world. It also involves doing everything in their power to crush the resistance of "pariah" nations that dare to be different, such as Iran, Vietnam, Cuba, and Nicaragua. Its obvious interest in self-preservation, reflected in its refusal to ratify many U.N. Covenants or not letting human rights groups scrutinize its domestic human rights conditions has proved the shallowness of the U.S.'s human rights commitment. Its ethical imperialism coupled with its support for states such as Israel that regularly commit war crimes and violate human rights as defined by Amnesty International and Human Rights Watch, have created many enemies. The United States clearly prefers to judge others without risk of reciprocal treatment.

Economic GA entails countries in the South having to accept – within parameters of the dominant world capitalist system – the imposition of the following structural adjustment

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23 John A. Gentry, "The Cancer of Human Rights," The Washington Quarterly, vol. 22, no. 4, Autumn 1999, pp. 95-112. In 1998, after initially supporting the formation of a new permanent international war crimes tribunal at The Hague, which would have supranational authority to charge alleged violators of human rights, the U.S. opposed it because it feared that the court would charge U.S. citizens with war crimes. This reflected an obvious interest in self-preservation. Moreover, like other rogue states, the U.S. in recent years regularly flaunted international law when it saw fit.
programmes by the G-7\textsuperscript{24} dominated global financial institutions; overwhelming debt burdens; neo-liberal economic policies, including the wholesale liberalization of domestic economies to allow unrestricted entry to transnational capital; and Western diktats via multilateral trade agreements such as the General Agreement on Trade and Tariff (GATT), the WTO, and North – American Free Trade Agreement (NAFTA).\textsuperscript{25} The overall effects of these policies tend toward a further polarization of incomes and living standards within and between countries as well as the rigidification of the international division of labour to the detriment of the Third World.\textsuperscript{26}

On a cultural level, GA arises from the control of the global information and communication networks by Western media corporations, and the spread, mainly through this control over means of increasingly modern technologies, of a consumerist culture, and Western cultural expressions, as the global culture. The failure on the part of the Western nations to acknowledge the cultural diversity has led to the relativist argument that Asian values are fundamentally different from the West. Human rights and the Universal Declaration are viewed by many Asian countries, mainly China, Singapore, Malaysia, as a Western construct and as such inconsistent with the beliefs and values of

\textsuperscript{24} G7 or the Group of Seven leading industrialized countries: the United States, the United Kingdom, Germany, France, Italy, Canada and Japan.
\textsuperscript{25} Nikhil Aziz, “The Human Rights Debate in an Era of Globalization: Hegemony of Discourse,” Bulletin of Concerned Asian Scholars, vol. 27, no. 4, October-December 1995, pp. 9-23. Also addressed by Indian scholar Chakravarthi Raghavan in Recolonization: GATT, the Uruguay Round and the Third World (Goa, India: The Other India Book Press, 1992) and Martin Khor Kok Peng in “Economic Dimensions of Western Global Domination and its Consequences for the Human Rights of Fifth-sixth of Humanity” (paper presented at the International Conference on Rethinking Human Rights, Kuala Lumpur, Malaysia 6-7 Dec., 1994). Both emphasize the totalitarian nature of the WTO in that not only current but even future Third World governments, even if formed by those elements or parties that consistently opposed GATT and WTO, would be virtually powerless to make the rules and regulations conform to norms of justice and equality.
\textsuperscript{26} Ibid. (Nikhil Aziz). For example, between 1985 and 1990 each year $40 billion was transferred from the South to the North. This amounts to the poor getting poorer while helping the rich get richer – surely a human rights issue.
non-Western civilization which are community oriented and value order and stability above individualistic notion of rights. The homogenization of culture by the West has made authoritarian regimes more intransigent as there has been economic prosperity also. Another fallout of cultural imperialism has been the emergence of elites who propound extreme nativistic positions and argue for returning to some mythical "golden age" in the dim past. They seek to impose particularistic and narrow notions of culture as "national" culture on what are very heterogeneous populations; they support hierarchical and undemocratic as the systems being opposed and they do not address fundamental questions of egalitarian internal redistribution. The recent emergence of the Hindu right in India is a case in point.

27 Amartya Sen, "Human Rights and Asian Values," Morgenthau Memorial Lecture at the Carnegie Council on Ethics and International Affairs on May 1, 1997. Sen said that cultural differences and value differences between Asia and the West were stressed by several official delegations at the World Conference on Human Rights in Vienna in 1993. The foreign minister of Singapore warned that "universal recognition of the ideal of human rights can be harmful if universalism is used to deny or mask the reality of diversity." The Chinese delegation played a leading role in emphasizing the regional differences, and in making sure that the prescriptive framework adopted in the declarations made room for regional diversity. The Chinese foreign minister even put on record the proposition, apparently applicable in China and elsewhere, that "Individuals must put the states' rights before their own." But Sen also cautioned against the justification of authoritarianism. He said, "To conclude, the so-called Asian values that are invoked to justify authoritarianism are not especially Asian in any significant sense. Nor is it easy to see how they could be made, by the mere force of rhetoric, into an Asian cause against the West. The people whose rights are being disputed are Asians, and, no matter what the West's guilt may be (there are many skeletons in many closets throughout the world), the rights of Asians can scarcely be compromised on those grounds. The case for liberty and political rights turns ultimately on their basic importance and on their instrumental role. And this case is as strong in Asia as it is elsewhere...The recognition of diversity within different cultures is extremely important in the contemporary world, since we are constantly bombarded by over-simple generalizations about "Western civilization," "Asian values," "African cultures," and so on. These unfounded readings of history and civilization are not only intellectually shallow, they also add to the divisiveness of the world in which we live. The authoritarian readings of Asian values that are increasingly championed in some quarters do not survive scrutiny. And the grand dichotomy between Asian values and European values adds little to our understanding, and much to the confounding of the normative basis of freedom and democracy."
On the other hand, GB is represented in the form of a variety of transnational social movements that have wide-ranging concerns grounded in notions of human community that is itself based on unity in diversity. The globalization of social life has brought with it new social movements and revolutions in civil society around the world, “stirring” masses of people to rebel against authoritarian arrangements. In many respects, the growth of global civil society was based on human rights activism in civil society that originated in the Western democracies, but gradually spread to all parts of the world. Coming under the category of “new” social movements, their many concerns include the environment, human rights, women’s issues, sustainable development, peace and justice, universal literacy and liberation from oppression. The expansion of international NGOs, dedicated to global ideals of many kinds, and the informal networking of millions of individuals through the Internet and global communication has facilitated these movements. At the political level, GB is reflected in the rise and spread of these human rights movements, and particularly through the horizontal transnational solidarity linkages they are forming. The deepening of democracy along with globalization has led to grassroots movements which are spearheading the search for alternative forms of governance that are rooted in local tradition and allow for maximum participation, democratic decentralization and accountability. Their goal is to evolve an alternative approach to development which is more holistic, transcends economism and addresses issues of material, spiritual and cultural well-being of the people.

IMPACT ON HUMAN RIGHTS

Unfortunately, the place of human rights in this unfolding global order is uncertain. Paradoxically, the state is both the agent charged with the protection and promotion of human rights. Human rights is a movement that reflects the growing positive forces of globalization and the desire of all human beings to lead their own lives in freedom and relative peace. Thus, when the world adopted a document like the UDHR and then projected it over these five decades, it became a very powerful legitimizing force. Though the existence of human rights predates processes of globalization, it has affected the cause of human rights. Globalization makes a difference to what obligations in respect to human rights we have in practice, but not in principle as the framework of rights on which one operates need not change. However, globalization may make certain forms of duty appropriate which were not appropriate before. Global communications may make us aware of tragedies to which we can react, but about which we did not know before, and global technologies make distant actions possible or realistic which were not before.\(^29\)

A benign model of globalization maintains that liberalization of markets strengthen human rights by promoting development. Indeed, several studies on human rights do indicate a relationship between economic development, traditionally measured by gross national product (GNP), and the higher achievement of human rights.\(^30\) The studies have


found that there is a higher degree of personal integrity violations in poorer countries. MNC activity in free and open markets, with a minimal role for the state, is the engine of economic development (i.e. wealth accumulation), bringing progress and prosperity to developing countries. It has been argued that successful market economies create a middle class, which, over time, pressures traditional regimes for democracy. This new positive model of globalization theory asserts that it is privileging individuals and weakening abusive governments. The state’s legitimacy in the emerging “global village derives from democracy and respect for human rights.”

On the other hand, the negative view of globalization, generally upheld by dependency or neo-Marxist theories, says that multinational corporation activity contributes to human rights abuses. Economic globalization exploits the developing world by means of cheap labour, minimal skill transmissions, restrictions on technology knowledge transfers, and no long-term commitment to stay or invest. As a 1998 United Nations report puts it, "[multinational corporations] are unaware of or disregard the impact their activities could have on economic, social, and cultural rights, whether at the collective level or at an individual level. These companies are frequently, if not always, behind massive human rights violations." Large corporations have also been accused of actively assisting in human rights violations in order to defend their profits. In May 1998, for example, Nigerian human rights activists took over a Chevron oil platform, threatening Chevron’s profits. Four days later, Chevron helicopters ferried Nigerian assault troops to

the platform to arrest the protestors. Two Nigerian protestors were killed. Chevron denied responsibility for the deaths. Allegations of exploitive labour and human-rights abuses reach back to the mid-1990s when a number of corporations producing major brand name products, such as Nike sneakers, Gap jeans, and Starbucks coffee, were accused of union-busting, sweatshop working conditions, and child labour practices on a global scale. Among other well-known multinationals, McDonalds, Monsanto, and Shell Oil were indicted for similar faults. The litany of castigation ranges across a broad spectrum, including paying low wages, offering minimal health benefits, depleting old-growth and rain forests, using unsafe pesticides, bio-engineering agriculture crops, violating animal rights, and colluding with violent and repressive regimes.

Even when MNCs do not actively help oppressive regimes, they can violate human rights by allowing pollutants and poisons to spread, thereby threatening the lives of people living near their factories. This kind of corporate disdain for the right to life is much more likely to happen in poor countries with weak governments that are eager to lower environmental standards in order to encourage multinational investments. The most famous disaster stemming from this kind of multinational irresponsibility occurred in Bhopal, India in 1984. A Union Carbide chemical plant allowed a flood of toxic gas to escape from its grounds and pour into the neighbouring city of Bhopal. The gas killed at 3,000 people and permanently injured tens of thousand more. Globalization has also tended to benefit rich nations more than the poor ones. The world’s seven largest industrial economies – the United States, Japan, Germany, Canada, France, Italy, and the United Kingdom – make up less than 12 percent of the world’s population, but consume 43 percent of the world’s fossil fuel production, 64 percent of the world’s paper, and
from 55-60 percent of all the aluminum, copper, lead, nickel, and tin. If a decent standard of living is an universal human rights, globalization may have only succeeded in granting that right to a small minority of the world’s population. 33

Globalization has brought jobs to the people of the developing world, but sometimes they are jobs working in sweatshops for less than a dollar a day. Nike, a sneaker maker, and Gap, a clothing company, are two of many companies that have been strongly criticized because of the unhealthy working conditions in their overseas factories. These sweatshops, so called because they work their employees so brutally hard, produce much of the clothing that Americans and Europeans wear, but at a fraction of the cost of similar factories in the United States. Workers in sweatshops not only receive low pay, but are often physically intimidated, prevented from forming unions, and compelled to work in unsafe environments. Opponents of globalization see globalization personified in the major international economic institutions: the World Bank, the IMF, and the WTO.

Another effect of globalization on poorer countries is the destruction of traditional cultures among those who are drawn into the economy and its practices. There is a ‘homogenization’ of cultures, the flattening of cultural variations in the face of the pervasive model of economic well-being. It is for many a deeply worrying feature of the modern world that insufficient value is placed on cultural diversity, both as a value in itself and as a means to well-being in other ways. Globalization is inevitably in tension with tradition, but it need not be anti-traditional. That is, it need not undermine what is valuable in cultures. But if it is to be sensitive to what is valuable in diverse ways in

33 Ibid.
diverse societies, there needs to be far more sensitivity to the value of diversity than seems to be occurring at the moment.\textsuperscript{34}

The solutions to the human rights threats of globalization are unclear. The United Nations Sub Commission For Prevention of Discrimination and Protection of Minorities has suggested that multinational corporations should sign agreements with the countries with which they do business. The agreements would commit the corporations to support human, cultural, and economic rights in those countries. How these corporations – which are often powerful than the states they do business with – could be forced to sign such agreements, the United Nations has not yet made clear.

**PRESIDENT CLINTON’S POLICY**

In 1992, the United States was widely seen as unlikely to sustain its global engagement in the absence of an overriding threat. It was lagging competitively. U.S. alliances were in jeopardy, with their missions undefined and with new threats -- from the Balkans to a nuclearizing North Korea -- being inadequately addressed. Japan and Western Europe were considered increasingly likely to forge separate identities outside their alliances with America. U.S. foreign policy had barely come to grips with the emerging challenges of a globalized world, from the volatility of markets to the proliferation of weapons of mass destruction to the spread of disease. Bill Clinton understood sooner, better, and more profoundly than many other leaders that globalization was not simply a trendy buzzword, noting that: "Today we must embrace the inexorable logic of globalization –

that everything from the strength of our economy, to the safety of our cities, to the health of our people depends on events not only within our border but half a world away."35

During his campaign, Clinton criticized the previous governments in harsh terms over their economic performance. He declared, "For 11 years, we've had no economic vision, no economic leadership, no national economic strategy. The single driving idea behind economic policy in the '80s has been to keep taxes low on corporations and upper-income individuals and keep government out of our way. This idea was evidenced most clearly in the President's recent veto of a tax bill crafted largely by Senator Lloyd Bentsen of Texas, a pro-business Democrat, and Congressman Dan Rostenkowski of Illinois. The bill would have increased investment in new plant and equipment, homes and real estate, and small business. The President vetoed it because these incentives would have been paid for by increased taxes on the wealthy whose taxes were lowered in the '80s."36

Presidential candidate Clinton went on to elaborate his strategy, "I believe we need a radical new approach to economics that will give new hope to our people and breathe new life into the American Dream. A new national strategy that will reward work, expand opportunity, and put people first, with more public and private investment, the world's best-educated workforce, and competitive strategies in health care, energy, and trade.... We need a new economic approach that provides every person and every firm the means to be more productive. In a world in which money and production are mobile, the skills of its workers and the ingenuity of its entrepreneurs are what can set any nation apart. To revitalize our economy, restore our competitiveness, and boost our productivity,

35 Speech by Bill Clinton, February 26, 1999.
we need a national economic strategy that will fundamentally change the way we do business at home and around the world:

* First, we need to grant every American the fundamental right to a good education, lifelong learning and training, in a world where what you can earn depends on what you can learn.

* Second, we need to invest the time, the patience, and the money to rebuild our economy and make it grow again.

* Finally, we need to demand change throughout our society -- from business, labor, and government -- and work together to forge a new social compact for economic growth.”

If there was a single broad theme to Clinton’s foreign policy, it was the promotion of U.S. economic interest in the world through the process that came to be known as “globalization”. With deep conviction, Clinton preached the virtues of free trade and open markets to audiences both at home and abroad. Well before he was elected, Clinton promised to recast the entire intellectual basis of U.S. trade policy. Trade was to be an integral part of creating competitive industries and high-wage jobs. It was to be placed at the center of foreign policy, becoming at least as important as political and security questions. Clinton had promised to remove the ideological blinders that caused government and industry to regard one another as antagonists. He had committed his administration to putting the issues of environmental and labor practices into trade negotiations.

37 Ibid.
In 1993, President Clinton and Vice President Gore launched their economic strategy: (1) establishing fiscal discipline, eliminating the budget deficit, keeping interest rates low, and spurring private-sector investment; (2) investing in people through education, training, science, and research; and (3) opening foreign markets so American workers can compete abroad. In his March 13, 1993, radio address, President Clinton announced, “All around us, we see changes transforming our economy. Global competition, new technologies, and the reductions in military spending after we won the cold war. We can't stop the world from changing, but there is one decision we can and must make. Will we leave our people and our Nation unprepared for changes that are remaking our world, or will we invest in our people's jobs, our education, our training, our technology to build a high-skilled, high-wage future for ourselves and for our children?”

President Clinton's tenure coincided with a historic convergence of technological and political trends (the Internet, democratization, open markets, and porous borders) that facilitated an unprecedented level of global integration. Not content to let the United States be carried along by the currents and tides of globalization, Clinton sought to accelerate and harness these forces and mitigate their volatility. The Clinton administration enjoyed a spectacular start on trade. Since the creation of the GATT in 1948, Democratic and Republican administrations, working in partnership with Congress, had concluded eight negotiating Rounds, opening markets for American goods, and helping advance basic principles of rule of law, transparency, and fair play in the world economy. The Clinton administration completed the Uruguay Round of the GATT negotiations in 1993. The WTO was created by the Uruguay Round of negotiations for

38 President Clinton's Radio Address (March 13, 1993).
revision of the GATT. The administration subsequently concluded its three follow-on sectoral compacts, and won congressional approval for both the round and NAFTA which was signed with Canada and Mexico.\textsuperscript{39} The administration reached GATT agreement and signed GATT into law on December 8, 1994. The WTO took effect on January 1, 1995. President Clinton also reinstituted "Super 301"\textsuperscript{40} through an Executive Order in order to punish nations with unfair trading practices unilaterally. He remarked: "It will help us to set priorities for opening markets around the world by identifying those practices, wherever they occur, that erect unfair barriers to American products and to the products of other countries as well. It will help us tailor our responses to these barriers to trade."\textsuperscript{41} The "Super 301" was extended in GATT legislation. Clinton ratified NAFTA into law on December 8, 1993 through an Executive Order 12889. NAFTA cemented strategic trade relationships with immediate neighbours, Canada and Mexico. On January 1, 1994, the U.S. opened a National Administrative Office to handle NAFTA related labour issues. U.S. exports to Mexico grew 109 percent from 1993 to 1999. It launched the Free Trade Area of the Americas (FTAA) and the Asia-Pacific Economic Cooperation initiative (APEC) aiming to achieve "free and open trade and investment" in that huge and dynamic region by 2010 or 2020. President Bill Clinton's first two years in office in fact represented the zenith of postwar U.S. trade policy while reaffirming the traditional bipartisanship of that policy by concluding major deals that had been launched by the first Bush and Reagan administrations.

\textsuperscript{39} Clinton's Foreign Policy (compiled by Foreign Policy's editors), Foreign Policy, Issue 121, Nov/Dec 2000.
\textsuperscript{40} Executive Order 12891, March 3, 1994. Super 301: Under this amendment to the U.S. Trade Act of 1988, the U.S. Trade Representative was required in 1989 and 1990 to designate "priority foreign countries" chosen for the number and pervasiveness of their policies or practices impeding U.S. exports, and for the US export gains that might come from removal of those practices. The law called for retaliation if foreign action was insufficient or not forthcoming.
\textsuperscript{41} Presidential Radio Address on Jobs, March 5, 1994.
But the situation deteriorated rapidly thereafter. The president received no negotiating authority from Congress after the expiration in June 1994 of "fast track". He failed to win sufficient Congressional support for renewal in 1995 and 1997. The reason for this was the debacle of NAFTA. The signing of NAFTA was followed in 1995 by a massive U.S. orchestrated bailout of Mexico that was hugely unpopular in the US, where many believed that it had led to the loss of thousands of jobs. At the top of Clinton's fast-track agenda in 1994 was his proposed FTAA. Clinton had hoped to launch FTAA negotiations with his Latin American and Caribbean counterparts at the Summit of the Americas in Santiago with fast-track authority in hand. But his interest in securing fast track quickly faded once it became clear that most Democrats continued to oppose it without much tougher protection for worker rights and the environment. In the meantime, the spreading Asian financial crisis raged out of control and quickly replaced fast track as Clinton's top foreign economic priority. Thus, very little progress was made in pursuing the FTAA, and APEC did nothing to approach its ambitious goals. Instead of launching a new trade round, the Clinton administration spent much of 1997-98 deeply involved in bail-out packages for emerging economies in Asia, and later Russia and Brazil, that were swept by financial crises. Although the rescues were fronted by the International Monetary Fund, America's Treasury Department was always closely involved. Since they came on the heels of a massive American/IMF rescue package for Mexico in 1995, there was

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42 Fast Track: Trade discussions and agreements can involve literally thousands of items with perhaps as many vested interests. Hence any agreement is likely to be subject to many attempts to modify specific provisions when the agreement goes before the Congress. This implies it is almost impossible for an American President to negotiate an agreement. Any concessions made by the President are liable to be 'un-made' by the Congress. For this reason the Congress has granted fast track to US Presidents ever since the Reciprocal Trade Agreements of 1934. Fast track enables the President to negotiate a trade agreement confident that the agreement will be voted on as a whole without amendments relating to specific items.
considerable moaning, particularly among congressional Republicans, that America was spending too much on propping up the world's wobblier economies.  

In his second term, Clinton's most notable success on the globalization front came with an agreement normalizing trade relations between the U.S. and China. Completed in 1999, the agreement was intended to pave the way for China's entry into the WTO, a relatively new agency that policed compliance with the rules of trade. Clinton argued that getting China into the WTO would help ensure that the world's most populous nation stayed on a path of converting its economy from communism to capitalism. Moreover, he said, the growth of economic freedoms in China inevitably would lead to popular demands for political freedom. A high stake political battle in Washington over the issue ended in May 2000 when the House solidly approved the trade agreement. The Senate followed suit four months later. Despite Washington's approval of the agreement, it was clear that some elements of the Chinese leadership remained fearful of the effects on that country of expanded world trade. Chinese foot-dragging on negotiating follow-up agreements with the WTO delayed its entry into the body for more than a year. The Clinton administration also negotiated a trade agreement with Vietnam. The U.S. and Vietnam normalized their diplomatic relations during Clinton's first term and then began negotiating an agreement normalizing their trade relations. The two sides reached an agreement in 1999, but Vietnamese leaders delayed a final signing until July 2000. Some of its other notable initiatives include support for the Heavily Indebted Poor Countries Initiative at the G-7 Summit in Cologne in June 1999, to provide deeper multilateral debt

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reduction for poor countries with unsustainable debt burdens; winning approval of the Caribbean Basin Initiative enhancement legislation to promote economic prosperity in Central America and the Caribbean; and launching and winning approval for African Growth and Opportunity Act to support increased trade and investment between the United States and Africa, strengthen African economies and democratic governments, increase partnerships to counter terrorism, crime, environmental degradation and disease. However, Clinton's unabashed promotion of globalization suffered some rocky moments, especially in 1997-1998 when the collapse of Thailand's currency lead to a broad financial crisis in East Asia that damaged economies as far away as South America and Russia.

In early December 1999, the administration suffered another notable debacle on trade. The effort to launch new global negotiations in the WTO collapsed in the debacle at Seattle in 1999. The WTO ministerial meeting in Seattle failed even to launch a new round of liberalizing negotiations, against the backdrop of noisy public protest on the streets. Many argued that the consensus for trade and globalization was breaking down. Initiatives to conclude bilateral deals with several small countries (Jordan, Singapore, and Chile) were left incomplete. Even the legislative successes of Clinton's last year -- the implementation of permanent normal trade relations with China and the substantial freeing of trade with Africa and the Caribbean -- were replete with limitations and required enormous expenditures of presidential and private-sector effort despite carrying virtually no costs for the United States. Hence the forward momentum of liberalization stalled badly, opening the door for protectionist and mercantilist pressures to fill the

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45 Fact Sheet on Peace Progress, Clinton Presidential Center, January 9, 2001.
vacuum quickly -- as they have traditionally done. Rather than rebuke anti-globalization protesters at the Seattle WTO negotiations and make the case for further trade liberalization, Clinton tried to appease domestic constituencies by calling for strengthened labor standards, possibly enforced by trade sanctions. His earlier support for regional trade arrangements such as the Free Trade Area of the Americas and the Asia-Pacific Economic Cooperation forum faded with his political failure to secure fast-track trade negotiating authority from Congress. And even as the White House sponsored a record number of trade agreements, it also rubber-stamped a record number of sanctions, including controversial "secondary sanctions," which punish foreign companies that do business with Iran, Libya, and Cuba.46

From the beginning of his presidency, Clinton recognized that the dominant factors of international relations were shifting from nuclear powers to flows of foreign direct investment and trade. He saw the global economy not only as a vehicle for increasing U.S. prosperity, but as a medium for enhancing international stability. Consequently, in addition to spearheading a record number of free-trade agreements, Clinton gave substantial attention to a whole new class of important countries: large, emerging markets such as India, Mexico, and China. He showed genuine leadership during the 1994 Mexican financial crisis when, ignoring widespread skepticism among pundits and politicians, he bypassed Congress and used his executive authority to prop up the peso with money from the Treasury Department's Exchange Stabilization Fund. Clinton updated the foreign-policy apparatus of the executive branch, creating a White House "National Economic Council" as a complement to the National Security Council and

establishing a "war room" in the Commerce Department that promotes trade missions worldwide. The president also relied on a brain trust of first-rate economists--most notably Federal Reserve Board Chairman Alan Greenspan, Treasury Secretary Robert Rubin, and Deputy Secretary of the Treasury Lawrence Summers--that proved instrumental in containing financial contagion in Russia, Asia, and Brazil. More fundamentally, Clinton's strong stewardship of the domestic economy has paid dividends in the form of enhanced U.S. leadership. Recall that back in 1991, the United States faced finger-wagging from the Group of Seven industrialized countries over its burgeoning deficit and lackluster economic performance.

CONCLUDING REMARKS

As the first president who understood the global economy, Bill Clinton led the greatest world trade expansion in history -- from $4 trillion to $6.6 trillion a year -- with the completion of the Uruguay Round, the creation of the WTO, and the approval of NAFTA and PNTR with China. Several of President Clinton's accomplishments stand out in the economic realm. Clinton inherited agreements largely negotiated by his predecessor, but he still deserves credit for gaining congressional passage (albeit with mostly Republican votes) of both the NAFTA and the WTO. In its initial five years, NAFTA contributed to a near doubling in trade volume with America's two largest trading partners and helped insulate Mexico from what would otherwise have been deep recession and political instability. For its part, the WTO provided a set of rules to govern important areas of world trade and a mechanism for resolving disputes among member countries. The WTO is one reason why world trade volume continued to grow steadily, despite the Asian
economic crisis. Other economic achievements include the Clinton administration's concerted effort to cobble together the coalition of countries, banks, and international financial institutions that rescued Mexico from an economic meltdown in 1994. It should also be praised for its steady hand during the 1998 Asian economic crisis, when it refused to apply proffered cures that would likely have been more harmful than the disease.\textsuperscript{47}

However, Clinton's policies have been criticized on several fronts. For all the administration's words on international trade, it made no serious effort to expand NAFTA to Chile or elsewhere, or to initiate a new round for the WTO that would cover agriculture or services. And despite knowing that Congress was dubious about extending "fast track" negotiating authority, the administration waited until the last minute to press its case, allowing a crucial tool to slip not just from its own hands but from those of its successors as well. The administration chose to delay bringing China into the WTO and allowed misguided economic sanctions to proliferate. And it conceded so much to its labor and environmental constituencies on trade issues that its rhetoric increasingly echoed the sentiments of WTO critics rather than supporters. Nothing embodies the loss of momentum on trade as much as the December 1999 fiasco in Seattle, which forced the president to acknowledge that protectionist sentiment had become stronger than when he assumed office.\textsuperscript{48}

China is a second area where Clinton could have staked a claim to a legacy but failed. He entered office when Sino-American relations were at low ebb because of the end of the Cold War (which removed the anti-Soviet rationale that had sustained the relationship)

\textsuperscript{48} Ibid.

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and because of the tensions caused by China's Tiananmen Square crackdown. But Clinton never decided how much of a priority to make China, going there only once, six years into his presidency. Nor did he decide which issues mattered most to him -- wandering among human rights, trade, Taiwan, and Korea -- or how to blend carrots and sticks in his attempts at engagement. China thus oscillated from being portrayed as a human-rights outcast to a would-be strategic partner. The entire Asia-Pacific region grew confused about American intentions. In the end, Clinton forfeited control over the American debate on China and never managed to establish a durable post-Cold War rationale for the relationship.49

The administration's early experiments -- "democratic enlargement" for a goal and "assertive multilateralism" for a strategy -- were quickly abandoned, with ad hoc decision-making becoming the norm. A final part of the explanation lies in the extraordinarily low status that Clinton accorded international affairs. It is instructive to look at how the president chose to use the bully pulpit during his term in office. Of some 300 Saturday morning radio addresses he has delivered, perhaps 35 -- less than 12 percent -- were devoted to matters of foreign policy and national security. His inaugural and State of the Union addresses display a similar lack of emphasis on foreign policy, as do the administration's efforts at congressional relations.50

As a variety of global forces shape the new world order, the issue of human rights is riddled with numerous challenges. The individualistic notion of human rights, as forwarded by the Western nations led by the United States, is being challenged on

49 Ibid.
50 Ibid.
ideological and practical grounds by voices emanating from the developing nations. Western nations are increasingly using their very narrow interpretation of human rights as a yardstick with which to judge Third World governments, and in conducting political and economic relations. A glance at the effect of globalization from above is enough to show that far from facilitating equitable distribution of resources or reducing income inequalities, it is impoverishing the developing nations by draining their wealth to the North. But human rights are an integral part of the process of globalization from below. The diverse social movements – environmental, peasant, indigenous peoples’, women’s, and so on – all over the Third World may be struggling on a whole range of issues, but essentially they are working for human rights and dignity. The scholars from the developing nations are engaged in radical internal critique by using resources internal to their culture. Many Western scholars argue spuriously that the concept of rights is somehow devalued by including economic, social and cultural rights. But human rights are dynamic, not static or else they cannot claim universality. Most of the human rights movements in Asia, Eastern Europe and Latin America demand rights that go beyond the American tradition. They demand entitlements to adequate food, clothing, shelter, health care and education. To argue that these demands on public authorities are not as essential to human dignity and welfare as demands for civil and political rights is to fail to understand and relate to less affluent, less individualistic societies.

A search for a new alternative which is broader in scope and genuinely 'pluralistic' and 'universalistic' is underway among many Asian as well as Western scholars which might ultimately be able to release human rights from the confines of Western dominance. Though the U.S. is the harbinger of the new globalizing force politically, economically and culturally it is spreading too rapidly and in too many directions to be controlled by the U.S. So in the post Cold War era, the U.S. faces the challenge of developing a realistic, committed and morally sound international human rights policy that is truly integrated with the aspirations of both the U.S. and the developing nations.