

Global Glossary

Your Guide to **Deciphering** the Language of Economic **Globalization**

Trying to digest all the mind-numbing acronyms, labels, and terms dealing with global trade and investment issues? Is your head spinning? Your worries are over! We've compiled a short glossary of key terms to help you navigate the world of economic globalization

APEC: THE ASIA PACIFIC ECONOMIC COOPERATION FORUM

Operating through secret ministerial meetings, APEC is a relatively loose association of 18 "member economies"—Malaysia, Singapore, Thailand, Philippines, Indonesia, Brunei, Australia, Canada, Chile, China, Chinese Taipei, Hong Kong, Japan, Mexico, New Zealand, Papua New Guinea, South Korea, and the United States. APEC exists to service the needs of corporate investors, promoting their expansion through unregulated markets, unrestrained foreign investment, and unrestricted trade.

EU: EUROPEAN UNION

An umbrella organisation of European countries which was founded in 1993. Members

cooperate on a number of areas, ranging from a single free trade market to foreign policy. The EU agreement includes provisions for an Economic and Monetary Union with a single European currency. This monetary union has proven to be highly controversial, as member states are required to meet a number of conditions for entry, including lowering government deficits. This has forced several countries to cut public spending on social programs and services.

FTAA: FREE TRADE AGREEMENT FOR THE AMERICAS

An expanded free trade agreement promoted by the US that seeks to bring all the nations of the Western Hemisphere, excluding Cuba, into NAFTA.

GATT: GENERAL AGREEMENT ON TARIFFS AND TRADE

Never a formal institution or organisation, GATT was founded in 1948 to develop common rules and agreements for the international trade of goods. GATT has since been replaced by the WTO.

IMF: INTERNATIONAL MONETARY FUND

Formed in 1944 along with its sister organisation, the World Bank, IMF is the world's principal financial agency concerned with the management of the international monetary system. The Fund provides loans to member countries experiencing problems with their balance of payments and regularly imposes strict conditions—"structural adjustment programs"—on lending. These programs force governments to cut social spending, privatize public services, and rollback business regulations.

MAI: MULTILATERAL AGREEMENT ON INVESTMENT

An investment treaty currently being negotiated within the OECD. The MAI is designed to guarantee corporations' unrestricted access to all markets and prevent governments from effectively regulating corporate behavior.

MIA: MULTILATERAL INVESTMENT AGREEMENT

Like the MAI, the MIA is an international investment treaty designed to rollback restrictions on foreign investment and corporate regulations. It is being negotiated within the WTO.

MERCOSUR: THE SOUTHERN CONE COMMON MARKET

A customs union between Brazil, Argentina, Uruguay, and Paraguay. An agreement on common tariffs, rather than a fully-fledged free trade agreement, the deal has nevertheless resulted in rising unemployment, a shrinking industrial base, and lower wages for working people in member countries.

NAFTA: NORTH AMERICAN FREE TRADE AGREEMENT

A free trade agreement between Canada, the United States, and Mexico. Far more than an agreement eliminating tariffs, NAFTA drastically limits the ability of governments to regulate corporate behavior and has been blamed for rising job losses and increased environmental problems.

OECD: ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

A Paris-based research organisation, providing the world's 29 richest countries, including Canada, with information and advice about eco-

nomics policy. The OECD favours liberalized trade and is spearheading the current negotiations on the MAI.

TRIMS: TRADE-RELATED INVESTMENT MEASURES

Provisions of the WTO agreement which limit the controls member countries can place on foreign investment. TRIMS could eventually be replaced with a more extensive MIA.

TRIPS: TRADE-RELATED INTELLECTUAL PROPERTY RIGHTS

Measures outlined in the WTO agreement which grant corporations patent protection for genetically-engineered food, seeds, microorganisms, pharmaceuticals, and chemicals.

WORLD BANK

Whereas the IMF acts as a monitor of the world's currencies, the World Bank is an international lending institution which funds projects designed to integrate developing countries into the wider world economy. Like the IMF, however, the World Bank requires countries receiving loans to implement "structural adjustment programs"—austerity measures designed to make developing nations more "competitive" in the global economy by cutting public programs and loosening environmental standards.

WTO: WORLD TRADE ORGANIZATION

A global free-trade association created in 1995 to enforce the rules of GATT. The WTO is based in Geneva and has 128 member countries, including Canada. GATT (the agreement) has been amended and incorporated into the new WTO Agreements. Whereas GATT dealt only with trade in goods, the WTO Agreements now cover services and intellectual property (TRIPS) as well.

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