

# **Title: Is Globalization a Reality, a Tendency or a Rationale for Neoliberal Economic Policies?**

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## **Abstract**

This paper suggests that the neoliberal war on inflation, deficits/debt, the welfare state, regulation, unemployment insurance, and labour unions are a response to capitalism's profitability crisis and that globalization is part of this larger dynamic. After examining trade, foreign direct investment and financial flows the authors suggests that globalization is not by and large the way multinationals have responded to their profitability problem, but that globalization it is largely a myth that has been used to help reshape society in the interest of increasing the multinationals profitability. The World Trade Organization and other free trade agreements can be seen as a strategy to use international rules to overcome domestic resistance to the multinationals interests. The purpose of the World Trade Organization is to improve the profitability of the MNCs by lowering their taxes, their costs of production through its effects on labour and environmental legislation and by its ability to commodify much of what was out of the reach of the for-profit sector. Interestingly, decades of neoliberal rule does not seem to have restored the golden hue to capitalism. Market failure with respect to long-term investment and education are but two illustrations of why neo-liberal strategy, left to its own devices, may not be able to restore capital accumulation.