

Chapter Four

GLOBALIZATION

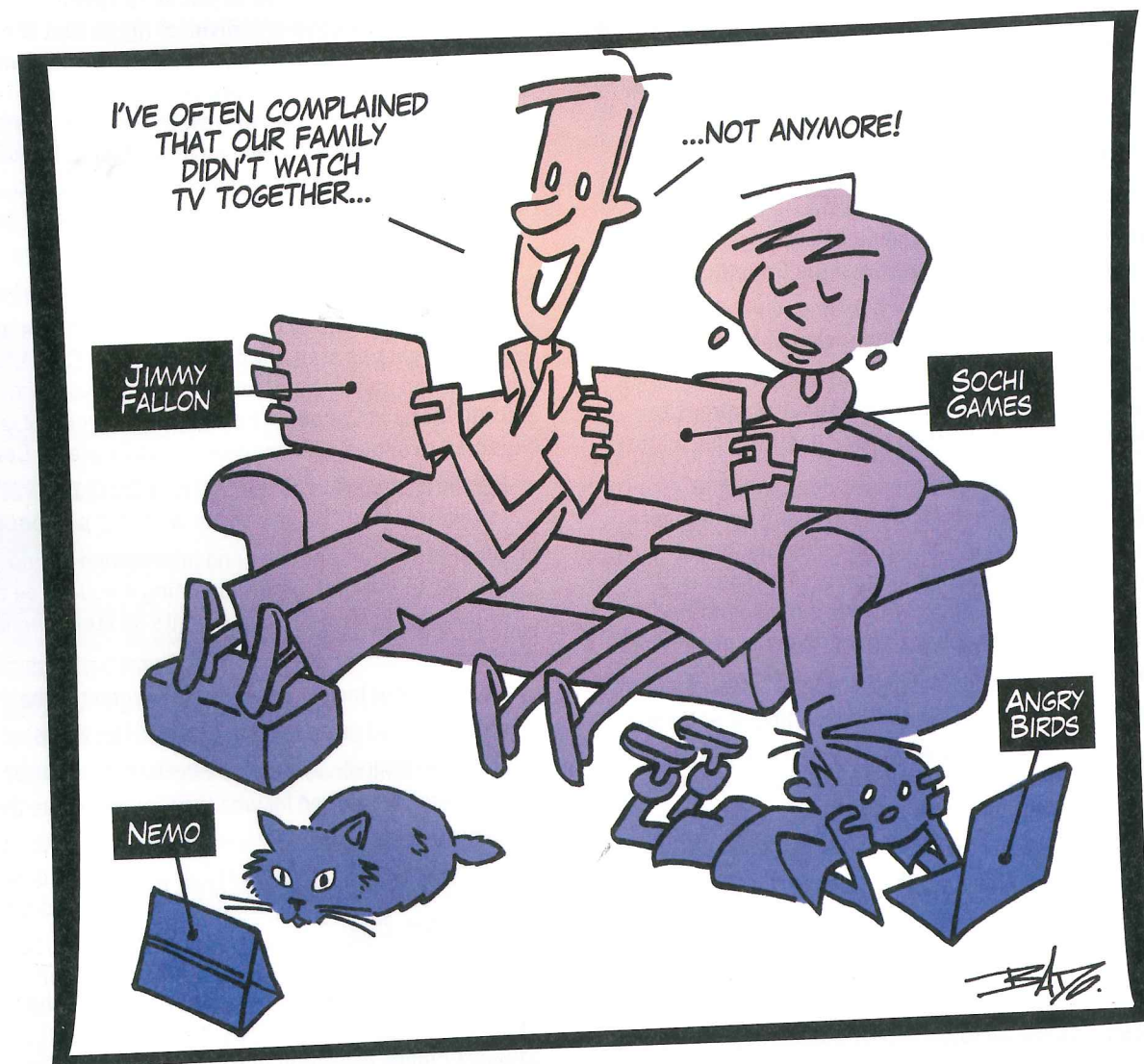


Figure 4–1 Artist Guy Badeaux, who goes by the pen name Bado, works for the French language *Daily Le Droit* in Ottawa. He explains what inspires him: “I get really mad when I read the paper. By doing cartoons, I feel that I can maybe help right some wrongs.” He created this editorial cartoon in 2014.

CHAPTER ISSUE

How is globalization shaping Canada?

The World Wide Web was born in 1989. British computer scientist Tim Berners-Lee penned a proposal for sending and receiving digital information among scientists. He built a client-server prototype in the same year — and it worked.

Berners-Lee worked with CERN, the European Organization for Nuclear Research, to develop his innovation. By April 30, 1993, the Web had been up and running for about two years. On that date, CERN made the software to run a website freely available. The Web would not belong to a corporation. It would belong to the citizens of the world.

In the few brief decades since then, the Web has transformed how we work, how we learn, how we connect, and how we play.

Examine the editorial cartoon on the previous page, which shows a family at play. Then discuss and respond to the following questions:

- How does the family in Guy Badeaux’s cartoon watch television? In your experience, is this accurate?
- How does the Internet make this family’s entertainment possible?
- Does the family really “watch TV together” as the male character suggests? If not, what’s happening?
- Note the origins of the media: Jimmy Fallon is the host of an American talk show; the 2014 Sochi Olympics took place in Russia; *Finding Nemo* is an American-made movie; and a Finnish company developed the video game and animated TV show *Angry Birds*. Is anything Canadian? Is that a problem?
- What is Badeaux saying about some of the challenges and opportunities of today’s entertainment media?

Key Terms

globalization
less-developed countries
more-developed countries
digital divide
multinational corporation
recession
intergovernmental organizations
nongovernmental organizations
status Indian
free trade
tariff
biotechnology
patent
genetically modified
environmental stewardship
sustainable

LOOKING AHEAD

The following inquiry questions will help you explore how globalization is shaping Canada:

- What is globalization?
- How is economic globalization shaping Canada?
- How does globalization stress the environment?
- How is the globalization of culture shaping Canada?
- How is globalization affecting your privacy?

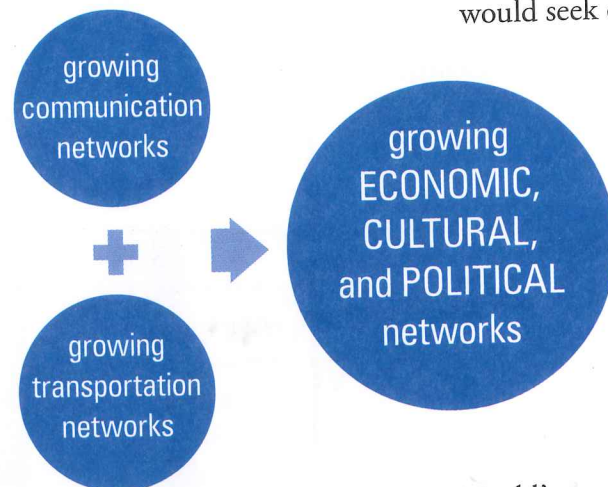
LEARNING GOALS

In this chapter you will

- identify developments in science and technology that increase globalization
- describe the various forms of globalization
- compare the current Canadian economy with the economy of earlier periods
- explore the impact of free trade on Canada’s relationship with the United States
- explore the impact of globalization on the environment, privacy, and Canadian identity
- assess the significance of globalization

Figure 4–2 The Key Ingredients for Globalization

What other ingredients might drive each of economic, cultural, and political globalization?



CONNECTIONS

Time it takes to reach a business meeting — Toronto to Vancouver

1939	16 hours — Flight with stops in North Bay, Winnipeg, Regina, and Lethbridge
1957	8.5 hours — First nonstop flight
Today	4.5 hours — Nonstop flight
Today	20 seconds — Dialling in to a virtual meeting

Voices

Where globalization means, as it so often does, that the rich and powerful now have new means to further enrich and empower themselves at the cost of the poorer and weaker, we have a responsibility to protest in the name of universal freedom.

— Nelson Mandela,
President of South Africa, 2000

What is globalization?

Globalization is not new. The most widely favoured explanation of early human history is that human beings evolved in Africa and spread throughout the world between 60 000 and 40 000 years ago. Because different locations favoured different economic activities, communities would seek each other out to trade goods.

Globalization is the growth of international connections. It happens when societies and individuals build their networks to connect with other societies and other individuals. Improvements in communication and transportation are key to building ever-larger networks. During the final decades of the 20th century, technological innovations such as the Internet enabled these connections to occur faster and more easily than ever before — and the pace of globalization increased dramatically.

When they hear “globalization,” many people picture economic globalization. It’s true that the integration of the world’s economies has been extensive. The technology for a computer’s processor, for example, may be developed in Canada, but the chips may be made in China and the software in India. The various parts may be shipped to Thailand, where they are assembled, and then transported to dozens of countries for sale. Few countries today do not purchase goods and services from other countries, and vice versa. But globalization comes in other forms, including cultural and political globalization.

Cause and Consequence: Globalization affects us every day, for example, in the food we eat, the video games we play, the languages we speak, and even the Internet memes we share. How does it affect you?

Different Views on Globalization

Is the globalizing process a positive or negative force? Proponents of globalization will point out that increasing business reduces poverty by providing jobs. Supporters point out that globalization brings the peoples of the world closer together and promotes international understanding and peace. Tim Berners-Lee, who developed the World Wide Web, said, “Link by link, we build paths of understanding across the web of humanity. We are the threads holding the world together.”

Critics of globalization believe that it can bring harm. Companies that source cheap labour, for example, may be taking advantage of workers in **less-developed countries** — countries with little industrial activity and low average incomes. Critics claim that **more-developed countries** — countries with a lot of industrial activity and high average incomes — can use their multiple advantages to win in the marketplace. Walmart alone has sales that exceed the gross domestic product of all but 25 countries (2012).

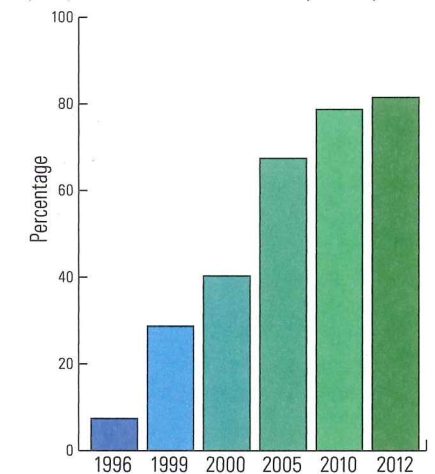
Communication Drives Globalization

Since 1982, developments in communication technology have exploded. When the World Wide Web first gained a user-friendly interface in 1991, only 600 000 people were Internet users. By 1995, 6 million people were connected, and by 2012 this number had grown to 2.4 billion. The Web has made it possible for people to go online to do business, shop, research, and communicate with people around the world.

Personal computers did not become common until the mid-1980s. Before that time, people had to type and retype a document to get it perfect, put it in an envelope, and mail it. It could be weeks before a reply would come in the mail. With the spread of computers, we can now write documents and revise them easily before sharing them via email. And the recipient can respond right away. Similarly, businesses can quickly order stock and keep you posted on the status of your delivery. Some retailers don’t even bother with a bricks-and-mortar store, preferring to conduct all their sales online.

Figure 4–3 Percentage of Canadian Households with Internet Access

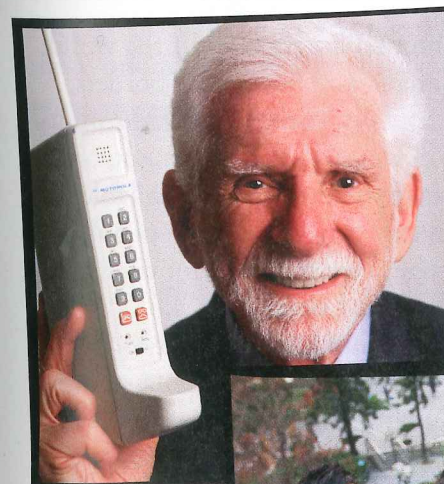
What trend does this bar graph show? Do you predict it will level off? Why or why not?



Source: Statistics Canada and Internet World Stats

Snapshot in Time

The Cellphone Revolution



Martin Cooper made the first public cellphone call on April 3, 1973. The response was as if it were magic. “As I walked down the street while talking on the phone,” said Cooper, “sophisticated New Yorkers gaped at the sight of someone actually moving around while making a phone call.”

Cooper’s invention, which used wireless technology, was not available to the public until 1984. At first, cellphones were big, clunky, and expensive. They began to catch on, though, and before long they’d grown smaller, more portable, and cheaper. By 2002, smartphones were all the rage, enabling

users to take pictures, record video, go online, send and receive email and text messages, watch movies and TV shows, and post on social media. What else can you do with a smartphone? In your opinion, did technology change human behaviour or vice versa?

**Figure 4–4** Martin Cooper holds his invention, at top left. How has the cellphone changed and stayed the same? How have we changed or stayed the same?

Voices

Are you ready to celebrate? Well, get ready: We have ICE!!!! Yes, ICE, *WATER ICE* on Mars! w00t!!! Best day ever!!

— MarsPhoenix (@MarsPhoenix)
June 20, 2008

CONNECTIONS

Access to Internet at Home,
Canada, 2012

- the 25% of Canadians with the highest incomes: 98% access
- the 25% of Canadians with the lowest incomes: 58% access
- university graduates: 95%
- high school or college graduates: 83%
- elementary school graduates: 51%
- 34 years old and younger: 97%
- 65 years old and older: 41%
- urban: 83%
- rural: 73%

Up for Discussion

Does society have an obligation to provide Internet access to all? Why or why not?

Changing Access to the News

Internet access expands the size of our news networks from local newspapers to all newspapers virtually anywhere in the world. We can easily access the websites of news organizations such as CNN, Al Jazeera, and *The Times of India*. Even when the news is written in a language we don't know, we can use a program to translate a website.

The Canadian public is now getting much of its news on social media. Why? Alfred Hermida of UBC's Graduate School of Journalism says that "Canadians are using social networks as personalized news streams, with news selected and filtered by family, friends, and acquaintances." And then there is the matter of speed. In 2008, the public learned about a major discovery on Mars through a tweet on Twitter, which you can read in Voices. The traditional news organizations were left in the dust — they picked up the story hours later. If immediacy was the only criteria for news, social media would win hands down.

But then there is the issue of quality. Newspapers and television and radio newscasts use professional journalists to gather and report the news. Journalists follow strict ethical guidelines to ensure that they are presenting the public with balanced, honest, reliable reports. Is the news on social media as trustworthy?

A 2011 Canadian Media Research Consortium study found that 36 per cent of Canadians view social media as reliable sources of news. That figure jumps to 61 per cent of Canadians under the age of 34. Do you consider social media to be trustworthy sources of news?

The Digital Divide

In 2014, Canada had one of the highest Internet access rates in the world. But a **digital divide** exists both within Canada and beyond its borders. The digital divide separates those who do and do not have access to up-to-date digital technology.

In Canada, for example, high-speed Internet access is not available in many rural areas. Accessing the Internet is expensive, and some people cannot afford it. Language is also a challenge. Few websites, for example, are available in the native languages of Aboriginal peoples.

The digital divide also separates the world into haves and have-nots. In Africa, where many countries are less developed, only about 16 per cent of Africans used the Internet in 2012. How might a lack of high-speed Internet access place both individuals and their communities at a disadvantage? Is Internet access a human right? Why or why not?

Transportation Drives Globalization

Expanding communications networks stretch our minds and multiply our opportunities to connect virtually. But expanding transportations networks enable us — and our goods — to leave home and travel the world.

Transportation systems, including road and rail networks and travel by ship and air, have grown in both size and sophistication. As transportation to faraway corners of the world grows faster and cheaper, companies set up factories in locations with low labour costs.

Magna International, for example, is a Canadian-based **multinational corporation** — a company that operates in more than one country. It makes parts for the auto industry. About 19 000 of Magna's 128 000 employees are Canadians who work at 19 plants in Canada; the rest work in 315 Magna facilities in 28 other countries, such as the United States, Poland, India, and Russia.

Container Shipping

In the 1950s, a few shipping companies started using containers: large metal shipping boxes built in standard sizes so that they can be sealed and transferred by crane from one form of transport to another, such as a ship to a truck or train.

Containers revolutionized international shipping. Before they were introduced, workers loaded and unloaded individual boxes and barrels every time the form of transport changed. This process was time consuming and expensive, and caused delays and damage.

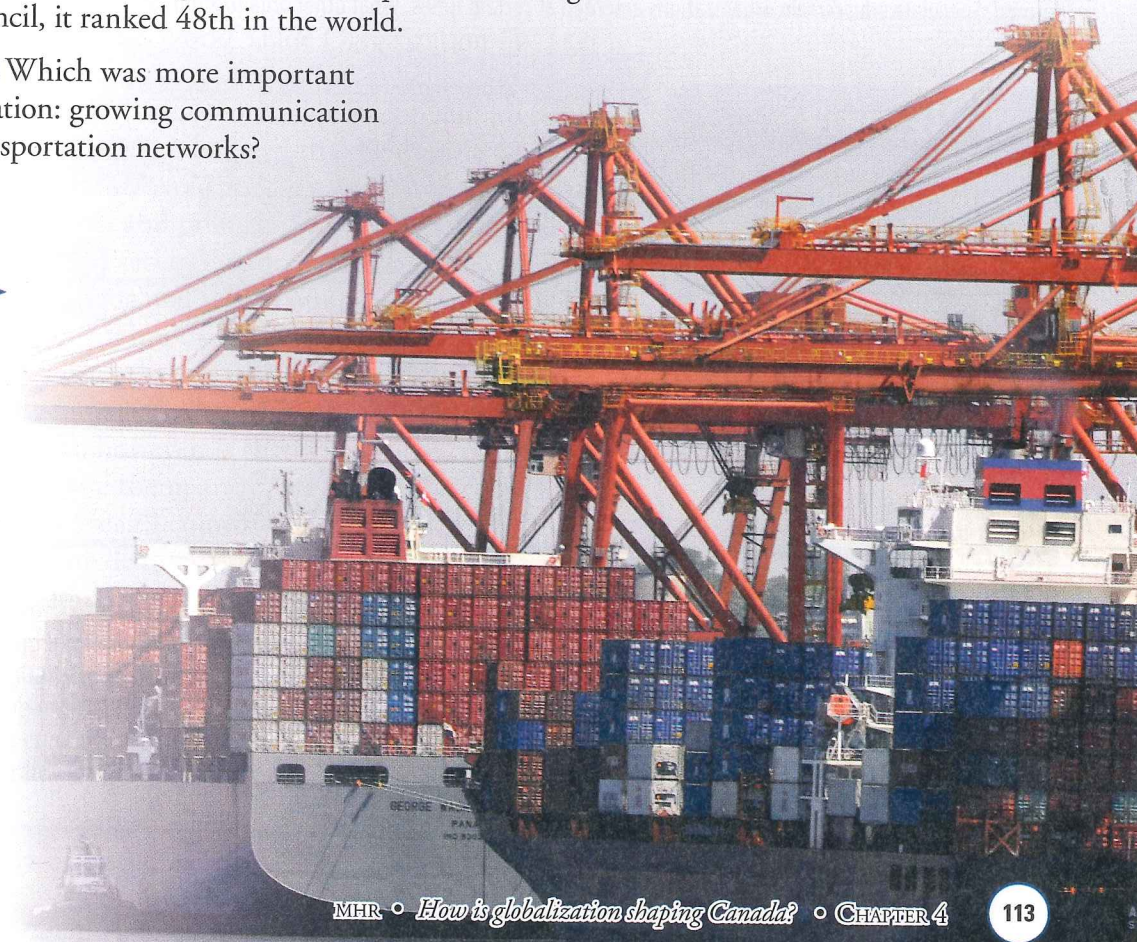
During the 1990s, the volume of freight shipped in containers grew and shipping costs dropped. This meant that Canadian consumers could buy electronics and other goods made in distant countries more cheaply.

"Low transport costs help make it economically sensible for a factory in China to produce Barbie dolls with Japanese hair, Taiwanese plastics, and American colorants, and ship them . . . all over the world," wrote Marc Levinson in *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*.

By 2010, about 60 per cent of the world's trade goods were shipped in containers — and countries with large container ports prospered. In 2014, Port Metro Vancouver was Canada's largest and busiest port. According to the World Shipping Council, it ranked 48th in the world.

Cause and Consequence: Which was more important to the process of globalization: growing communication networks or growing transportation networks?

Figure 4–5 A loaded container ship prepares to leave Vancouver harbour. The gantries lift containers off and onto the ships — and have replaced hundreds of workers who used to do this job by hand. Would it have made sense to forgo the gantries and keep the jobs? Why or why not?



Voices

Just as the computer revolutionized the flow of information, the shipping container revolutionized the flow of goods. As generic as the 1's and 0's of computer code, a container can hold just about anything, from coffee beans to cellphone components. By sharply cutting costs and enhancing reliability, container-based shipping enormously increased the volume of international trade and made complex supply chains possible.

— Virginia Postrel, cultural commentator,
in *The New York Times*, 2006

CONNECTIONS

Individuals have their own global organizations. They're called nongovernmental organizations (NGOs). These nonprofit organizations exist when groups of citizens want to accomplish something together. Plan, for example, is a global movement that works to better the lives of children.

Growing Worldwide Organizations

Evidence of globalization can be seen in the proliferation of international organizations. They are increasing in both number and size. Many of these are **intergovernmental organizations** — national governments working together to advance their mutual interests. Some international organizations, such as the International Civil Aviation Organization, include virtually all countries. Others, like the Arctic Council, address the mutual needs of countries within a particular region.

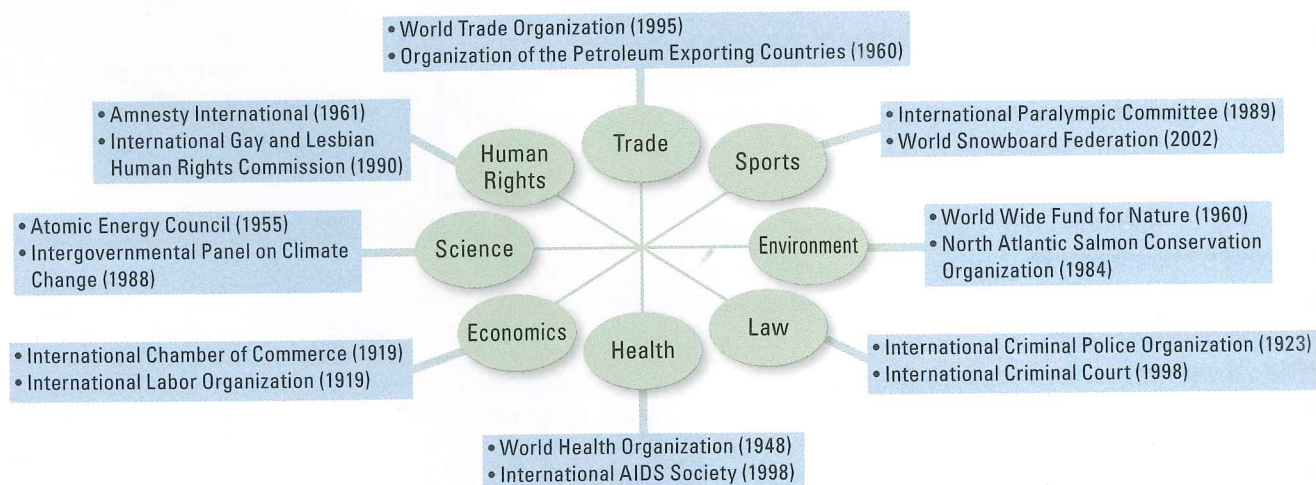
Appealing to an International Organization

Sandra Lovelace Nicholas lost her Indian status when she married a man who was not a **status Indian** (a person registered as Indian with the federal government). Men in a similar situation did not lose their status. Lovelace Nicholas was barred from taking part in band decisions, having her children in reserve schools, and gaining access to reserve housing. The Supreme Court ruled against her in 1977, so she appealed to the United Nations Human Rights Committee in 1979. She won the case, and Canada revised the law in 1985.

The United Nations did not have the power to change the laws of Canada. Nonetheless, its decision humiliated Canada, forcing it to reconsider the Indian Act and make changes to ensure it was no longer discriminatory toward women. In your opinion, should an international organization have a say in Canadian law? Why or why not?

Figure 4-6 Selected International Organizations

These are just some of the types of international organizations, and just a few samples of each type. Look at the dates, which show when they were formed. Speculate why certain organizations emerged at certain times. What other organizations do you know of in each category?



Recall... Reflect... Respond

- If you were to create a computer animation of globalization, what would it look like?
- In what ways have growing networks made the period since 1982 a time of continuity — and of change? Provide examples to support your response.
- With a partner or small group, brainstorm and make a timeline of a list of changes that globalization has caused since 1982. Choose two of these changes and compare the significance of their effects on your life and the life of one of your parents or another adult.

How is economic globalization shaping Canada?

Throughout the 1990s and into the 21st century, economic globalization sped up. Countries made trading partnerships. Multinational corporations spread their operations to multiple countries. Countries with natural resources ramped up harvesting. Countries with inexpensive labour costs built more factories. Goods and services were being bought and sold over greater distances than ever before.

Increased global economic trade increased country-to-country interdependence. But many relationships are not balanced. Consider the world's biggest economy, the United States, which often dominates in economic relationships. It is the largest consumer of goods in the world, so all countries want to sell into that market.

The United States plunged into a deep **recession** in 2008. A recession is a slowdown in industrial and trade activity, so a recession in one country can affect the economy of a trading partner. Because the United States is Canada's biggest trading partner, the Canadian economy was deeply affected. Prime Minister Stephen Harper predicted, "We will not turn the corner on this global recession until the American financial sector crisis is fixed."

Cause and Consequence: What do Harper's words suggest about globalization and Canada's ability to deal with economic challenges?

The World Trade Organization

Since it began operating in 1995, the World Trade Organization (WTO) has been the chief manager of economic globalization. The seeds of the WTO were sown near the end of World War II, when representatives of 44 countries, including Canada, met and agreed that **free trade** would help the world recover from the war, avoid another severe depression like the one endured during the 1930s, and promote prosperity. Free trade is the unhindered flow of goods and services across borders.

Until this point in time, Canada and other countries protected their industries by putting a **tariff** — an import tax — on imported goods. Tariffs made imported goods expensive. The goal of tariffs was to ensure that consumers in Canada chose to buy the lower-priced Canadian-made goods. The problem with tariffs, however, is that when some countries impose them, all countries impose them, and trade is stifled.

Choosing to take a new course, 23 countries, including Canada, signed the General Agreement on Tariffs and Trade (GATT) in 1947. GATT members agreed to gradually get rid of trade barriers, such as tariffs. Eventually, GATT became the WTO.

The WTO oversees the rules of international trade. It organizes trade negotiations, polices trade agreements, and rules on trade disputes. If Canada and China were to disagree about auto parts, for example, the WTO would settle the dispute. The WTO can enforce its decisions by imposing trade sanctions — penalties — on countries that break the rules. By 2013, 159 countries belonged to the WTO.



Figure 4-7 Czech artists Richard and Slavomir Svitalsky created this cartoon in 2006. What was their message? What does it have to do with trade? Should Canadians be concerned about this message? Explain your response.

Voices

The federal government has obviously fallen down miserably in upholding their obligations to indigenous peoples. . . . So we've taken it up a notch and we need to get our voice heard in the international arena because we can't seem to get anyone to listen to us in our own country.

— Evelyn Baxter Robinson, Nishnawbe Aski Nations' land and resources co-ordinator, Thunder Bay, explaining why NAN made a claim to the WTO

Up for Discussion

Why would Canada ever let an outside organization control any of Canada's affairs?

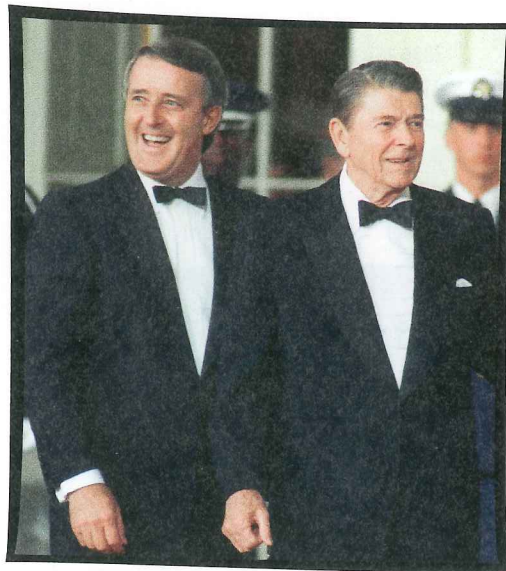
CONNECTIONS

The Auto Pact by the Numbers

Vehicles manufactured in Canada:

1965	846 000
2002	2 600 000
2007	2 580 000
2013	2 379 806

Figure 4–8 Canadian Prime Minister Brian Mulroney (left) and U.S. President Ronald Reagan became good friends, which made it easier to work toward mutual goals. But Reagan's policies were unpopular in Canada, so many Canadians took a dim view of the friendship. Why would Canadians be concerned about a friendship?



Impact of WTO on the Auto Pact

Canada and the United States took the first step toward free trade in 1965, when the two countries signed the Canada–United States Automotive Agreement, also known as the Auto Pact.

The pact, or agreement, eliminated tariffs on many vehicles and cleared the way for the “Big Three” American automakers — General Motors, Ford, and Chrysler — to expand their Canadian operations. It also provided Canadian consumers with a wider variety of cheaper cars and set the stage for Canadian parts manufacturers, such as Magna International, to expand.

The Auto Pact included protections for the Canadian auto industry. For every car the Big Three sold in Canada, they were required to build one here. In addition, rules required every vehicle built in Canada to include 60 per cent Canadian content in parts and labour. If these conditions were not met, tariffs would be applied.

But the founding of the WTO in 1995 spelled the end the Auto Pact. Cars made by European and Japanese automakers were being taxed when they entered Canada. These automakers complained that the pact violated the WTO's equal-treatment rule because it favoured American auto companies. A WTO dispute panel upheld the complaint in 2001, and the Auto Pact was abolished.

Growing Free Trade

By the late 1980s, many Canadian businesses were urging Prime Minister Brian Mulroney's Progressive Conservative government to work out a deal to promote free trade between Canada and the United States. Canadians were hesitant. The United States had such economic clout. Wouldn't its advantages leave Canada at a disadvantage? Wouldn't Canadian businesses suffer when giant American multinationals entered the Canadian market?

Mulroney didn't think so. He believed a stronger relationship with the United States could only benefit Canada. He accomplished this, in part, by developing a friendship with President Ronald Reagan. The two had much in common, including conservative political leanings and a mutual interest in free trade. Their common Irish ancestry came in handy at The Shamrock Summit held on St. Patrick's Day, 1985, in Québec City. Before the evening was through, the two of them were on stage belting out “When Irish Eyes are Smiling.” The friendship set the tone for the Canada–United States relationship for the next 25 years.

The 1988 election was the free trade election. The Progressive Conservatives supported free trade; the Liberals and NDP did not. Most Canadians voted against free trade, but those votes were split between the NDP and the Liberals. So Mulroney and free trade won the day.

Soon afterward, Canada's first free trade agreement was signed. The Canada–United States Free Trade Agreement came into effect in 1989. And in 1994, the FTA expanded to include Mexico and became the North American Free Trade Agreement, or NAFTA.

Expanding Free Trade

As it turned out, the naysayers were right. Some Canadian businesses, especially makers of garments, footwear, upholstered furniture, and fur goods, suffered job losses. However, the supporters of free trade were also right. Many Canadian businesses flourished by gaining access to the huge American market. High-tech manufacturing grew. Canada's natural resources exports began to boom. From 1989 to 2002, Canada's exports rose by 221 per cent. In 2010, the United States purchased 75.9 per cent of Canada's exports.

Since NAFTA, the Canadian government has negotiated free trade agreements with multiple countries, such as Chile and Israel in 1997, and Costa Rica in 2002. Canada has free trade agreements with 10 countries as of 2014. In that same year, Canada signed a bilateral free trade agreement with the Republic of Korea. The Canada–Korea Free Trade Agreement (CKFTA) was a landmark agreement for Canada because it was the first for Canada in the Asia-Pacific region. It was expected to level the playing field internationally because many countries already had trade agreements in this region.

In 2014, Canada and the European Union (EU) were negotiating the Comprehensive Economic and Trade Agreement (CETA). The EU is Canada's second-largest trading partner, so this is an important negotiation. The goal is to give Canadian businesses access to 500 million consumers while lowering the price of EU goods in Canada.

The Pros and Cons of Free Trade

Supporters of free trade argue that it makes Canada more prosperous and creates jobs. The federal government agrees. It stated in 2014 that 4.7 million new jobs had been created since NAFTA came into force. Trade between Canada and the United States doubled between 1993 and 2012. Canada–Mexico trade had increased sevenfold in the same time period. In addition, Canadian consumers could buy a wider range of products more cheaply because import tariffs had been reduced or eliminated.

Critics say that free trade has cost jobs because manufacturers have moved factories to Mexico and other countries. There, costs are lower because workers are paid less and rules governing working conditions and the environment are either weak or not enforced. In addition, many of the new jobs created in Canada are part-time or low-skilled jobs with low salaries and few benefits.

Evidence: Does moving a Canadian factory to China, where workers are paid less, exploit Chinese workers? What other information might you need to make a judgment on this issue? How would you go about finding this information?

Figure 4–9 Locomotive 2113 was one of the last to be built by Electro-Motive Diesel in London, Ontario. In February 2012, the American parent company, Caterpillar, closed the plant, putting 460 employees out of work. The workers had refused to accept a 50 per cent pay cut. That was after the company had received \$5 million in federal tax breaks in 2008. The company moved operations to a plant in Indiana, United States, where labour costs are lower. To what extent did free trade lead to this situation?



Up for Discussion

Many unionized workers have taken pay cuts to help their employers stay in Canada. Should unions do this? Is a 50 per cent pay cut too much? What should affect their decision?

CONNECTIONS

The softwood lumber dispute divided Americans. Lumber companies supported the tariff, but a coalition of consumer and business groups opposed it. The coalition said that the tariff added to the cost of a new home in the United States, and this put home ownership out of the reach of many consumers.

Up for Discussion

If the United States won't abide by the NAFTA and WTO rulings, should Canada stop trading with the United States?

The Softwood Lumber Dispute

Just because Canada has free trade deals with various countries does not mean that the trade relationships don't have rough patches. Consider, for example, the nasty fight between Canada and the United States over softwood lumber.

The United States cannot produce enough softwood lumber to supply its needs. It imports about one-third of its softwood lumber from Canada. This means that more than \$10 billion in Canadian softwood lumber enters the United States every year.

In Canada, and especially in British Columbia, most logging takes place on Crown land, which is owned by the government. U.S. lumber companies claimed that Canada's provincial governments charged low fees for logging licences. They claimed that the low fees enabled Canadian companies to sell lumber at lower prices than American companies.

In response to industry pressure, the U.S. government raised the tariff on Canadian softwood lumber imports in 2002. The tariff made the Canadian lumber more costly than American lumber. Demand for Canadian softwood lumber fell — and tens of thousands of Canadian forestry workers lost their jobs. British Columbia was hardest hit. There, about 15 000 workers were laid off.

Over the next four years, this dispute went before NAFTA panels and the WTO several times. Almost all rulings were in Canada's favour. Still, the United States refused to back down.

Finally, in 2006, the United States offered to lift the tariff and refund 80 per cent of the more than \$5 billion in tariffs collected from

Canadian companies — while keeping \$1 billion. Canada realized that this was as good a deal as it was going to get, so it accepted.

Cause and Consequence: Should Canada have foreseen that increasing its dependence on exports would make it vulnerable to decisions made in other countries?

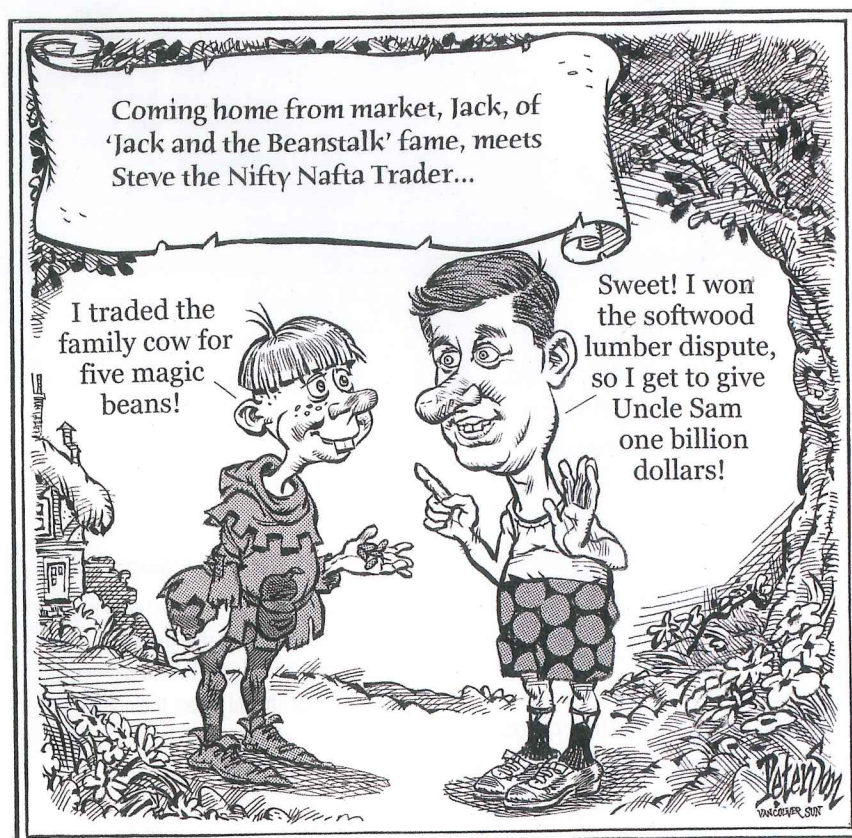


Figure 4-10 Soon after Canada and the United States reached the softwood lumber agreement in 2006, cartoonist Roy Peterson portrayed Stephen Harper explaining the deal. What was Peterson's message? Do you agree with it? Is free trade to blame for the outcome of this dispute? Why or why not?

Giving Up Control

To a certain extent, embracing free trade is giving up control and trusting in the marketplace. This can be a risky business, because Canada cannot control international market forces. If you have a product another country wants, you are in a good position. But if the country finds another, cheaper supplier, your sales could evaporate overnight.

In some cases, though, it is the negotiated agreement that causes problems. Consider Chapter 11 of NAFTA, which states that foreign investors can sue governments if they believe they are being treated unfairly. The dispute is decided not by a court of law but by an appointed tribunal.

Several companies have sued Canada. In 1997, the Canadian government had to pay Ethyl Corporation \$13 million because Canada banned the import of the gasoline additive MMT, which research suggests is a neurotoxin and potentially harmful to the environment and health of Canadians. The Canadian government was trying to protect Canadians and ended up paying dearly for it. Barry Appleton, Canadian lawyer for Ethyl Corp., said at the time, "It wouldn't matter if a substance was liquid plutonium destined for a child's breakfast cereal. If the government bans a product and a United States-based company loses profits, the company can claim damages under NAFTA."

Cause and Consequence: As of 2010, Canada had paid out \$157 million in damages to foreign companies that made claims under Chapter 11. The United States hadn't paid anything. What can you conclude? What additional information might help you figure out what happened?

Up for Discussion

Should Canada ever sacrifice safety or environmental concerns to avoid a lawsuit?

Figure 4-11 This political cartoon by Michael de Adder shows Canada trying to get a trade dispute resolved with the United States. What is the situation? What is de Adder trying to say?

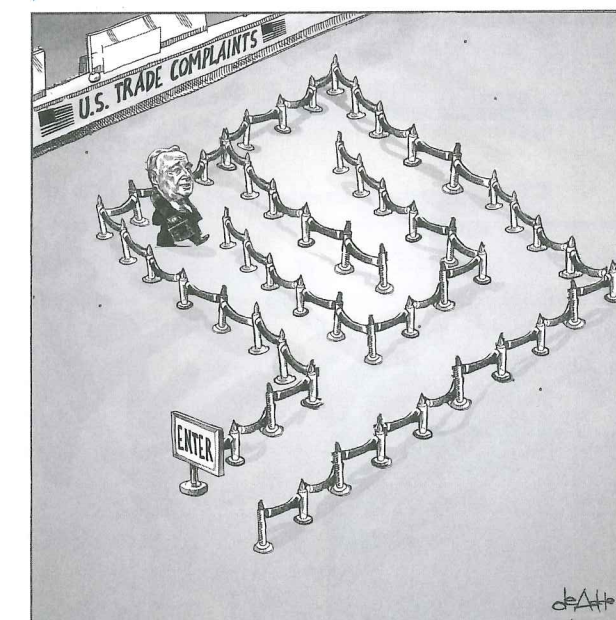


Figure 4-12 Effects of Free Trade on the Canadian Clothing Industry, 1989–2011

Who benefited and who was harmed by changes in the trade rules for clothing? How much control does Canada have over any of these changes?

Period	Trade Conditions	Effects
1989–1994	The Canada–United States Free Trade Agreement eliminated tariffs on clothing imports and exports between the two countries.	<ul style="list-style-type: none"> Canadian clothing exports to the United States grew. Canadian clothing imports from the United States grew.
1995–2002	To conform to World Trade Organization rules, Canada gradually eliminated quotas on clothing from less-developed countries.	<ul style="list-style-type: none"> Clothing imports from less-developed countries grew. Canadian clothing production and imports from the United States fell.
2003–2011	To conform to World Trade Organization rules, Canada removed trade restrictions on clothing imported from least-developed countries (countries with the lowest levels of industrialization and the lowest average incomes).	<ul style="list-style-type: none"> Imports from China increased by 52 per cent (2004–2006). Imports from the United States and more-developed countries fell. Number of workers in the Canadian clothing industry dropped from 106 225 in 2001 to 25 670 in 2010. GDP generated by apparel manufacturing fell from \$1.9 billion to \$1.3 billion between 2007 and 2011. Clothing prices in Canada declined.

The Impact on Canadian Entrepreneurs

As trade barriers between countries fell in the 1990s and early 21st century, Canadian businesses were faced with a challenge: to compete with other businesses in the world marketplace. Some did not take up the challenge, but others viewed the challenge as an opportunity.

CONNECTIONS

When Barack Obama won the U.S. presidency, Secret Service agents expressed concern about his personal BlackBerry. Fearing that the device could reveal Obama's whereabouts, agents asked the president to give it up. Obama refused — and was allowed to keep his BlackBerry after it was equipped with a "super-encryption package" designed to foil hackers.

Mike Lazaridis and BlackBerry

Mike Lazaridis, whose Greek family immigrated to Canada from Turkey when he was five years old, founded Research in Motion (RIM) in 1984 while he was studying computer science at the University of Waterloo. The company, which focused on developing cellphone technology, released the first version of the BlackBerry in 1999.

The BlackBerry revolutionized the mobile market, and sales took off. In early 2009, RIM shipped its 50 millionth BlackBerry and announced that the 2008 sales had set a new record. The company's swagger dimmed when it failed to compete successfully against the iPhone and Android phones when they came on the market.

Tanya Shaw and Unique Solutions

After graduating from Nova Scotia's Dalhousie University in 1994, Tanya Shaw started a company that developed state-of-the-art online body-scanning technology to enable customers to make or order clothing that fits perfectly.

Shaw credits NAFTA with opening up markets and business opportunities for her company, Unique Solutions Designs. Though the company's research and development division remains in Nova Scotia, its marketing and sales departments are in California.

The Impact on Workers

When Canadian businesses flourish, generally Canadian workers flourish as well. But with globalization, that relationship is frequently undermined.

- When goods from other countries are cheaper than Canada's, manufacturers in Canada close down. From 2006 to 2013, Canada lost 355 000 manufacturing jobs, many of them in Ontario.
- Many Canadian companies subcontract work to overseas manufacturing plants, again eliminating Canadian jobs.
- Just the threat of moving operations overseas undercuts a union's power to negotiate, sometimes forcing wage cuts.
- When companies flourish on the world market, they may pass the profits to shareholders instead of using them to benefit their employees.
- Workers in operations overseas are attracted to manufacturing jobs, even though conditions may be unsafe.
- Globalization of the workforce means that foreigners can be hired to work in Canada. In 2014, critics accused the Foreign Worker Program of leading to Canadians losing out on Canadian jobs to foreigners. The program was also accused of leading to exploitation of those workers.

Figure 4-13 Mike Lazaridis and Tanya Shaw are Canadian entrepreneurs who took advantage of freer North American and global trade to build thriving businesses.



Up for Discussion

Do foreign workers take jobs away from Canadians, or do they take jobs that Canadians don't want?

Thinking Historically: Ethical Dimension

Learning from the Past

Perhaps no piece of garment symbolizes globalization as does the humble T-shirt. Textiles were once a mainstay of Canadian manufacturing, but no more. Today, retailers in Canada get their T-shirts made in less-developed countries such as Bangladesh, where wages hover around \$39 per month. In 2014, the Bangladeshi textile industry was worth \$22 billion.

For Canada, the global arrangement seemed to go smoothly for a long time. And then an eight-storey Bangladeshi garment factory called Rana Plaza collapsed on May 13, 2013, killing 1127 people. Rana Plaza had been built like the hundreds of other garment factories in the area — quickly and cheaply to meet the growing demand for inexpensive export goods.

A Canadian connection appeared immediately. Lying among the rubble and clothing from multiple companies were items from a Canadian company. Canadians demanded answers.

Let's speculate on the process the company officials may have gone through to decide how to respond.

They probably had a look at the history of workplace accidents in Bangladesh. They would have found out that since 2005, more than 1800 garment workers had been killed in major accidents. They would have learned about the 2012 fire in the seven-storey Tazreen Fashion garment factory, which alone resulted in 112 deaths.

The parallel is not perfect. The Tazreen disaster was a fire, while the Rana Plaza disaster was the collapse of a building. It was abundantly clear, however, that many factories in Bangladesh had been built quickly and cheaply from poor materials and with little regard to safety features, such as fire escapes, that Canadians take for granted.

In their search for parallels, the company officials probably knew that after the Tazreen disaster, North American retailers had failed to agree on a way to improve conditions in the Bangladeshi factories.

What did the company officials learn from this history? We can't be sure, but we do know that the company decided to take action, even though some

Canadian retailers were not stepping up. It committed to long-term compensation to those affected. It also signed the Accord on Fire and Building Safety in Bangladesh, along with multiple American and British retailers. The accord commits the companies to improving safety in Bangladeshi factories.

Figure 4-14 Reshma Begum, a garment worker, is pulled from the rubble of the Rana Plaza factory 17 days after the building collapsed on May 13, 2013. The 17-year-old banged on a pipe to get the attention of rescue workers.



Explorations

1. Studying history can help us decide how to respond to contemporary issues. We can model our solutions on a good response to a similar disaster. And we can avoid strategies that history shows had bad results. What did the company profiled above figure out?
2. Why must we take the "lessons" from the past cautiously? Identify an example of people trying to use a lesson from the past, only to end up in greater difficulty.

Figure 4–15 One of thousands of protestors holds up a sign in front of riot police during the G20 Summit held in Toronto in 2010. Some people believe that the G20 works in the interest of big business, not ordinary people. What is the difference? Is there a difference?



The World Starts Consulting on Economic Issues

With the world's economies so intertwined, the six countries with the largest economies decided they needed more communication. So in 1975, the leaders of France, Germany, Italy, Japan, Britain, and the United States started meeting informally to discuss global economic issues and foreign policy. They became known as the Group of Six, or G6.

Canada was invited to join a year later, and the name changed to the G7. When Russia joined in 1998, the group became the G8. (In 2014, in response to Russia's annexation of Crimea, Russia's welcome was rescinded, and the group once again became the G7.)

But Canadian politician Paul Martin, who was federal finance minister in the 1990s, believed that more countries — especially those with rapidly growing economies — should be involved in making decisions. Martin proposed a new and larger group called the G20, which would include representatives from all regions of the world.

Some G8 countries resisted the idea, but Martin persisted and the G20 was founded in 1999. In addition to the G8 countries, the G20 includes China, India, Brazil, Mexico, Saudi Arabia, and the European Union. Both the G8 and the G20 meet regularly to discuss matters that affect the world economy.

Historical Perspective: Where should we discuss world economic problems: the UN, the G20, or in an online discussion? Who would favour each and why? Which would be most effective? Or most inclusive?

Recall... Reflect... Respond

1. Compare Canada's economy before and after 1989. What has changed? What has stayed the same? Create a graphic to organize your thoughts.
2. Choose one change that globalization has caused in Canada since 1989. Explain how the change you chose has affected Canadians. Knowing that this change will probably continue to have an effect, list two things you might do to prepare for the future.
3. How has economic globalization affected the relationship between Canada and the United States?
4. How has economic globalization affected your life? Consider employment of family members, impact on businesses in your community, your job prospects, your ability to afford goods and services, and anything else that seems relevant.
5. Discuss the following questions in a small group.
 - Are you responsible for the working conditions of textile workers in Bangladesh?
 - Would a T-shirt cost more if it was made in Canada in safe conditions in a factory that paid fair wages?
 - Would you be willing to pay the higher cost?
 - If you know Bangladeshi workers are underage, underpaid, or working in unsafe conditions, and yet you still buy the T-shirts they make, are you responsible for those working conditions?

Thinking Historically: Cause and Consequence

History Is Full of Surprises

Have you ever seen a well-laid plan work out exactly as intended? Perhaps. But much of the time, life has a way of surprising us with unintended consequences.

History works the same way. A warmonger who launches a war may lose. A leader who patriates a constitution may end up with endless, fruitless political debate. A government that launches a program to improve the economy may hurt some of the very people the program was meant to help. History is full of surprises.

In the 1990s, the government created the Federal Skilled Worker Program (FSWP). The intention was to attract skilled, well-educated immigrants who would get jobs, help strengthen the Canadian economy, and help it compete globally.

To some extent that happened. Thousands of health care professionals, skilled tradespeople, and high-tech workers have come to Canada to start a new life. According to Statistics Canada, highly skilled immigrants accounted for about one-third of the increase in employment among computer engineers, systems analysts, and computer programmers in the period following the start of the program. In 2012 alone, more than 57 200 immigrants were admitted under the FSWP.

But for many of these highly skilled immigrants, the story did not play out as hoped. Many of them have had trouble finding work. In 2013, for example, the unemployment rate of all Canadians with a university degree was 4.4 per cent. In contrast, the unemployment rate of landed immigrants with the same education stood at 7.2 per cent.

One also has to consider the types of job they got. Many highly qualified immigrants ended up working but not in the jobs that they were trained for. They came to Canada hoping to be a dentist, for example, and ended up driving a taxi.

What is causing the problem? Some have difficulty getting Canadian certification in their field. Discrimination may also be a factor.

Explorations

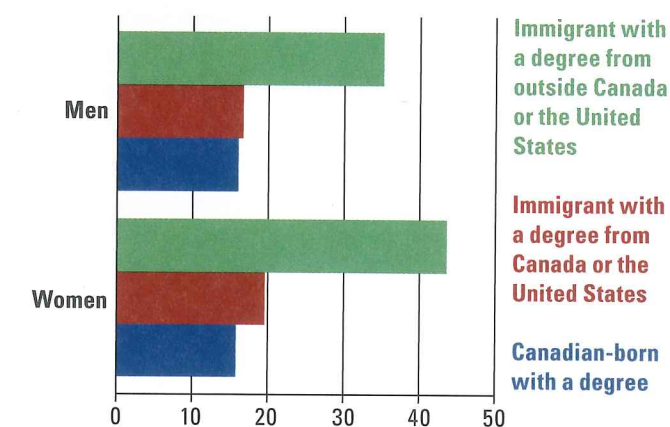
1. Another unintended consequence of the FSWP was the negative effect on less-developed countries. Critics point out that Canada's actions have lured trained health care workers away from their homelands, where they are often desperately needed. What responsibility should

Figure 4–16 Edwardo Alvarez, a Cuban educated as an aerospace engineer in Russia, stocks shelves at the Fairmont Royal York Hotel in Toronto. Alvarez had immigrated to Canada but could not find work in his field. What could Canada do to help Alvarez change his circumstances?



Figure 4–17 Percentage of Immigrants with University Degrees in Jobs with Low Education Requirements

Which gender is more successful at gaining employment that matches qualifications? What trends do you see?



Source: Statistics Canada

governments have for the unintended consequences of the policies that they put in place?

2. Describe the actions of any person from history and the unexpected consequences that resulted.

How does globalization stress the environment?

As economic globalization expands, so do environmental problems. The positive correlation is not surprising: much economic activity involves the harvesting, processing, and burning of natural resources, all of which stress the environment.

Some environmental problems are local. Strip mining, for example, digs up a local landscape. Most environmental problems, however, are global in nature.

- Habitat destruction accumulates, giving wildlife fewer places to live.
- Water and air pollution travel easily from country to country.
- Climate change affects all countries, not just those that caused it.

Humans have a way of messing around with nature. We use it, abuse it, and then wonder how we can stop the problems we cause.

The Biotech Conundrum

In the 1980s, scientists began experimenting with the DNA of plants and animals. The biotech industry emerged. **Biotechnology** is the use of living organisms to create products. Large multinational corporations finance researchers to change the genetic makeup of an organism in the hopes of creating “new” forms of life. They then **patent** these life forms — they get a licence that gives them sole selling rights.

A corn plant typically carries about 30 000 genes. Scientists may try to add or replace a few corn genes with genes from other animal or plant species. The goal is to make a **genetically modified** (GM) corn plant that is insect or disease resistant or simply produces higher yields.

Biotech industries argue that GM foods can help protect the environment and reduce global hunger. Critics worry about the long-term effects of GM products on the world’s environment. Most GM organisms can survive in the wild. If GM salmon, for example, escape their pens and breed with wild salmon, what might be the effect? What if we make a mistake? Will it be possible to reverse our mistakes?

A Canadian Farmer Goes up Against Monsanto

In 1997, Saskatchewan farmer Percy Schmeiser discovered that his canola crop included plants that had been genetically modified by Monsanto. This company is the largest multinational agricultural biotech corporation in the world. It makes both Roundup (a herbicide) and Roundup-resistant canola seeds. Farmers who use Monsanto seed must agree to buy new seed every year. The product is therefore hugely profitable.

Monsanto Canada sued Schmeiser for violating its patent. In court, Schmeiser argued that the seed had blown into his field. He also argued that a plant is a higher life form that should never be patented.

The Supreme Court disagreed. It upheld Monsanto’s patent and ordered Schmeiser to hand over his remaining 1997 and 1998 seed.

Voices

A pig cannot normally exchange genes with a plant, or a human with a fish, but now biotechnology makes it possible . . . these crops are growing in the real world, interacting with other organisms. What effects will this have on ecosystems and on us? No scientist can say, but the answer to this question is critical for us to decide if genetically modifying foods is a worthwhile endeavour.

— David Suzuki, environmentalist, on the David Suzuki Foundation website

Voices

In the United States . . . the most litigious [most likely to sue] society in history, nobody has sued for a GM health problem. . . . We need smart, sustainable, sensitive science and technology, and we need to use every tool in our toolbox, including GM.

— Professor Jonathan Jones, senior scientist with the Sainsbury Laboratory, UK

Up for Discussion

Should any company ever have exclusive rights to own and profit from a life form?

Ramping up Our Use of Natural Resources

Canada is rich in natural resources — minerals, oil, gas, water, and forest and marine products. As global markets open up, Canadian companies export more and more of these resources. It makes sense economically, but does it make sense for the environment?

The potential harm to the environment is in using natural resources irresponsibly. In the case of a nonrenewable resources, you could easily use it up. If a resource is used up, the jobs and the wealth it generates disappear too. In the case of a renewable resource, you could harvest it so quickly that you destroy the resource’s ability to renew itself. Northern cod, for example, were harvested almost to extinction.

Conflict in the Elaho

In British Columbia, the forest industry provides jobs for more than 20 000 people and helps the province’s economy thrive. But the logging companies have drawn criticism because of how they log, where they log, and what they log.

In one instance, logging in the Elaho Valley near Squamish, BC, became the focus of a conflict that pitted logging interests against environmentalists and the Squamish First Nation. At issue was the fate of forests that include stands of red cedar that are more than 1000 years old, as well as the oldest living Douglas firs in Canada.

Interfor, a Vancouver-based international lumber company, was given a provincial government licence to harvest the trees. In 1995, environmentalists and the Squamish First Nation, which claimed the area, together launched a high-profile campaign to save the trees.

One of the major figures of that campaign was known locally as Great Grandma Betty Krawczyk. In 2000, upset that young protesters had been beaten up by angry loggers, Krawczyk stood in the main logging road and wouldn’t move to let the logging trucks pass. She was sent to prison for her trouble, though the charges were overturned after four months.

Finally, in 2000, Interfor agreed to stop logging in sensitive areas. In 2007, the area was protected when British Columbia and the Squamish First Nation created the Upper Elaho Valley Conservancy as part of a comprehensive land-use agreement.

Historical Perspective: In one sense, the protest in the Upper Elaho was local — its purpose was to protect one valley. Could it also be viewed as global? If so, how?

Voices

The fight for the Elaho was without a doubt the toughest, most demanding conservation campaign I have ever been involved with. By the time it was over, an amazing collection of eco-heroes had stepped up to save the valley.

— Joe Foy, campaign director for the Wilderness Committee, 2008

Figure 4-18 A truck carries logs down the Elaho Valley to a mill in Squamish, BC. What would be the consequences if there were no environmentalists to protest irresponsible use of resources?





Figure 4-19 Alisa Smith and J.B. MacKinnon co-wrote *The 100-Mile Diet: A Year of Local Eating*, a humorous story of their effort to eat only food grown within a 100-mile radius of their downtown Vancouver apartment.

Environmental Stewardship

Perhaps the greatest challenge of economic globalization is to figure out how to prevent it from harming the environment. The efforts of the Squamish First Nation to protect the Elaho Valley is an example of **environmental stewardship** — people taking responsibility for protecting the Earth. **Sustainable** resource use is key. Resource use is sustainable only if it can continue to meet people's needs long into the future without harming the environment.

At an individual level, many Canadians use resources sustainably. Perhaps you take public transit, for example, or ride your bike to get around, both of which use less fossil fuels than driving a car.

Many Canadians believe that the globalization of food networks is both harmful and unnecessary. The fossil fuels used by the planes, trains, ships, and trucks that transport food from one country to another contribute to global climate change. Buying local produce and products, on the other hand, helps reduce the need for long-distance transport and supports local economies. Consequently, many people try to “eat local.”

Youth Making History

Going Green

Like students at many schools across Canada, members of Elliot Lake Secondary School's Environmental Issues Club are trying to make a green difference.

In 2008, teacher Lindsay Killen and club members applied for and received a \$50 000 grant from the Community Conservation Initiative of the Ontario Ministry of Energy. With help from local partners, students used the grant to install 12 solar panels and a wind turbine on the roof of the school. The project generates 5.5 kilowatts of electricity and helps power the cafeteria kitchen.

This project was not the students' first environmental venture. They have also planted more than 8000 trees in areas where there were tailings — waste — from the uranium mines that were the reason the city north of Lake Huron was founded in the 1950s. The depleted

mines closed in the 1990s, when they were no longer economically viable.

Peter Hauguth, a Grade 12 student who was part of the project, told *The Globe and Mail* that green technology and renewable energy are the way of the future. “We have largely depended on nonrenewable resources, and taken the earth for granted,” he said. “But if we can't live in the environment, we won't be able to live at all.”

Figure 4-20 Members of Elliot Lake Secondary School's Environmental Issues Club work on one of the 12 solar panels they helped install on the school roof.



Explorations

1. How does the Elliot Lake Secondary School energy project show the power of individuals and groups to co-operate to protect the environment?
2. How might the school's energy project be explained as a response to globalization?

Canada's Climate Is Changing So Why Aren't We?

An overwhelming majority of the world's scientific community believe the same thing: human activity is causing climate change. The activity is the burning of fossil fuels, a process that creates excess carbon dioxide. This overabundance of carbon dioxide rises in the atmosphere where it stays, stopping some of the sun's reflected heat from escaping. The result? Global warming.

Global warming began with the Industrial Revolution, when industry started burning coal on a large scale. It increased as the world population exploded to more than seven billion and more and more people used fossil fuels to fuel their cars, heat their homes, and generate electricity. Since 1880, average temperatures have climbed 0.8 °C. This may not seem like much, but the rate of warming is increasing. The trend will continue for years even if we were to cease all use of fossil fuels immediately.

And even the current small increase is wreaking havoc on planet Earth through the following:

- an increase in extreme weather events, such as heat waves, tropical storms, wildfires, and high-water events like the flooding in Calgary and Toronto in the summer of 2013
- melting ice caps, which will result in the ocean rising, threatening coastal communities such as Vancouver
- acidification of the oceans, which will reduce the diversity of ocean species and devastate the coral reefs

The science community has been urging leaders around the world to make drastic changes to slow climate change. Without change, the world will become a far more inhospitable place. The kind of change that is required, however, is massive. Taxing carbon emissions is one approach, but countries are reluctant to act alone because the extra taxes will disadvantage their industries on the world market. National governments have to pass laws that citizens may dislike. Industries have to adopt sustainable practices. Perhaps hardest of all, people have to change how they live.

In your opinion, what would be the best way to curb climate change?

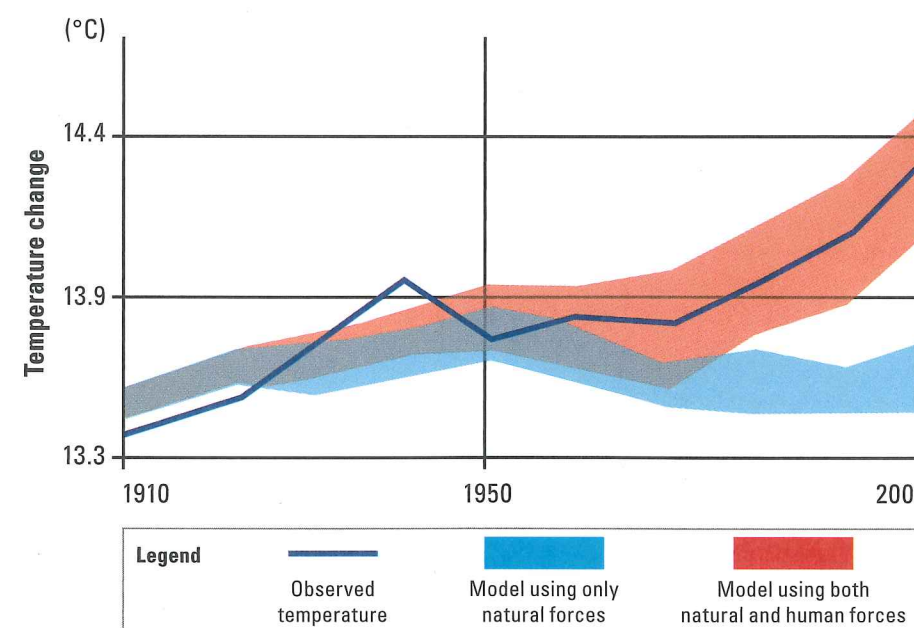
Voices

People tend to focus on the here and now. The problem is that, once global warming is something that most people can feel in the course of their daily lives, it will be too late to prevent much larger, potentially catastrophic changes.

— Elizabeth Kolbert, author of *The Sixth Extinction: An Unnatural Extinction*, 2014

Figure 4-21 Separating Natural and Human Forces Affecting Average World Temperatures

Observe the graph. Are natural or human causes more responsible for global temperatures? How can you tell? Write a statement describing the trends on this graph. Speculate what might have been the purpose of the person or organization that created it.



CONNECTIONS

According to the David Suzuki Foundation, Canada uses more energy than the whole continent of Africa. Despite its minuscule population, Canada produced 699 megatonnes of carbon dioxide in 2012, making it the world's eighth largest producer of greenhouse gases.

Canada: Part of the Problem?

Every year, the Center for Global Development examines the actions of 27 of the world's wealthiest countries in addressing global warming. In 2013, Canada came in dead last. Every other country had made progress. But not Canada.

Why such a low ranking? Canada had taken some action. British Columbia has had a carbon tax since 2008. In April 2014, the Thunder Bay Generating Station burned off the last of its coal, making Ontario the first jurisdiction in North America to successfully phase out coal production of electricity. And many provinces have clean-energy testing programs to ensure that cars and trucks don't create excessive pollution.

According to the Center for Global Development, though, our per capita greenhouse gas emissions were still one of the highest, owing in part to oil sands development, our cold climate, our large land area, and our low gas taxes. Our withdrawal from the Kyoto Accord didn't help either.

The Kyoto Accord was an agreement signed by 140 countries in 1997. All countries agreed to set targets for reducing greenhouse gas emissions. In 2006, Conservative Stephen Harper became prime minister and his government backed away from its Kyoto commitments. In 2011,

it formally withdrew, the only country to do so. The government set its own, less demanding targets. As of 2014, Canada is set to fail to meet even those.

Evidence: A 2013 survey by the University of Montréal found that 70 per cent of respondents wanted the federal government to strengthen the economy and create jobs. However, 71 per cent wanted the government to protect the environment. What does this evidence tell you about Canadians' beliefs and values? In your opinion, can we achieve both goals?

Figure 4–22 What contradiction is artist Kirk Anderson telling us about in this editorial cartoon? What does he think about that contradiction? How do you know? Why does this contradiction exist?



Recall... Reflect... Respond

1. In 1988, Canada took a leadership role by hosting the first international scientific conference on climate change. The conference concluded with a statement with which all attendees agreed: "Humanity is conducting an unintended, uncontrolled, globally pervasive experiment whose ultimate consequences could be second only to global nuclear war." How has Canada's role changed since 1988? How can you respond to this situation?
2. How do trends in economic globalization stress the environment? Should Canadians be concerned? Use examples to support your opinion.
3. Assume you're in a coffee shop, where you meet a student visiting from another country. Write the script for your conversation when he or she challenges you on Canada's environmental record.

How is the globalization of culture shaping Canada?

With the advent of the Internet, the whole world got a whole lot more connected. Canadians can download music from anywhere in the world; read and write blogs for an international audience; and stream content, watch sitcoms, and play video games from any country in the language of our choice. And the social media discussions about culture can cross borders too. In the Internet, barriers are few and far between.

So what does this mean for Canadian culture? As always, it means a mix of opportunity and challenge. The opportunity lies in our increased ability to share Canadian culture with people around the world. The challenge is to create Canadian culture before our ideas are overwhelmed by ideas from abroad.

Canada has been fighting this battle for a long time. For example, free trade agreements do not usually allow governments to subsidize industries to keep them strong. But when Canada negotiated NAFTA with the United States and Mexico in 1994, the government demanded — and won — the right to protect Canadian cultural industries. This enabled federal, provincial and territorial, and municipal governments to continue spending about \$8 billion a year to support Canadian arts and culture.

The CRTC: Protecting Canadian Culture

In 1968, the threat to Canadian culture came not from the Internet, which did not exist, but from media such as radio and television. So the federal government created the Canadian Radio-television and Telecommunications Commission (CRTC), which licenses TV and radio broadcasters to promote Canadian content on the airwaves. As cultural industries changed, the CRTC began to regulate the following:

- telecommunications (1976)
- direct-to-home satellite television service (1995)
- pay-television services (2000)

Although the Internet appeared in the 1990s, the CRTC decided in 1999 not to regulate its content. It would have been impossible. In 2006, it decided to make television programming delivered through cellphones exempt from Canadian-content rules.

Voices

Australia's warning [to Canada]: do not let giant U.S. conglomerates mess with your intellectual property rights (IPR). At least, not if you care about the Internet and the future of sharing and collaborating online, not to mention innovation and the future of the public domain.

— Cynthia Khoo, guest blogger on Open Media website, 2014

Figure 4–23 The *Vikings* TV series is the perfect example of increased globalization in television. This Canadian–Irish co-production is made by Canada's Take 5 Productions and Ireland's World 2000 for the History Channel. This photograph shows Canadian star Katheryn Winnick. Why might this historical drama draw an audience from multiple countries?



Historically Significant for Whom?

Historical significance is variable. To a large degree, it is a matter of perspective. Just because a British historian says that the Battle of Agincourt is an historically significant event does not mean that it will be so for Canadians, too. This battle is historically significant for the British because the British defeat of the French helped form British identity. For Canadians, the Battle of Queenstown Heights in Niagara plays a similar role. It was a major win against the United States during the War of 1812. It is historically significant to Canadians because it contributes to a definition of Canadian identity as “not American.”

Let’s look at a very different event — the founding of the Aboriginal Peoples Television Network (APTN), which started broadcasting in 1999. The APTN was the first national public Aboriginal television network in the world. Its mission is to create programs “by, for, and about Aboriginal peoples,” and to share these programs with all Canadians.

APTN’s programs focus on Aboriginal-related content. *Cooking with Wolfman*, for example, is a cooking show. Chef David Wolfman teaches both traditional First Nations and modern dishes. Some APTN programs feature traditional oral storytelling in a contemporary format. Community leaders and Elders speak in their own languages about environmental issues, land claims, and ways of promoting their culture. APTN produces dramas, sitcoms, news shows, live events, movies, and children’s programming, all with Aboriginal producers, directors, and actors.

Although APTN now produces 84 per cent of its programs in Canada, it also runs programs telling the stories of Indigenous peoples around the world. Most APTN programs are in English and French, but 28 per cent are broadcast in Aboriginal languages such as Inuktitut, Cree, and Tlingit.



Figure 4–24 A member of the Walking Buffalo Singers performs at the 2006 Aboriginal Peoples Choice Music Awards, an annual event produced and broadcast by APTN. Aboriginal people use other means of communication to share their culture. Speculate on what those might be.

Because of the globalization of communications, APTN shows can be seen via satellite or Internet around the world. APTN’s success has inspired Indigenous peoples in other countries to launch their own TV networks. The Māori Television Network, for example, was launched in New Zealand in 2004.

Explorations

- How has the expansion of global communications affected the sharing of Aboriginal culture?
- Decide the extent to which the following groups would likely view the founding of the APTN as historically significant, and why:
 - Aboriginal people
 - Canadians who have never heard of APTN
 - Canadians who watch *Cooking with Wolfman*
 - Maori in New Zealand
- The APTN came about in part because of the 1996 report of the Royal Commission on Aboriginal Peoples. The report said that the mainstream media did not reflect Aboriginal realities and did not “offer much space to Aboriginal people to tell their own stories — as broadcasters, journalists, commentators, poets, or storytellers.” The commissioners urged the federal government to fund Aboriginal-controlled media. Does this make the APTN historically significant? Why or why not? To whom?

Television

One ongoing area of concern for the CRTC is the amount of money Canadian TV networks spend on American programs. On the one hand, creating TV programs is costly and the Canadian market is small. Even with government support, many Canadian productions cannot break even in the Canadian market. On the other hand, American producers of television shows have already covered their costs of production by selling into the huge American market. So they can offer their shows to Canadian networks for a low cost.

To prevent Canadian broadcasters from giving their whole schedules over to inexpensive American shows, the CRTC requires that at least 60 per cent of the programs aired by Canadian broadcasters be Canadian. Some Canadian production companies aim to create shows that will appeal to an international audience and have had great success internationally. Some of these include *Degrassi: The Next Generation*, *Little Mosque on the Prairie*, and *Flashpoint*.

Evidence: In 2003, the major commercial networks spent \$541 million on buying foreign programs and \$536 million on domestic programs. In 2012, they spent \$726 million on foreign shows and \$662 million on Canadian programs. What does this trend indicate? Should the CRTC force equal spending? What would be the pros and cons?

The CBC

The Canadian Broadcasting Corporation (CBC) is Canada’s public broadcaster and is funded largely by public money. The 1991 Broadcasting Act requires the CBC to be “predominantly and distinctively Canadian” and to “contribute to shared national consciousness and identity.” It creates Canadian content and supplies programming to remote areas of Canada that otherwise would not receive service, including local news. Although the CBC is primarily a television network, it runs 30 different services including radio stations, websites, live streaming, a wireless service and podcasts. It also runs Radio-Canada — the French-Canadian version of CBC. It does all this on a budget of \$1.1 billion per year (2012).

The Conservative government cut CBC’s funding in the spring of 2012 by 10 per cent over three years. Some Canadians applauded the cuts because they view the CBC as unnecessary. Others condemned the cuts as politically motivated.

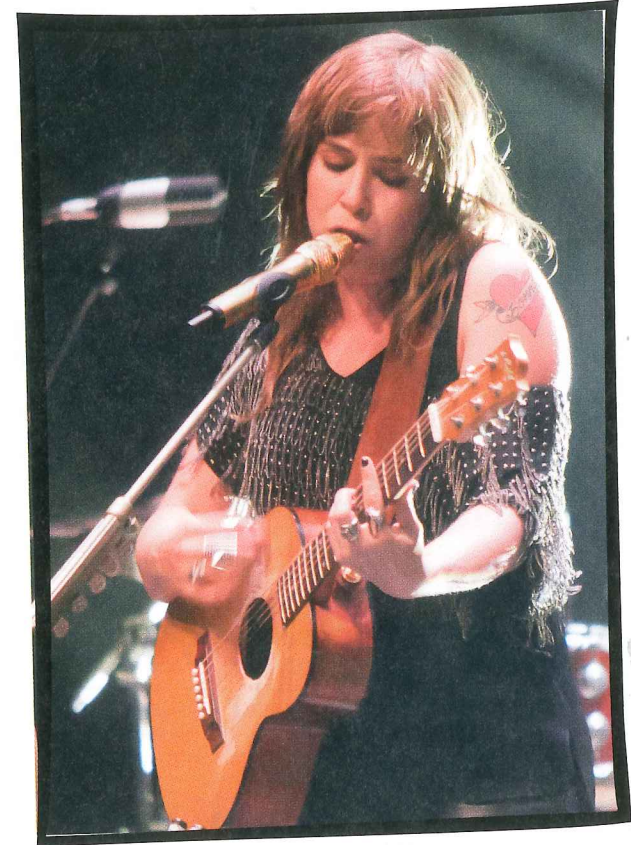
Music

The CRTC requires about 35 per cent of the music played on Canadian radio to be Canadian. This rule has helped promote the work of recording artists such as k-os, Feist, K’Naan, Sarah McLachlan, Broken Social Scene, Susan Aglukark, and Maestro Fresh Wes.

Check Forward →

You will read more about the CRTC and the CBC in Chapter 14.

Figure 4–25 Serena Ryder won a Juno for Artist of the Year in 2014. The album includes two singles that raced up the charts: “Stompa” and “What I Wouldn’t Do.” How might the CRTC’s Canadian-content rules have helped boost her career?



CONNECTIONS

To satisfy Canadian-content (Cancon) rules, a song must meet two of the following criteria:

- The music was composed by a Canadian.
- The lyrics were written by a Canadian.
- The performing artist is Canadian.
- The production was Canadian.

Creating Historical Periods

Making sense of all the events in history can be a challenge. Historians have a useful strategy that helps them organize their thinking: they sort the events of history into periods of time in which certain related events occurred. The Digital Age and the Space Age are two examples.

Take international trade. A student of economics might notice that before 1989 Canada's international trade was limited by multiple tariffs and duties. Then, in 1989, Canada negotiated the Free Trade Agreement with the United States. Since then, Canada has forged a dozen or so trade agreements with various countries. Canada's exports have grown exponentially.

In conclusion, an economic student might divide Canadian history into two periods: a period of restricted trade and a period of expanded trade. That student might name the periods something like Pre-

FTA and Post-FTA. What periods have you already studied in history? What events marked the beginning or end of those periods?

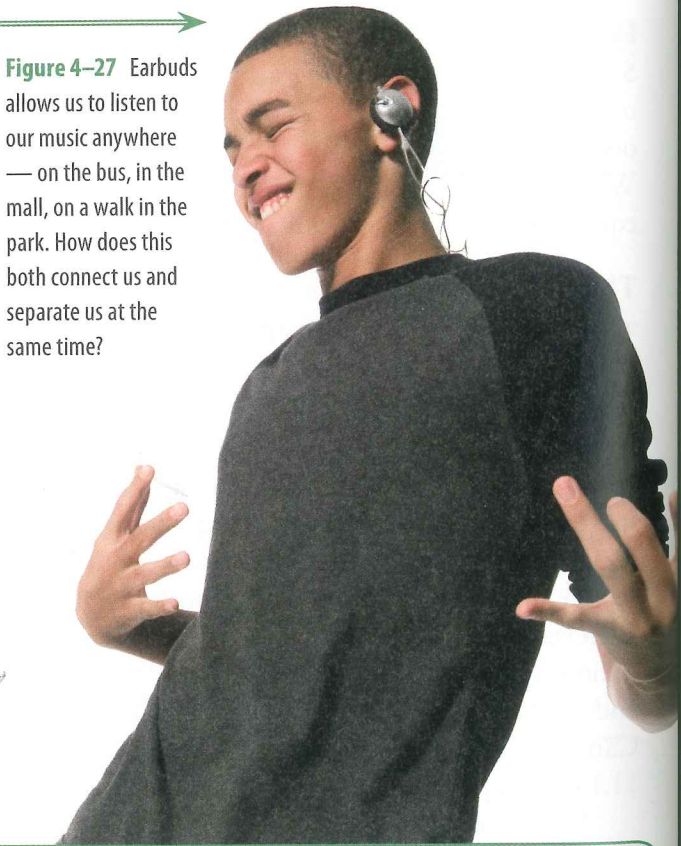
Now consider that periodization is a relative thing. Would a student of music technology choose the periods preferred by the economics student? Not likely. That student would be far more interested in dates such as those in the table shown.

Figure 4-26 Playing Devices

How and where do you listen to music?

Playing Device	Where Would You Listen?
Performance	At the performance
Phonograph (1877)	At home
Long-playing (LP) record (1931)	At home
Jukebox (1934)	In a restaurant
Reel-to-reel tape recorder (1936)	At home
8-track tape (1964)	In a car
Cassette tape player (1971)	At home or in a car
Boombox (1976)	Anywhere
Personal listening device (1979)	Anywhere
CD player (1982)	Anywhere
MP3 player (1997)	Anywhere
Portable electronic device (2001)	Anywhere

Figure 4-27 Earbuds allows us to listen to our music anywhere — on the bus, in the mall, on a walk in the park. How does this both connect us and separate us at the same time?



Explorations

- Decide on a set of periods for the history of music listening. You could base it on where people tend to listen; whether they listen alone or with others; whether they listen to a live performance, a record, a tape, or an electronic device; or any other criteria that you choose. Give each period an appropriate name. Use information from the table in Figure 4-26 or your own research to explain the periods you chose.
- What do the names of periods called "the Depression," "the Age of Exploration," and "the Sixties" tell us about the interests of the historians who named them?

Publishing

Beginning in the 1980s, many small Canadian publishers were scooped up by international corporations. Increasing competition or trouble adapting to a digital age forced others to close. In the name of profit, some foreign-owned companies just stopped publishing Canadian books.

The pressure to compete forced many publishers to seek out bestsellers and take fewer risks developing Canadian writers. Still, Canadians borrow or buy about 3.4 million books a year, and many of those are Canadian.

The Battle over *Sports Illustrated*

In 1996, the practices of *Sports Illustrated* sparked a trade dispute between Canada and the United States. This popular magazine is owned by Time Warner, the American media giant. In 1993, *Sports Illustrated* had started publishing a "split-run" edition for sale in Canada. This edition contained the same content as the American edition but with Canadian ads.

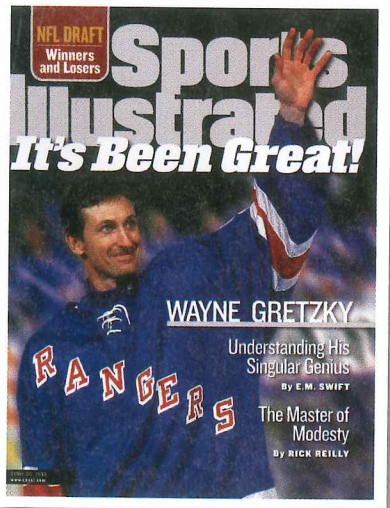
American publishers could offer bargain prices to Canadian advertisers because they had already paid for their expenses by selling into the huge American market. Because the Canadian market is much smaller, Canadian magazines could not offer the low American ad rates. If something didn't happen, they would all be out of business.

How could the government protect Canadian magazines? It decided to impose a tax on Canadian advertising in U.S. split-run magazines. Time Warner challenged this action at the WTO, which did not accept Canada's argument that Canadian magazines promote Canadian culture. It ruled that magazine publishers were businesses and must be treated equally. Canada could not create a special tax for the U.S. split-run magazines.

Canada finally figured out a way to promote Canadian content. When U.S. magazines increased their Canadian content, they would be permitted to offer more ad space to Canadian businesses. As for Canadian magazine publishers, they would receive additional financial support from the federal government.

Cause and Consequence: If most magazines sold in Canada contained little or no Canadian content, would this have a negative effect on Canadian culture and identity? Should the law demand a specific amount of Cancon in all magazines sold in Canada? Explain your opinion.

Figure 4-28 This April 1999 issue of *Sports Illustrated* featured stories about the retirement of Canadian hockey great Wayne Gretzky, who had played for both Canadian and U.S. teams. How might a Canadian and an American magazine take different approaches to Gretzky's story? Do these differences matter?

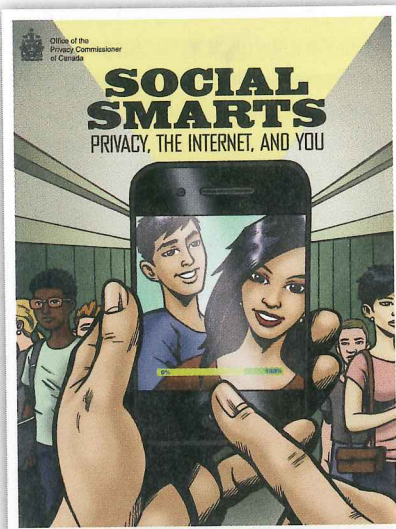


Recall... Reflect... Respond

- In the United States, the Federal Communications Commission (FCC) plays a role similar to that of the CRTC in Canada. But unlike the CRTC, the FCC does not set American-content quotas. Should the CRTC do the same, and stop setting Canadian-content quotas? Explain your response.
- Choose one of the CRTC, APTN, or CBC.
 - How has this organization affected the arts or popular culture in Canada?
 - How has it affected Canadian identity?
 - Should we continue to fund this organization? Why or why not?

How is globalization affecting your privacy?

Figure 4–29 Acting responsibly isn't just for governments. In 2014, the Office of the Privacy Commissioner of Canada produced an online graphic novel that tells the story of the difficulty two teenagers, Amy and Dave, have protecting their privacy. Based on your own knowledge and experiences, what problems might Amy and Dave run into?



Canadians have a right to privacy. That means that when you write in your journal and slip your journal under your pillow, no government official can enter your home, go into your bedroom, and read your private thoughts. Nor can a government official read a note you write to a friend, make a list of the movies you watch, or track your movements.

The exception to this is if a police officer has reasonable grounds to suspect you are involved in criminal activity. Before proceeding, he or she has to convince a judge that the suspicions are legitimate and obtain a search warrant. So our privacy rights do have limits.

For many years, people could protect their privacy fairly easily. Private conversations could stay that way. Private letters could be hidden, torn up, or thrown in the fireplace.

Then came the digital age, and the explosion of information exchange over the Internet. Suddenly, accessing private information became much easier. Governments, commercial organizations, and individuals have all joined in on the spying “game.”

Government Spying

In early 2013, Edward Snowden was an unknown computer specialist working on contract for the American National Security Agency (NSA). In June of that year, he passed secret government documents to a news agency and became an overnight sensation.

Snowden's revelations showed the extent of the surveillance programs of the American government. It was using digital tracking devices to spy not only on unfriendly governments but also on friendly governments and its own citizens. It was recording cellphone calls, collecting webcam images, mining databases, and collecting device location records.

Before fleeing to Russia to avoid charges of espionage, Snowden also revealed Canada's role. The NSA works with spy agencies in Australia, New Zealand, the United Kingdom, and Canada in a spying club called the Five Eyes. To get around laws that prevent them from spying on their own citizens, they spy on one another's citizens and then trade information.

Snowden revealed a few disturbing cases of spying within Canada. For example, he showed that Canada's spy agency, the Communications Security Establishment Canada (CSEC), used a free wireless network at a major Canadian airport to track the whereabouts of ordinary passengers for a period of two weeks. In the words of Ronald Deibert, professor at the Munk School of Global Affairs, “I can't see any circumstance in which this would not be unlawful, under current Canadian law, under our Charter, under CSEC's mandates.” CSEC said it was just practising tracking on communication networks.

Ethical Dimension: Read Stephen Harper's comment in Voices. What do you think? Did the CSEC do anything wrong by taking part in Five Eyes? By tracking Canadians at an airport? What issues are at stake?

Voices

CSEC, and its Five Eyes partners, play a vital role in keeping Canadian families and businesses safe from the threats of terrorism, espionage, and cyber-attacks.

—Prime Minister Stephen Harper, in an email to the CBC, 2014

Canada Spying on Canadians

Our own spy agency wasn't the only Canadian organization accused of spying on the very people it is supposed to protect. Before 2014, police agencies were regularly asking Canadian telecommunications firms for information on their customers. In 2011, the Canadian Wireless Telecommunications Association said that its members had received 1 193 630 requests for information in just one year. That works out to one request every 27 seconds. The telecoms obliged in about 780 000 cases, most without a warrant.

Police agencies were not asking for the content of texts or posts. Instead, they were seeking to identify people. They suspected criminal activity of a particular IP address (computer address), and wanted to know the real-world identity of the person associated with that address. When they got it, they could connect an online persona with a real person. This is particularly helpful for prosecuting online crimes such as the sharing of child pornography.

In June 2014, the Supreme Court ruled in *R. v. Spencer* that what you watch and what you read and what you say on the Internet should be your own business. The exception is when a police officer suspects criminal activity and gets a warrant. As lawyer Jill Presser stated after the decision:

“Law-breaking is still illegal. Canadians online must not interpret Friday's decision as a permit to write hate literature, view child pornography, or listen to pirated music.” But if Canadians do stay within the law, their privacy must be protected.

Figure 4–30 Ontario's Information and Privacy Officer, Ann Cavoukian, was Ontario's privacy watchdog in 2014. She was delighted with the privacy decision: “The Supreme Court of Canada has recognized that, look, there's a huge accountability gap here and they've plugged it, and that's fantastic.”



Recall... Reflect... Respond

- How have spying activities been affected by expanding communications networks?
- How is globalization affecting your privacy? Answer by writing a tweet (140 characters), adding a hashtag (#) to highlight your main idea.
- In a T-chart, outline the arguments for and against the Supreme Court's decision to uphold citizens' right to online anonymity. Which side of the argument do you agree with? Why?
- Over time, privacy issues can change. Discuss in a small group:
 - How do you protect your personal information — basic facts like your name and social insurance number?
 - How do you protect your personal identity — the representation that you choose to show the world?
 - What issues might come up if you fail?
 - How has people's ability to protect their privacy changed since the Internet Age began?
 - How do current privacy issues compare with those before the Internet?

Chapter 4 Review

Knowledge, Understanding, and Thinking

- Historical Significance:** Consider the globalization-related events and issues covered in this chapter. Choose one that you think will be considered historically significant in the future and explain why you have made this judgment.
- Cause and Consequence:** Describe a social or cultural trend, an economic trend, a public policy, and a development in science and technology that affected life in Canada since 1982. Choose the one you think has had the most impact. Whom does this trend affect most? Who benefits and who doesn't? Explain your thinking.
- Continuity and Change:** How a society communicates rarely changes overnight. A communications device or social media program might become available suddenly, but populations tend to adapt to new technologies gradually.
 - What are some reasons people take different amounts of time to embrace new technologies?
 - In your experience, when we switch technologies, what might change? What might stay the same?
 - Describe the pace of your own adaptation to various technologies. Was there one that you picked up quickly? Another that you tried and then dropped? What was hard to learn? And what was worth the effort?
- Cause and Consequence:** To consider the effects of globalization on Canada and Canadians, work with a partner to create a T-chart like the one shown. Predict how each challenge or opportunity you listed is likely to affect your life 10 years from now. To help you get started, two examples have been filled in. For each effect, explain why you classified it as a challenge or as an opportunity.

Effects of Globalization on Canada	
Challenges	Opportunities
Greater competition from businesses in other countries	Increased trade

Communicating and Applying

- Free trade agreements have created close economic ties between Canada and the United States. Some economists have even suggested that the two countries should get rid of their own currency and adopt a common North American dollar. On both sides of the border, some people argue that it is only a matter of time before the two countries unite politically as well as economically.

Should Canada and the United States form one large North American country? Explain the criteria you used to reach your judgment.
- Continuity and Change:** List 5 to 10 employment skills that you and your classmates will need in order to achieve success in today's globalizing world after you graduate. You may wish to consult a reliable source for ideas. In addition, list five jobs or careers that you or another graduate could reasonably pursue.

Then research and list 5 to 10 employment skills that were required of graduates 30 years ago. You may wish to consult a parent or guardian for information. In addition, list five jobs or careers that were available to graduates at that time.

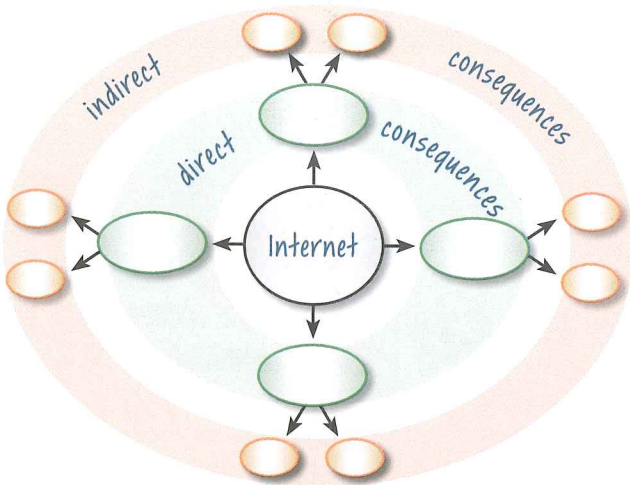
 - Compare the lists. Look for both continuity and change. What skills continue to be important? What are the most significant differences between the lists?
 - Which changes do you believe are linked to globalization? Explain your response.
- Continuity and Change:** Consider what your life today might be like if the Internet had never been invented. Describe your ideas in a two- to four-paragraph opinion piece. In your piece, consider at least three of the following factors and conclude with a statement that sums up your assessment of whether the Internet has been a positive or negative force for you and others:
 - personal communication
 - the digital divide
 - news media
 - researching and locating information
 - employment
 - knowledge of the world

- Assume that Canada is negotiating a trade deal with Bangladesh. Should Canada require Bangladeshi businesses to meet specific environmental standards and to enforce fair labour practices before its trade goods will be allowed into Canada? Would such conditions protect Bangladeshi workers? Or would they be a barrier that would decrease trade and hurt workers?

In a small group, discuss the possible advantages and disadvantages of special conditions like these.

 - Brainstorm to create a list of stakeholders who might have an interest in these conditions. Consider people who are directly affected, as well as those who are indirectly affected.
 - Why do some organizations and governments support conditions like these, while others do not?
 - Try to achieve consensus — general agreement — in your group on whether these conditions would help or hurt the various stakeholders involved in international trade. Consider as many factors as possible (e.g., effects on the environment, how many people would benefit in the long term).
 - Choose one group member to summarize your discussion and present the conclusions to the class.
- Cause and Consequence:** Historical events can have both direct and indirect consequences. Direct consequences are the immediate results of an event. Indirect consequences emerge as a result of direct consequences. You can play online games with people anywhere in the world — this is a direct consequence of the development of the Internet. If you play a lot, you're going to spend less time communicating face to face with people — this is an indirect consequence of the development of the Web.
 - Create a web of effects like the one in Figure 4–31. Place the word "Internet" at the centre of the web. Work with a partner to record as many direct and indirect consequences of the Internet as you can. If necessary, add more bubbles to your web.
 - After reflecting on your web of effects, select one consequence that you believe has had the greatest effect on your life. Record this consequence and provide reasons for your selection.

Figure 4–31 Direct and Indirect Consequences of the Internet



- Cause and Consequence:** Canada interacts with the world on a variety of levels. In turn, those interactions affect Canadian identity. Remake the graphic in Figure 4–32 using different examples. Which type of interaction do you think most affects Canadian identity? Which most shapes Canada? What's the difference?

Figure 4–32 Canadians Interact with the World as Individuals, Through Organizations, and as a Country

