EMERGENCE OF THE GLOBALIZATION PROJECT

Soci 348
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DEVELOPMENT TIMELINE

1970 → 1980
Crisis & Transition

→ 2008?
Debt Crisis & Globalization Project
1980 & The Big Switch:

From Development to Globalization Project
THE DEBT CRISIS

• Global Capital Faces “Overaccumulation” Crisis in 1970s

• Explosion of “Petrodollars” Accelerates This

• Search for Profitability Pushes Private Banks to Make Large Loans to States Across 3rd World

• Reagan Administration Spikes Interest Rates, International Lending Tightens

• Indebted States Cannot Service Loans
Elements of the Globalization Project

• Development as Global Market Engagement
  • Specialization Not Replication
• State Intervention Deemed Inefficient
• Cuts to State Sector & Privatization of Public/State Enterprises
• Massive Cuts to Social Spending
GLOBALIZATION PROJECT AS COUNTER-REVOLUTION

• Third World is Actively Militant/Resistant and Seems to Have Real Power by Mid to Late ‘70s
• Debt Crisis of Early 1980s Reverses Power
• 3rd World States Must Reschedule Debt
• IMF and World Bank Activated as Enforcers
• “Structural Adjustment Plans” Are Mechanism