Lending practices to countries affect economic and ethical issues due to the way a country balances the wants of the influential minority against the needs of the powerless majority who frequently bear the brunt of the loan repayments. In a global setting it is an almost insurmountable obstacle to resolve ethical conflicts to provide equitable solutions that benefit all parties. For example, loans made by the International Monetary Fund (IMF) to economically vulnerable countries, such as former colonies, demonstrate an enduring form of colonialism referred to in this paper as ‘economic colonialism’. However, one of the negative side effects of economic colonialism is a loss of cultural identity.

Culture is reflected in the learned and shared values, behavioral characteristics, attitudes and beliefs of that population. Currently, globalization results in cultural hybridization that may seem like an emancipating experience, but cultural disempowerment of the locals is seldom emancipatory. As globalization continues to be normalized in our collective personal and business thinking it would be extremely difficult to retard or indeed reverse the negative effects of globalization. It is argued in this paper that globalization will lead to the homogenization of culture, identity and cultural experience, thus obliterating the differences between locality-defined cultures that had constituted our identities.

Globalization will create a new meta-culture for the world and its collective identity will be based on shared patterns of consumption. Globalization requires consensus on global ethics otherwise it puts at risk the cultural identity of the weaker party at the bargaining table.

**Keywords:** Ethics, Globalization, Cultural Disintegration, Cultural Homogeneity, Economic Colonialism
INTRODUCTION

Economics, both theoretical and in practice, has its limitations. As a field of study it can never be claimed that it can address all issues related to social justice. It is the responsibility of governments’ and associated political processes to address distributive issues such as the equitable distribution of wealth and resources. Some economists have questioned whether ethics has a part to play with economics as economics deals mainly with individuals and organizations in terms of satisfying their self-interest. Take, as an example, the use of incentive programs and the larger, ethical issues involved. Employees, or any individual, are typically motivated by self-interest. That is, “what’s in it for me?” If a worker is not giving 100% on the job, we do view this as unethical behavior. Rather, we look to the employer and fault them for failures in providing adequate incentives to motivate the employees. However, if an employee is caught stealing from the employer, regardless of the reason, we would state that that employee is unethical, not that the employer failed in their motivation and incentive structures for the company. Unfortunately, between the unmotivated employee and the thief there is the uncharted territory known as the “grey area” of ethics. Many corporate, accounting, and banking scandals that have plagued the United States in recent times occurred because individuals were acting in ways which reflected their own interests and most of which were, at the time, totally legal raised awareness of serious ethical issues. Unfettered capitalism, the centerpiece of western economies, has shown over time that its policies and ethics are more directed at profit and not the concerns of people. United States corporations have shown their disregard for common decency by their continual engagement in fraudulent accounting practices, misrepresentation of corporation’s financial worth, and unrealistic salaries of their top executives. In the past 10 years, more than 250 U.S. corporations have had criminal charges filed against them for ethical and financial reporting violations.

With regard to the IMF and its lending practices one could be forgiven for thinking it is the borrowers’ responsibility and not the lenders responsibility when incurring debt thorough borrowing. With respect to Argentina, there was sufficient evidence available to determine that because of the exchange and interest rate volatility in the international market place at the time, their outstanding debt burden was too high to support a loan. Indeed most analysts could predict that there was a significant probability of Argentina’s default on its debt repayment obligations. Lenders should act in a morally responsible way to protect the poor and vulnerable in their lending practices and are, to a large extent, culpable when they create an excessive debt through their lending practices. However, that is not what the IMF did. Rather, it imposed strongly contradictory fiscal policies and it encouraged the country to stick with a policy of maintaining a fixed exchange rate.

Any reasonable lender, considering the loan and conditions, would have been able to foretell that the end result of such a structured loan would cause excessive hardship and suffering to the recipients society. This behavior is considered and should be considered unethical by the lending community. Granted, a lender always assumes that there is risk involved in the lending practice. Will the recipient be able to repay? What hardships will this loan create that might necessitate default on the loan? For the individual, this represents an economic issue. For a country, it represents both an economic and ethical issue with respect to loan repayment. From an economic point, repayment is based on the countries revenue stream due to its exports and tax structure. So why is it considered an
ethical issue? In the way the country balances the concerns of the powerful upper class wealthy against the needs of the powerless minority of who’s backs the repayment of the loan is ultimately strapped to makes it an ethical issue.

Due to the economic power wielded by lenders of any size to their recipients, strong ethical guidelines have always been around. The potential for abuse is great as the lending practice is unequal (have’s lending to have not’s) and advantages can easily be taken of the disadvantaged. The pattern of IMF loans reveals this and as such, demonstrates the continued economic colonialism established by the governing powers.

The current financial crisis in Europe and developing countries has raised many questions about the legitimacy of capitalism. Ethical failures and how many people blatantly break the law are abundant signs of various forms of potentially unethical behavior. These include greed, unreasonable amounts of leverage, subtle forms of corruption, complex financial instruments understood by few, and collectivist behavior where people failed to exercise independent due care and diligence. The ability to regulate against greed and other ethical shortcomings is proving to be an insurmountable task facing legislators.

Laws and corporations internal codes of behavior are evidence of attempts to establish guidelines for decision-makers to address ethical dilemmas. However, there are still many ‘gray areas’, which are not covered by laws and regulations. In a global setting it is an almost insurmountable obstacle to resolve ethical conflicts to provide equitable solutions that benefit all parties. In general, business ethics can be viewed to contain 3 main focal areas: Individual ethics, Institutional ethics or Social Ethics.

Frequently ethical conflicts occur when individuals try to balance the inconsistencies between various parties such as self, the organization, customer, vendor, society, governments and any other parties with a vested interest. These conflicts can occur when individuals feel pressure to violate their personal value system including dealing with inconsistent cultural norms or, a host country having a value system quite different from their home country.

GLOBALIZATION

Globalization is nothing new. In fact it is as old as time starting when our ancestors first ventured out from their little corner of the world to see what was out there. This adventure generated new cultures and inspired technological innovations which in turn generated new adventures, cultures and greater global integration. The problem then is not so much about globalization, but rather, the type and pattern of it. If we leave the type and pattern of globalization up to the Nations and corporations that are currently pushing it, with their oppressive tactics and profit laden value system, then we risk the cultural diversity and identity of the countries we are marketing our wares to.

The driving force in capitalism is the maximization of profit. As globalization deals with global exports, the goal then is to sell as much as you can, export as much as you can, make as much money as you can. Granted, there is nothing wrong or evil about making profit. However, profit driven by greed and unbridled materialism is nothing more than a violent assault on humanity. What is needed
is globalization driven by ethics and equitable treatment of all.

If we are to accept the concept of globalization, then what is needed is a consensus on global ethics and ethical guidelines and procedures to recognize and resolve ethical dilemmas. However, through globalization, we not only export goods to countries, we also export the sellers’ culture and ethical norms to the recipient countries as well. Consequently, one byproduct of globalization is observable ethical failure at the world level. Not surprising, the major players in this global ethical failure include the North American and Western European Nations. Additionally, the nations media, trade partners and the international financial organizations that are suppose to be helping the world, including the International Monitory Fund, World Bank and World Trade Organization. Is it any wonder that the values, ethics, English Language, greed, materialism, hedonism, culture and disrespect for human needs are pushed down from these nations to the world?

EFFECTS OF GLOBALIZATION

Ultimately, what is globalization? Simply put, globalization is a process driven by technological innovations that results in the increasing interdependence of economies, societies and political systems resulting in a complex global web of interconnectedness. Through this complex network, goods, services, ideas, people, information and capital flow solidifying the significance of these complex associations. Globalization works towards bringing in a common language, a common currency and common behavior.

Globalization results in more than just the increase in the global economy. Globalization:

1. Depletes finite resources more quickly.
2. Depletes resources from developing countries thereby preserving the limited resources in the developed countries.
3. Relocates jobs from the developed countries to less developed, more labor (cost) friendly countries.
4. Fosters dependence on other countries for essential goods and services needed.
5. Intimately ties countries together with the result that if one country collapses, the collapse is felt throughout the interconnected of dependent countries causing others to collapse as well.

Consequently, globalization affects the traditions and cultures of the societies it touches to the extent that cultural and identity borders are erased and what emerges is a form of global borderless world. This allows people, governments and corporations to affect another countries “life” [11]. This results in governments bowing to influences from other countries as each other’s policies, economic pressures and choices affect everyone.

It is our contention that the term globalization should be understood to describe the process in which unique people with distinct languages and ways of life are assimilated into a wider community (35).

With respect to culture, let us examine the consequences of Globalization. While an integrated
global market at this time fails to lead to common laws or common interests, globalization slowly and effectively works to break down natural boundaries. Through the power of technology (television, internet, cinema) we are instantly transported to far away lands. We are not hindered by boarders and can experience Chinese food in India, Indian Curry in Vietnam and Vietnamese food in Ireland. This march towards a global interconnectedness and its subsequent assimilation of culture, people, land and economics has its roots in European colonialism. The scope and power of globalization leaves many cultures at risk. Languages are slowly becoming extinct. As an example, less than 8000 people in the world can speak the Hawaiian language. The cascading effects of globalization extend beyond this to environmental degradation, cultural dislocation and economic exploitation.

Culture, any culture whether it is ethnic, family or business, is reflected in the learned and shared values, behavioral characteristics, attitudes and beliefs of that population. The goal of capitalism is to transform people into consumers. They do this by altering our self-images, wants and values through carefully crafted marketing campaigns. As our individual identities are linked to our culture, capitalism transforms cultures in order to serve their greater good: profitability. [13]

Socialization is now shaped via the media, advertising and peer groups and no longer tied to previous social and cultural groups leaving families and youth in a state of collapse. Now the driving force in socialization are Western movies, mega-malls and dimly lit nightclubs. This new social structure is accomplished by directed advertising which tells the consumer what they want, when they need it, and that it is in short supply so grab it now. In order to direct a consumer’s spending patterns, corporations restrict overall choices, not for the benefit of the consumer, but choice is restricted to those items with maximum profit potential. Through imagery, fashion shows, celebrity endorsement, film, radio, television and former political figures, corporations create demand, limit availability and create mountains of consumer debt to promote a global culture of materialism convincing all that all desires should be met to have the “Lifestyle of the Rich and Famous” that is their destiny.

Now that the consumer has become acclimated to a particular pattern of advertisement, they cease to inquire on the products quality, benefits or for that matter, they don’t even bother to determine if they actually need the product. Their world is now being shaped by MNC’s vision of what the consumer needs and how to direct this perceived need to maximize the MNC’s profits. They have now become what they consume. [24]

As we can see today, globalization results in cultural hybridization that may seem like an emancipating experience, but cultural disempowerment of the locals is seldom emancipatory. As globalization continues to be normalized in our collective personal and business thinking it would be extremely difficult to retard or indeed reverse the negative effects of globalization.

As globalization is not a new concept, so to is the outcome of it. R. Cronk wrote about its effects in 1996 when he stated that due to the ongoing commercialization of the culture, driven by the
It is argued in this paper that globalization will lead to the homogenization of culture, identity and cultural experience, thus obliterating the differences between locality-defined cultures that had constituted our identities. We believe this would result in significant detrimental psychological cultural effects.

Research conducted by Kirmayer (2001) suggests that from the perspective of cultural psychiatry culture influences the sources, the symptoms and the idioms of distress, the individuals’ explanatory models, their coping mechanisms and their help-seeking behavior, as well as the social response to distress and to disability. As an individual’s ethnic identity plays such a significant role in their self-esteem, it influences the causes of psychiatric disorders.

Over time, we have come to accept that the origin of mental disorders can be traced back to some form of bio-psycho-social-spiritual imbalance in the individual. However, though the continued marginalization and disintegration of cultures, boarders and economics caused by globalization, no one is ready to predict the amount and course of psychological disorders that will occur. What is clear, however, is that ignoring the effects of globalization on the framework of our lives would be disastrous. The work of Kirmayer & Minas (2000) determined that globalization does in fact affect the bio-psycho-social-spiritual imbalance seen in psychiatric practices in three ways: through their expressed collective and individual identity of the client, through the disparity of funding in mental health and the contribution and sharing of knowledge within the field of psychiatry. Cultural Identity, it seems, can be reduced down to nothing more than the local belief structure of the indigenous population. Unfortunately, that is often motivated by the political agenda in force at the time and generally centers on class, race, religion, sexuality, gender and nationality.

Through globalization our livelihoods, our very modes of social existence are rapidly being reorganized but without simultaneous systematic reflection on the values that undergird this set of processes. The relationship between a culture, values and its foundations is one of a reciprocal nature. That is, they support and reflect each other. However, with respect to globalization, this is not the case. The culture, values and foundations are mainly Western and they are powerfully but subtlety distributed across the globe by way of alliances, investments, tourism and trade. From entertainment, clothing styles with their logos, fast food franchises and pop culture, globalization communicates the new morality, priorities, and cultural identity the world is to have. So, whom actually are we going to be looking to for the new moral codes that affect our lives? Again, whose ethics will dominant? The West, specifically the United States, is very efficient and effective when it comes to exporting a type of standardized version of their cultures worldwide and it is the ‘weaker’ cultures of the developing world that have been most threatened with cultural genocide.

One of the driving forces behind globalization is the MNC’s. They have become an economic and political force in this increasingly globalized world. Their power and influence can be exemplified by the role Coca-Cola played in the 1998 incident involving Pakistan. In response to India’s testing
of a nuclear device, Pakistan was set to detonate their own nuclear bomb test. The first representative on the scene to hopefully talk them out of this dangerous ‘tit-for-tat’ nuclear test was not from the United Nations, China, Russia or the United States. It was a representative of Coca-Corporation. It was their contention that if they went ahead and completed their nuclear test, sanctions would follow from the West and it would be “bad for business”. They tried to exert influence on the Pakistani government to not engage in nuclear testing. It is hard to imagine that a soft drink company would have the influence necessary to be seen by a foreign government at a critical juncture in their history or could exert enough pressure that would change the course of their government's military policy. Yet, believe you should. MNC’s now account for over one-third of all world exports and the 10 MNC’s have greater GNP’s than the top 170 countries of the world. Shell oil, for example, accounts for half of the revenues of Nigeria and Exxon Mobile’s revenues placed it ahead of all but the top 21 countries of the world!

CULTURAL IMPERIALISM AND CULTURAL DISINTEGRATION

Ultimately, a darker story can now be told about globalization. Granted there are positive effects to globalization, however, the negative consequences on cultures in the developing world are widespread. Although globalization may not necessarily completely destroy indigenous cultures it is perhaps the most significant force in creating and proliferating the cultural identity of the dominant player(s) in the market place - the economic master. Globalization is a slow march to representing a universal identity. (Niezen 2004, 37). Simply stated, 'Global Cultural Homogeneity' infers that everyone will eventually consume the same popular material and media products, whether they be MTV, Coke, Big Macs, Disney, clothes, cars, language, or architecture. Globalization will create a new meta-culture for the world and its collective identity will be based on shared patterns of consumption. Globalization puts at risk the cultural identity of the weaker party at the bargaining table who buy in to its promises of economic freedom. In essence, the age of Cultural Imperialism has come about and as a consequence, diminishes cultures and without our cultures, we, as individuals, lose the social contexts on which we base/define our identity (Haas, Hird 2013, 431).

For quite some time now, Cultural Imperialism has been a topic of discussion. It shares some of the same definition markers as globalization in that it uses political and economic power, not military might, to spread the ethics, values habits and tastes of a non-native culture at the expense of the indigenous culture. [8] It is directed, either by governments or MNC’s for the purpose of expansion of their influence and market share. With this expansion of their goods/services and influence, comes the value system and ideology of the non-native party. It does this with a clear action plan centered around the goals desired. [9] [10] The resulting “new” breed of global citizen tends to be composed of men and women for whom religion, ethnic nationality and cultural uniqueness are only marginal elements in their newly constructed working identity. [35]

As Cultural Imperialism is instilled into the targeted country we see:

1. A new materialistic outlook/mentality (Lifestyle of the Rich and Famous)
2. The depression of local industries in favor of the new imports thereby increasing demand for
Cultural Imperialism, through globalization, targets countries with American culture by way of fashion, food, film and music and establishes itself to the extent of the exclusion of the host countries industries. In some cases, it is hard to distinguish a mall in downtown Minnesota from a mall in downtown Saudi Arabia. The technology, services and goods promoted by MNC’s and their high end directed advertisements obliterate local businesses and guide customer purchases to cater to the manufacturing and profit needs of the MNC and not to customer needs. The MNC creates the demand and customers fall in line to purchase the goods. Beverages such as Coke and Pepsi have now become a substitute for water, coffee or tea. Nestle, a large MNC, has impressed on the minds of many customers across the Middle East that Nestle bottled water was the safest to drink rather than the local municipal water. Bottled water is now a big business for Nestle. [39]

The technology, services and goods promoted by MNC’s also have profound cultural implications. It changes cultures socialization. McDonald’s, Kentucky Fried Chicken, Subway and Burger King make for fast meals not family meals. Fast food today is seldom a family activity or social activity for that matter. Additionally, music listening is personal through a variety of smart phones, iPods or iPads or a variety of MP3 devices. Movies, once an enjoyable way of socialization, now are more conveniently watched on a computer or tablet device. Globalization by way of technology may be interconnecting us, but it as individuals, isolated and alone and not as groups.

The strength of the global advertising media with its rich imagery and its economic role, has made it easy for MNC’s to sell their often ‘un-needed’ products worldwide. They are an integral part of the global infrastructure required by MNC’s. What would Marlboro, Kentucky Fried Chicken, Subway, Burger King and McDonald’s be without powerful and iconic global advertising? The global media working in concert with MNC’s facilitate corporate expansion, spearhead new markets, regions and ultimately, cultural homogeneity. The global media and the MNC’s are truly the new colonizers of today.

FINAL THOUGHTS

As globalization continues, we are finding ourselves sinking into a global culture that promotes consumption patterns, life-styles, products and a artificial identity. As MNC’s dominate and eliminate local markets in the non-Western world, their grip on the local cultures strengthens through the cooperative media by way of television, radio, billboard and celebrity advertising. As satellite
television is all pervasive, there is no corner of the globe today that MNC’s can’t reach. It has been our culture and traditions that has vitally protected and buffered us from the onslaught of outside ideas, influences and marginalization in order to maintain and preserve our unique cultural identity.

It is clear that the version of globalization we teach our students, to dominate world markets through a unique blend of world capitalism and Westernization, is responsible to the erosion and elimination of traditions and cultures throughout the world. It has brought down governments, destroyed the traditions and values of local cultures and quite frankly, homogenized the world’s cultures and will eventually leave us with a eclectic Western flavor.

Earlier in this paper we stated that globalization is a process. It is, with the ultimate result being a homogenized, standardized “sameness” everywhere, thus bringing to light that together, as one universal people and one universal culture, we are quite boring.

We believe that as MNC’s continue to push iconic images of American popular culture, the global picture of cultural diversity will devolve to the point were there will be no real cultural differences. Throughout the Middle East and Asia, the youth of today seem to emulate the mannerisms of their new role models, such as Christian Bale, Melissa McCarthy, Shaq O’Neal, Alex Rodriguez or Demi Lovato all thanks to the world-wide web or satellite television. [52]

As we have now all been properly trained to confuse “needs” with “wants”, our sexual appetites, purchasing patterns, appliances, the very brand of cigarettes and beer we purchase to the automobile we all want are all driven by the brand of globalization we teach in every business school: Advertise what we want the consumer to purchase, limit choices to those that maximize our profitability, subtly let them know they are losers if they don’t have what we are selling and never let them find out the really ugly secret of globalization: homogenization of the world with the loss of cultural identity sprinkled with a healthy dose of self-indulgence. Life is diversity and with uniformity comes death. With each culture that disappears we diminishes our lives and this world. When globalization finally pushes us to the pinnacle of homogenization as a world culture, we will have lost our uniqueness and essentially, our soul.


