

# Expansion and the end of history neoliberal globalization

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## Abstract

*As the dominant ideology since the 1980s, the development of globalization - the neo-liberal, was the financial crisis suffered widespread criticism of people. Neoliberal respected "privatization", "liberalization" not only failed to implement these policies bring national economic and social development, but increased the polarization within these countries, but also exacerbated the imbalance in global development sex, ruining the "globalization" of reputation, hinder the development of "globalization" of its own will into the end of history.*

**Keywords:** neo-liberalism; globalization; the international financial crisis

In 2007 the US subprime mortgage crisis eventually evolved into an international financial crisis sweeping the globe in 2008. Today, many countries are still struggling with the negative impact of the financial crisis. People in crisis will not only be directed at Bank of America tycoon greed and irresponsibility, more people began pointing round led globalization theory - neo-liberalism that the financial crisis has sounded the "neo-liberal" death knell. • As David Coates said: "We are seeing not only a severe financial crisis and a severe recession we are witnessing a neo-liberal capitalist system crisis in the form of this form. the ability of capitalism to promote the production and profit growth now seems to have been doing. "<sup>1</sup>

### 1. The new liberalism from beginning to globalization

The introduction of neo-liberal theory in the West after World War II, it was not until the late 1970s, Western countries trying to implement Keynesian remedy to deal with the phenomenon of stagflation after low growth, high inflation, high unemployment coexist failed neoliberal the theory was taken seriously in Europe and gradually dominate. "'Washington consensus' formation and implementation, it is neo-liberal theory of evolution from the academic international monopoly capitalism and the political agenda of economic paradigm main symbol." <sup>2</sup>(p18-37) 1979 and 1980 Caesar Chlef and worked in the United Kingdom and the United States Ronald Reagan came to power, they have launched a new theoretical basis for liberal development plan, and be successful. At the same time, since 1982, supported by the neo-liberal politicians have in Federal Germany, France, Denmark, Australia, New Zealand, came to power. "It is no exaggeration to say that the 1980s, the neo-liberal ideology to Cuikulaxiu potential, almost swept the entire Western world, and became the policy objectives of Western governments to ease the crisis and implemented." <sup>3</sup> (p274) "the late 1980s and early 1990s, the disintegration of Soviet Union and the socialist camp, it is confirmed from the opposite neoliberal success in a variety of favorable international situation, neoliberalism began by academic theory and to politicize national ideology, normalization, and gradually developed into the United States, Britain and other Western countries to implement the important global economic integration theory and ideology. "<sup>4</sup> (p275) In line with the promotion of neo-liberalism, the American scholar John • Williamson will be made to summarize the neoliberal so-called "Washington Consensus" Western "success" in. Simple generalization, neoliberal Washington Consensus "is a series of market-oriented economic theory, its basic principles include: trade and economic liberalization, market pricing, elimination of inflation and privatization" <sup>5</sup> (p5-11) "After the 'Washington consensus' introduction, soon to be regarded as a model of Western countries because of Western countries to control and manipulate the three major international economic organizations, holds the economic globalization 'game rules' of making power, so they begin with the backing of military force to 'Washington Consensus' as framework for the three major international economic organizations as a tool, through threats or inducements, such as a variety of ways, tried to sell the neoliberal structural adjustment programs of the developing countries in Asia, Africa and countries in transition in Russia and Eastern Europe. "" As a result, the new liberal liberal policies reflect the interests of the Western countries, it is in the name of international organizations to developing countries to implement these international organizations thus become a powerful tool for the implementation of neo-liberal policies of Western countries, while today's global technology has been labeled 'neo-liberal' label, globalization and neo-liberalism thus integration. "<sup>6</sup> (p276) finally neoliberal globalization, while the current round of globalization has become a neoliberal globalization.

## 2. Neoliberal globalization has exacerbated global imbalances

As the UNDP 2002 report released by human evaluation: "While globalization has deepened interdependence, but the world is acting more and more splitting the rich side, while the other side is poor; side is. super strong, while the other side is vulnerable; side is welcome arrival of the new world economy, while the other side of it is to ask people to go the other road of development" <sup>7</sup> (p23-24) advocated by neo-liberalism. policies both within countries to implement such measures lead to uneven development increased, also led to the development of global imbalances intensified. From a global point of view, the imbalance in development between countries has become a global phenomenon contemporary. Developed and developing countries in the globalization process of the past thirty years, the development gap is not narrowing but widening, "uneven development issues more prominent" among countries. <sup>8</sup> The World Bank, "World Development Report 2003" that the average income of the richest 20 countries is now 37 times the average income of 20 poorest countries, and this ratio has doubled in the past 40 years, and continues to expand. <sup>9</sup> (p2) and the United Nations Development Programme has issued a report that: "Now, global income inequality and living standards has reached a ridiculous level: the richest countries in the world per capita and among the poorest fifth of the population income (GNP) gap widened from 1960 to 60:1, 1995 30:1 reach 74:1, and the marginalization of LDCs continues." <sup>10</sup> (p104)

Global imbalances both historical factors, there are practical reasons. However, the situation since the 1980s, the advance of neo-liberal globalization exacerbate global imbalances have developed a very close relationship. Because, in the seemingly unfair neoliberal theory hidden behind the obvious bias and irrationality:

First, the so-called "liberalization" does not take into account the history and current conditions in developing countries, and more reflect Western interests or aspirations. As Stiglitz said: "Trade liberalization agenda is established by the North, or more precisely, by the particular interests of the North established a result, most of the benefits disproportionately to accumulate in the hands of the advanced industrialized countries. in some cases, the economic and social situation of LDCs has actually been deteriorating." <sup>11</sup> (p148)

Second, the so-called "liberalization" has a double standard, on the one hand, Western countries require developing countries to open markets and eliminate trade barriers; on the other hand, Western countries and from the egoism of view, in their own disadvantaged areas implementation of trade protectionism, restrictions products from developing countries to enter, thus causing heavy losses to the developing countries.

Third, the so-called "liberalization" is developed "surplus capital" global free flow of "surplus labor" in the global free flow rather than developing countries. Developed in order to limit the ordinary labor flows to developing countries, to develop a strict immigration laws; at the same time, but then exert enormous pressure financial liberalization in developing countries, and the international "hot money" to developing countries caused by the financial turmoil can not be held responsibility.

In fact, the implementation of neo-liberalism is not only the deterioration of the environment in developing countries develop, more importantly, it makes a lot of developing countries have become more dependent on the economies of developed countries, the formation of a new "dependency" relationship. Wallerstein proposed, based on the increasingly unequal exchange to form a world system 'Center - Edge - semi-periphery' structure. In this system, the gap between developing and developed countries will always

exist.<sup>12</sup> (p118-121) world system theory that the core and the edge is not fixed, their formation and development are connected to each other. This relationship in the formation and development of the world system is constantly re-make arrangements, such as the core region before a certain period after the development may become marginal areas, while the previous marginal zone may become the core area through competition, mainly depending on their the rate and extent of capital accumulation. However, since entering the 1970s, the core area and the edge of the area and there is no conversion, the key is the "unequal exchange" existence. The core of "liberalization" of neo-liberalism is between developed and developing countries continue to maintain a de facto "unequal exchange." Therefore, Hans Peter • • Martin • Harald Schumann said: "uneven and unjust world economy is not only a feature of contemporary globalization, but simply its intrinsic goal itself."<sup>13</sup> (p75) specific to the international financial crisis, it is because of the huge gap between the developed and developing countries led to the development of the world's shrinking market funds in pursuit of greater benefits have poured into developed countries, and then in the developed countries continue to create "asset bubble ", when the asset bubble far beyond the value of the real economy and people's psychological expectations will burst, the financial crisis arises. Therefore, it can be said to produce the financial crisis is the result of neo-liberal globalization.

### 3. Neoliberal globalization towards the end of history

Reflections on the international financial crisis, Habermas: "I hope the neoliberal agenda is no longer considered ready coinage, but was included in the ranks of the veterans did not hesitate to make the life of the world market in order to succumb this whole. the program must be put to the test station."<sup>14</sup> indeed, the face of growing global imbalances, the face of huge losses caused by the global financial crisis, must neoliberal globalization more reflection. Particularly for the vast majority of developing countries, neoliberal globalization does not meet the needs of their development.

First, the "neoliberal" globalization in different countries neglect the development of basic differences, in fact, developing countries in an unfavorable position. Neoliberal Washington Consensus advocates reducing government intervention and regulation, promoting free trade and international capital flow freely without restrictions. This seems to developed and developing countries alike, but, in fact, developing countries generally lack the ability to compete globally, coupled with not fair international trading system, they want to compete with the powerful multinational corporations in developed countries almost impossible to win.

Secondly, the "neo-liberal" to seek the "advantage" instead of "win-win", developing countries do not have access to the benefits of globalization. Neoliberal widely implemented, the "liberalization" of trade protectionism "market" in parallel with the developed countries. Repeatedly asked the developing countries to accept the "Washington Consensus", lower tariffs, reduced government regulation, in order to facilitate their inroads into the goods and services, and even in some of the national economy and industry requirements also require foreign intervention. For merchandise exports from developing countries to set all sorts of new barriers are "standard barrier", "green barriers" and other new trade protection measures are endless. Countries also frequently use the "intellectual property" big stick of sanctions against goods from developing countries. Protection of intellectual property rights in favor of the interests of those who, on the whole beneficial to humans continue to create new productivity. However, intellectual property protection system is too harsh, then so backward country had to pay exorbitant costs for developed countries to catch up. Even, there is an

important role for human drug development, because of intellectual property issues, many developing countries have had to endure the high number of people leaving the lack of imported drugs treatment. This is not fair, and it is inhumane. Neoliberal "free" is to maintain the developed countries, "advantage" of freedom, not freedom of the rapid development of developing countries.

In addition, the "neo-liberal" had a negative impact on the political stability in developing countries. Indeed neoliberal globalization is the globalization of the Western development model. Among them, the Western political model of development which also implies, for example, require increased maintenance capital interest in the legal system, reduce government intervention in the market and so on. Neoliberal globalization not only to promote the universality of free trade, but also to achieve the universality of Western values. This is the reality and diversity of the world development is not consistent. In fact, the Western political system acclimatized in some developing countries, do not adapt to the local history, culture and social traditions. The political system is not only hard to promote the development of graft, but to make political instability, social and political strife since the split. 1961 -1981 in some Latin American countries did not adopt a "neo-liberal" economic policies advocated before, GDP annual growth rate of 5.59 percent, with an average annual per capita GDP growth rate of 1.96%; and 1981 to 2001, when the "new liberalism" in the Latin American countries has been widely adopted, the average annual rate of GDP and per capita GDP were reduced to 2.15% and 0.34%, the economic growth rate that is only after the reform and 38% before the reform. The continuing economic downturn led to the deterioration of the social situation and exacerbate social conflict, and thus lead to the rise of civil society unrest and protest movements in many countries councils. <sup>15</sup>  
(p25-26)

In fact, not only did the neo-liberal development issues in developing countries, and its implicit political intentions, but also to many developing countries into the "globalization" a huge concern. "Western countries and even its efforts in the country in international life national interventionist policies, but requires the majority of developing countries, especially the socialist countries to implement neo-liberal economic policies and reform model, wide open the domestic market, and firmly in control of the West the world economy, its purpose is to restore colonial rule in developing countries to engage in peaceful evolution in the socialist countries, the evolution of capitalism or peripheral capitalism. "<sup>16</sup> (p38-41) Cuban leader Custer Luo even said that we must "defeat of neo-liberalism, because if we do not defeat the neo-liberal, as an independent country we will disappear, and we will become a third world than ever before, more colonies colony."<sup>17</sup> (p170) thus, we can see, "neo-liberal" ruined "globalization" reputation, but to some extent hindered the development of "globalization".

#### 4. Conclusion

Neoliberal globalization not only did not bring to the majority of developing countries, "common prosperity", but to make the gap between developed and developing more and more. After the financial crisis, the reputation of neoliberal globalization has dropped to historic lows, the crisis of confidence associated with the spread of the financial crisis and the global expansion of neoliberal globalization is gradually into the end of history.

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