

Drakakis-Smith, D. (1995) 'Third World cities: sustainable urban development I', *Urban Studies* 32 (4-5): 659-77. A useful introduction to debates about sustainability in cities.

Elliott, J. (1999) *An Introduction to Sustainable Development*, 2nd edition, London: Routledge. An excellent introduction to sustainable development debates in the Global South.

World Commission on Environment and Development (1987) *Our Common Future*, Oxford: OUP. The report of the Brundtland Commission that informed policy-making about sustainable development.

Useful websites

www.inn.org International Rivers Network. Works with local communities around the world to campaign for sustainable water and energy supplies, as well as flood management. Much of their work deals with campaigning against the construction of large dams.

www.ridd.org Intermediate Technology Development Group. Founded by E.M. Schumacher the organization works with poor communities in the South to find appropriate technologies to meet their needs. The website includes many examples of small-scale technological approaches which have had an enormous benefit.

www.tourismconcern.org.uk Tourism Concern. British-based organization which campaigns for ethical, fair trade tourism. There is a strong environmental focus in their work.

www.unhcs.org/scp United Nations Centre for Human Settlements Sustainable Cities Programme.

7 Globalization and development: problems and solutions?

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The majority of this book has dealt with the differing definitions 'development' and the theorizations of why 'development' has or not taken place with the nation state as the main unit of analysis. Chapter 4 the focus was more on sub-national levels, with an examination of what have been termed 'grassroots' approaches and in Chapter 5 different groupings within society were examined. In this chapter we look at the global scale; in particular, the development implications of processes that have been put under the heading of 'globalization'.

Globalization

While the definitions of globalization are very diverse, the majority share the basic premise that 'globalization' involves the increasing interconnectedness of different parts of the world, such that physical distance becomes less of a barrier to exchanges and movements of ideas, goods, people and money (Dicken 2003). A spatial metaphor that is often used is the idea of a 'shrinking world', while others refer to 'time-space compression' (Allen 1995). These growing linkages have been made possible because of developments in technology, transport and communications. Because of these developments, economic, political, social and cultural activities and processes which would have been limited to a smaller scale, can be more easily experienced at a larger scale. This does not mean that everything

now takes place at a global scale, or that all global-scale processes are experienced in the same way, but it does mean that the ways in which 'development' is examined and promoted may be very different.

There are vigorous debates about whether 'globalization' is 'new'. For so-called globalization 'sceptics', the late twentieth-century processes of global interconnectedness are a continuation of trading links and forms of cultural and political exchange which have been going on for centuries (see Chapter 1 on colonialism). However, for others, while they do not deny that there have been global level processes for a significant period, what is going on now is both quantitatively and qualitatively different from what went before (Held *et al.* 1999; Hirst and Thompson 1999).

'Globalization' has entered into the development discourse of many governments: either because it is regarded as an opportunity to promote growth and poverty alleviation (Box 7.1) or because 'globalization' is viewed as an inevitable reality within which nations must either play the game, or lose out in the search for development (Kelly 2000). However, it is important to recognise that globalization cannot be regarded as a causal factor in development (Dicken 2004: 7); rather, within the umbrella notion of globalization there are particular processes which will have certain place and time-specific contexts. In addition, as we have seen throughout the book, it is important to recognize that the same process can have very different impacts both spatially and in relation to diverse groups of people. A wholesale embracing (or rejection) of what processes labelled 'globalization' can provide fails to recognise what Doreen Massey (1993) has termed 'power-geometry'. The potential benefits of time-space compression are not available equally to all, and for some groups, growing interactions with people and places from the other side of the world are not necessarily desirable.

New international division of labour

Despite the fact that growing ties at a global level are found in a range of activities, it is the economic aspects which have been particularly prominent in the literature and policy on development and globalization (see Box 7.1). Changes in transport, communication and technology have meant that production processes can now take place in a range of locations that were previously not

Box 7.1

DFID White Paper 'Eliminating World Poverty: Making Globalisation Work for the Poor'

In 2000, the British Government's Department for International Development (DFID) published its second White Paper focused on what the British government would do to contribute to the Millennium Development Targets (see Chapter 1). While a White Paper is not a piece of legislation, it does provide a summary of government policy on an issue and often forms the basis for later legislation.

The White Paper shows an awareness of the contested definitions of 'globalization', stating that although its general meaning is growing interconnectedness and interdependence, this can involve increasing movement of goods, services, people and information, as well as international agreements for environmental protection and human rights. DFID believes that globalization has great potential in terms of poverty alleviation, but that a positive outcome is not guaranteed:

Managed wisely, the new wealth being created by globalisation creates the opportunity to lift millions of the world's poorest people out of their poverty. Managed badly and it could lead to their further impoverishment. Neither outcome is predetermined: it depends on the policy choices adopted by governments, international institutions, the private sector and civil society. (2000: 15)

There is, therefore, a very technocratic or managerial approach to globalization. As long as the appropriate techniques are adopted by a range of development actors then poverty alleviation will follow.

According to the White Paper, the correct management falls within a neo-liberal free trade system. Wealth will only be created if trading between nations is allowed to flow freely, and markets operate efficiently. There are a number of sections on the reform of global organizations such as the World Bank and United Nations. However, overall the thrust of the White Paper is that the prevailing approach to development through selected state intervention, a strong role for the market and increases in civil society participation is maintained.

Source: adapted from DFID (2000).

economically viable. This has contributed to what has been termed the 'new international division of labour'. This refers to the shift from manufacturing in Northern countries to industrial production in the South where land and labour costs are cheaper. As we saw in Chapters 2 and 3, the NICs in East Asia, Latin America and the Caribbean were able to benefit economically from this process by

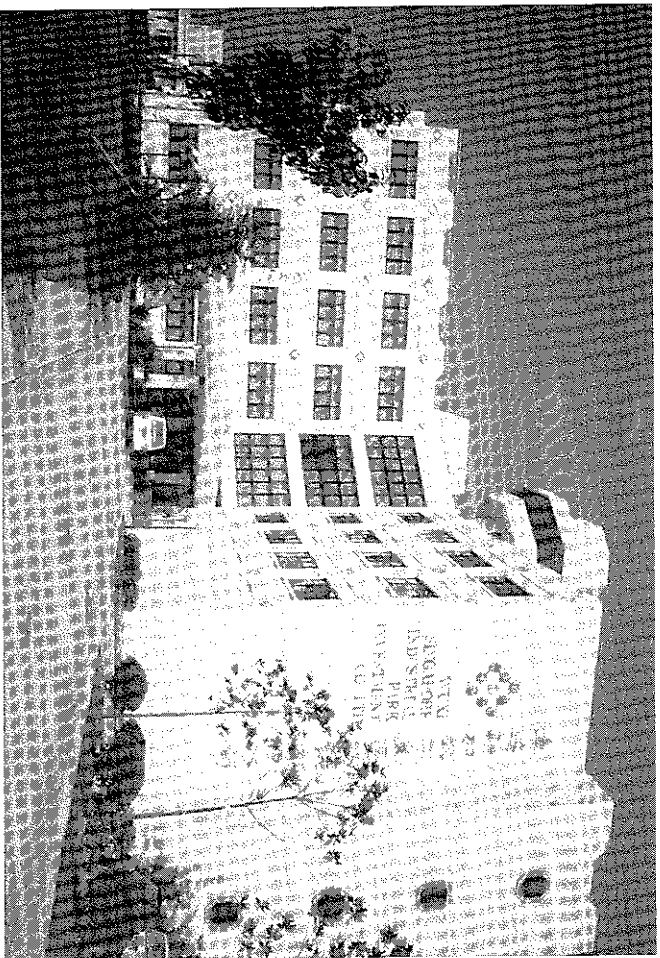


Plate 7.1 Industrial park, Wuxi, China.

becoming sites for the location of TNC factories. Dicken (2003) argues that this is part of what he terms a 'global shift'.

In terms of global manufacturing output, while the USA and Germany have maintained their positions as the top two manufacturing exporting countries from 1963 to 2000, there have been a number of significant shifts in the top 15 manufacturing export rankings (Table 7.1). China, South Korea, Mexico, Taiwan and Singapore have all risen to the top 15, with China's position being particularly impressive. In percentage terms as well, although the USA and Germany remain at the top of the ranking, their share of global manufacturing exports has fallen from 33.0 per cent in 1963 to 21.0 per cent in 2000.

This global shift is not just happening in manufacturing. With improvements in technology and increased educational levels in parts of the South service-sector activities are also being transferred. These include data processing operations and call centres. For example, in October 2003, HSBC Bank announced that it was going to cut about 4,000 jobs from call centres in the UK and move them to Hyderabad in India. The Indian city has a suitably-qualified workforce at a

Table 7.1 Changing patterns of global manufacturing exports, 1963–2000

	2000		1963	
	%	Rank	%	Rank
USA	12.3	1	17.4	1
Germany	8.7	2	15.6	2
Japan	7.5	3	6.1	5
France	4.7	4	7.0	4
UK	4.5	5	11.4	3
Canada	4.3	6	2.6	12
China	3.9	7	NA	NA
Italy	3.7	8	4.7	6
Netherlands	3.3	9	3.3	9
Hong Kong	3.2	10	0.9	15
Belgium	2.9	11	4.3	7
South Korea	2.7	12	0.0	NA
Mexico	2.6	13	NA	NA
Taiwan	2.3	14	0.2	NA
Singapore	2.2	15	0.4	NA
Total	68.8		76.7	

Source: adapted from Dicken (2003: 40)

Note: NA = not in the top 15 in 1963.

fraction of the cost of the British workforce. In addition, telephone charges between the UK and India have fallen greatly, so making this movement financially viable. Before January 2001 a call from India to the UK would cost about 48.0 rupees, but by October 2003 this had fallen to 7.6 rupees. The company Deloitte Research estimates that about 2 million jobs in financial services (out of a current total of 13 million) will move from the North to India by 2008 (Finch 2003).

Globalization and trade

As Ricardo outlined in his discussion of comparative advantage (see Chapter 2), trade can bring great economic benefits. With the growing possibilities for rapid transportation, almost instantaneous communications and improved technologies, production of many goods can increasingly take place far away from markets. This, it

can be argued, allows for new possibilities of participating in global trade and thus accessing greater opportunities for wealth generation.

Under a neo-liberal agenda, the focus on free trade has been a key tenet. Rather than protecting national markets and producers, neo-liberal theory promotes openness. This, it is argued, allows for a more efficient use of resources, exchange of technology and greater opportunities for economic growth. From this it follows that protectionism leads to inefficiency, higher prices and limits to economic growth. Global trade needs to operate according to particular rules. While Adam Smith's ideas of the guiding hand of the market is regarded as the appropriate mechanism, in reality it is clear that this free market does not exist. Because of this, in the post-war period there have been attempts at policing world trade through global organizations. First, it was the General Agreement on Tariffs and Trade (GATT) which was set up as part of the Bretton Woods conference (Chapter 2) and then, in 1995, this was replaced by the World Trade Organization (WTO).

The WTO is made up of 146 member states (as of April 2003) and its remit is to promote the freeing up of trade between members (WTO 2003). In contrast to the GATT, the WTO has the power to enforce trade sanctions. If a member is perceived to have broken rules about protectionism then other members can force the WTO to investigate. As outlined in Chapter 2, free trade may sound as if there are no 'losers', but in practice removing protectionist measures may lead to the destruction of local industries because of competition, or environmental problems (see Chapter 6). The WTO is often viewed as the epitome of capitalist activity in a globalized world and, as a result, WTO meetings have become the focus of often vehement protest. While this has often been termed part of the 'anti-globalization' or 'anti-capitalist' movement, in reality the protesters have represented a range of views and interests, as well as adopting different forms of demonstration (Glassman 2001).

The WTO has been criticized for being too influenced by the views of Northern countries at the expense of those of the South, despite the numerical dominance of Southern nations. Constant calls for decreased protectionism have been directed at Southern nations (Box 7.2), while the USA and the European Union, for example, continue with high tariff barriers against agricultural imports and provide

subsidies to national producers. In September 2003, the WTO met in Cancun, Mexico. A key part of the discussions at the meeting, as well as the focus of protest, was on the inequalities in protectionism, particularly in agriculture. Previous meetings had resulted in few changes along the lines wanted by the South, but the Cancun meeting was different. The so-called 'Group of 21', including key Southern nations such as China, India and Brazil, acted together to withstand the pressures of the US and EU and refused to agree to their proposals. As a result, the meeting collapsed without agreement.

Box 7.2

WTO free trade policies

The WTO was set up as a rules-based organization promoting free trade. Two examples demonstrate the operation of these rules.

EU banana imports Under the Lomé Convention of 1975 (with later renewals) agreement was made to allow African, Caribbean and Pacific states (ACP countries) preferential access to European markets for some products. This was particularly important for agricultural products which formed a substantial part of ACP foreign exchange income. Bananas were a key product in these agreements, forming up to 60 per cent of exports from some countries, mostly in the Caribbean. Banana imports from non-ACP countries were subject to quotas or tariffs.

In 1996 the US government made a complaint to the WTO about this preferential treatment, arguing that it violated the free trade rules. The USA does not export bananas, but US companies, such as Chiquita have large-scale interests in banana production in Latin America. The EU challenged the complaint, but the WTO ruled in favour of the USA.

US steel In 2002, the US government implemented increased tariffs on steel imports into the USA, arguing that this did not violate WTO rules because these rules allowed for emergency measures to be introduced at times of crisis. The USA argued that the September 11th attacks and the associated economic crisis justified these measures. China, Brazil, the EU, Japan, Korea, New Zealand, Norway and Switzerland all protested to the WTO that the steel tariffs were against WTO rules. In November 2003, the WTO agreed that the steel tariffs were indeed inconsistent with WTO Safeguards Agreement and called for the USA to change the policy.

Sources: adapted from Hines (2000); Thorpe and Bennett (2002); WTO (2003)

'Fair trade'

In relation to trade, the example of the Group of 21 at the Cancun summit is one example of how poorer countries and NGOs are seeking to use free trade arguments as a route to economic growth and improved standards of living. Another route is through what has been termed 'fair trade'. This is not the same as 'ethical trade', but is part of the same movement concerned with examining how goods are produced and traded and what the impacts of these processes are on producers, the environment, etc. (see Box 7.3).

In 1989 the Netherlands was the first country to introduce a fair trade labelling scheme. While free market advocates seek to promote the easy movement of goods and services around the world with prices determined by the intersection of supply and demand, within the fair trade movement, the price charged to the consumer reflects a 'fair' price based on what it cost the producer. Consumers are willing to pay the higher price because they recognize that this means the producer will get a reasonable return

Box 7.3**Definitions of trade**

Ethical trade There is no single meaning, but it generally refers to trade within which attention is paid to environmental issues, human rights concerns, animal welfare and other social issues. Blowfield (1999: 754) states 'ethical trade is best thought of in terms of scope – as a term that brings together a variety of approaches affecting trade in goods and services produced under conditions that are socially and/or environmentally as well as financially responsible.'

Free trade Free trade occurs where there are no obstacles to the free movement of goods and services. These obstacles could include policies such as tariffs, quotas and preferential treatment for domestic over foreign companies.

Fair trade 'Fair trade is an alternative approach to conventional international trade. It is a trading partnership which aims at sustainable development for excluded and disadvantaged producers. It seeks to do this by providing better trading conditions, by awareness and by campaigning' (Fairtrade Foundation 2003).

on their effort. For a product to be classified as 'fair trade' its production and trading should include most of the following characteristics:

- Both consumers and producers are aware of the trading terms and what fair trade means.
- There is an independent organization, such as a board of trustees, which is separate from business interests to ensure that the trading process is implemented according to fair trade principles.
- Suppliers and producers are eligible for inclusion into fair trade schemes if they are poor or relatively disadvantaged by the workings of commercial markets.
- There are appropriate monitoring systems. Producers are involved in the development of these monitoring systems.
- Trading terms are agreed by both producers and the companies purchasing their goods. These terms ensure that producers are provided with greater support than that received from a commercial market relationship. (Fairtrade Foundation 2003)

The main areas in which fair trade operates are in foodstuffs, particularly coffee and tea. In the UK, purchases of products with a 'Fairtrade' label more than doubled between 2000 and 2003, with purchases of over £92 million in 2003 (Figure 7.1). These purchases were made up of around 130 different products produced by about 60 companies (Fairtrade Foundation 2004). Globally, there are fair trade labelling initiatives in 17 countries, purchasing products from over 800,000 producers in over 40 countries. The UK represents the second largest fair trade market in the world, after Switzerland (FLO 2003).

In 2002 fair trade products made up nearly 14 per cent of the UK roast and ground coffee market (Fairtrade Foundation 2004). While fair trade products still represent a small but growing part of the global market, where the fair trade process has been introduced, there have been very positive outcomes (see Box 7.4). The fair trade example, demonstrates how global linkages between and within North and South can be used to promote processes of development, not only in terms of economic growth, but also in improved quality of life.

For neo-liberals however, fair trade policies represent an unwelcome intervention into the workings of the free market. For example, in

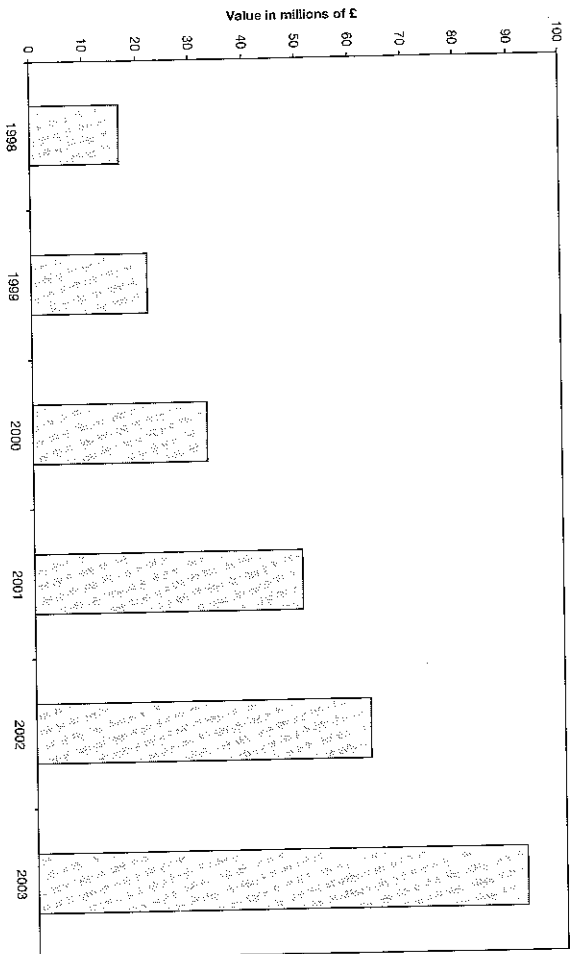


Figure 7.1 Growth in spending on fairtrade products in the UK.

Source: based on data from Fairtrade Foundation (2004)

Box 7.4

Kuapa Kokoo Cooperative, Ghana

Since the colonial period, cocoa production has constituted an important income-generating activity in rural Ghana with thousands of small-scale farmers growing the crop to sell to 'middlemen' for sale on the global market. In the 1930s, the then colonial government took over the trading of the cocoa crops and this continued following Ghanaian independence from Britain in 1957. By doing this, the government was supposed to be able to cushion the producers from price fluctuations on the world markets. However, in the late 1970s, world cocoa prices fell by two-thirds and during the 1980s as Ghana adopted SAPs, this support was no longer possible.

In 1993, a small group of farmers set up the Kuapa Kokoo Cooperative. Rather than rely on middlemen who were known for their exploitative practices, such as weighing products incorrectly so as to underpay the producers, the cooperative decided to sell their produce directly. Some of the crop was sold to a fair trade company. Although fair trade sales are only 2 per cent of the total business, it is important in providing guaranteed income (US\$1,600 per tonne) regardless of the world cocoa price. An extra US\$150

a tonne is paid for community social projects. This money has been used to install drinking water systems and pay for health insurance.

This proved to be a successful arrangement and in 1997 the farmers decided to produce their own chocolate bar. The Divine Chocolate Company was formed, with assistance from UK-based organizations. The board of the company includes farmers' representatives and all farmers have shares in the cooperative so that they receive a share of the profits.

The Divine Chocolate bar was launched in 1998 and has proved to be very successful. The benefits of being involved in this cooperative have led to an expansion and there are now about 45,000 farmer members. Not only does the cooperative help income generation, there are also important programmes of member participation and a recognition of the role of women in cocoa production. Nearly 30 per cent of the members are women.

Sources: adapted from Divine Chocolate (2003); Purvis (2003); Tickle (2004)

March 2004 the Adam Smith Institute published a report criticizing the fair trade coffee companies (Lindsey 2004). The report argued that paying extra money for a cup of coffee just encouraged producers to keep producing coffee, when they should be diversifying into other activities. In addition, they called for Northern countries to continue to reduce agricultural subsidies to help Southern producers access the Northern markets.

Regional cooperation

Inter-relationships between different countries, peoples and organizations may have increased, but this does not necessarily mean that everything now operates at a global scale. In the economic and political sphere, regional grouping have become increasingly important. Most notable in influence terms are the European Union (EU), the North American Free Trade Area (NAFTA) and the Asia Pacific Economic Cooperation (APEC) Forum. These are not, however, the only regional groupings.

According to Bjorn Hetne (1995), national-based development strategies in a globalizing world are increasingly difficult to implement. Frans Schuurman, in his discussion of an 'impasse' in development theory (Chapter 1) partly attributes this impasse to growing global economic interconnectness. Within this context

Individual nation-states are assigned an increasingly smaller function. Development theories, however, still use the nation-state as a meaningful context for political praxis' (Schunman 1993: 10). The importance of TNCs, the role of international financial institutions and the greater links across national borders in relation to trade, migration and other policies, means that looking at development purely within the boundaries of the nation-state is untenable. The influence of external factors in a country's development status was very much part of the structuralist and dependency arguments outlined in Chapter 3. The solution to problems of global power inequalities, according to theorists such as Prebisch and Frank, was to protect domestic economies either through protectionism or more extreme withdrawals from the global economic system. As we discussed in Chapter 3, these attempts have often met limited success. According to Hettne, rather than trying to operate as individual nations in a potentially hostile economic environment, Southern countries should operate in larger regional groupings.

The EU, NAFTA and APEC are some of the most obvious examples of these groupings and enable their members to benefit from being part of a supra-national organization. However, the benefits vary from organization to organization. Freedom of movement is part of the EU mandate, but not of the other two, while trade liberalization has been key in the NAFTA and EU cases, but not the APEC one. The arguments behind regional groupings of this type are that they provide greater bargaining power compared with acting as individual nations.

Regional groupings are not a new entity within development debates. During the import-substitution industrialization (ISI) period of the 1960s and 1970s (see Chapter 3), a number of countries in Africa, Asia, Latin America and the Caribbean were involved in attempts to create regional trading agreements or common markets. The economic rationale behind such activities was to try and expand the markets for domestically-produced goods (Box 7.5). However, just as ISI reached certain limits, so attempts at regional cooperation often faced difficulties, particularly if there were significant inequalities between members.

The development of regional free trade groupings and institutions for cross-border economic cooperation have continued to the present day. The global situation may be different, but there is a perceived

Box 7.5

Central American Common Market (CACM)

In 1960 the Central American Common Market was created by Costa Rica, Guatemala and Nicaragua. Honduras and El Salvador joined soon afterwards. A common tariff barrier was set up so that all imports from non-CACM countries were taxed at the same level regardless of the country into which they were imported. Tariff levels were highest on consumer goods because these were the goods that were the focus of domestic production under ISI. Within CACM some goods, especially industrial goods, could be traded without incurring a tariff, but there was not free trade in all goods and services within CACM. For example, agricultural products were excluded from CACM agreement until the 1990s.

These policies helped increase intra-regional trade from 6.5 per cent of the total trading of the five member countries in 1960 to 26.1 per cent in 1971. This is likely to have boosted domestic production. However, although there was a mechanism to help distribute tariff revenues (as with SACTU discussed later) and schemes to promote industrial development, benefits were unevenly distributed with El Salvador benefiting in particular. Political unrest and problems with the ISI approach, followed by the debt crisis and structural adjustment policies led to a stagnation in CACM activities. By 1990 intra-regional trade had fallen to 15.2 per cent of the total trading. This figure has increased, but has not regained its 1970 levels.

Sources: adapted from Bulmer-Thomas (1988, 1998); Gengel (1995).

need for organizing at a level above that of the nation-state. There are a plethora of regional cooperation organizations (Table 7.2) with varying purposes. The Southern African Customs Union (Box 7.6) is an important example of how poorer countries may work together to seek advantages. There are, however, limitations regarding what such groupings may do. In trade terms, if countries are all producing the same types of goods, then the advantages of trading between each other may be limited. Within NAFTA there is a division of labour between the USA and Canada on one side, and Mexico on the other. The comparative advantages of the different countries means that there are significant flows of goods across the borders (Table 7.3). In contrast, while trade in other trading blocs may be important, there are limited possibilities for intra-regional trade if all countries are producing similar goods.

Table 7.2 *Examples of regional cooperation organizations*

Name	Members	Date	Activities
African Union	52 African nations	1999 (previously Organization for African Unity OAU)	Coordination of cooperation for development
APEC (Asia Pacific Economic Cooperation)	21 members, including Australia, China, Indonesia, Japan, Mexico, Russia, Singapore and USA	1989	Trade liberalization
ASEAN (Association of South-east Asian Nations)	Indonesia, Malaysia, Philippines, Singapore, Thailand (1967 members); Brunei, Cambodia, Laos, Myanmar, Vietnam joined later	1967	Political cooperation on security; trade and investment liberalization
CARICOM (Caribbean Community)	Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, Montserrat, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago	1965 Caribbean Free Trade Association (CARIFTA) 1973 CARICOM	Common market
EU (European Union)	25 members including Belgium, Bulgaria, France, Germany, Ireland, The Netherlands, Poland, Portugal, Slovenia, Spain, UK	1957 (European Common Market) 1992 (European Union)	Free-trade area; freedom of movement; some centralized political decision-making
MERCOSUR (Southern Cone Common Market)	Argentina, Brazil, Paraguay, Uruguay	1991	Common market
NAFTA (North American Free Trade Agreement)	Canada, Mexico, USA	1994	Free-trade area; some limitations on movements of goods and services
SACU (Southern African Customs Union)	Botswana, Lesotho, Namibia, South Africa, Swaziland	1891, although later renegotiations	Common external tariff; finance redistribution

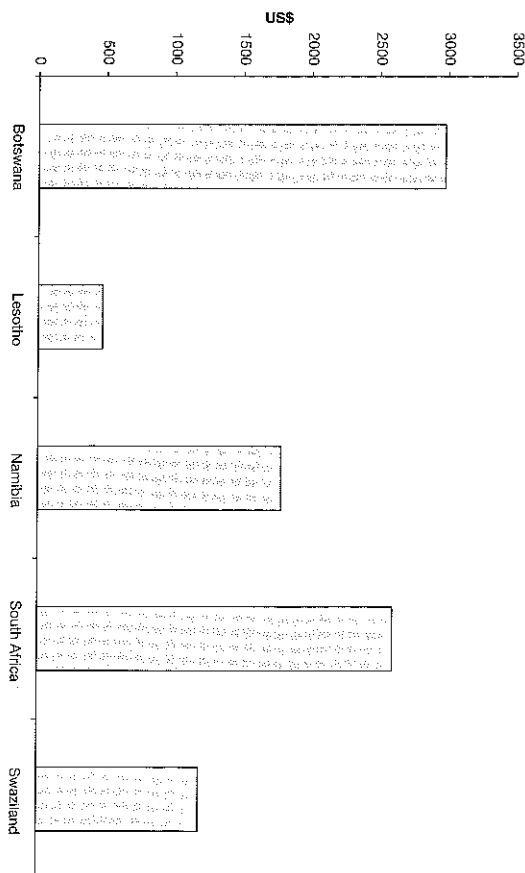
Sources: adapted from African Union (2003); APEC (2003); ASEAN (2003); Dicken (2003: 149); Willis (2002)

Box 7.6

Southern African Customs Union (SACU)

The Southern African Customs Union (SACU) is made up of five countries: Botswana, Lesotho, Namibia, South Africa and Swaziland. It is the oldest customs union in the world, dating back to 1891, but the terms of the agreement have been re-negotiated on three occasions since then to reflect changing economic and political circumstances.

The economic power of the five members is clearly very unbalanced (see Figure). While Botswana has the highest GNP per capita figures, it is South Africa which has the most power. Within SACU there is free movement of goods, capital and services. There are, however, controls on labour mobility. The countries share a common external tariff (CET), so that it costs the same to import and export goods to and from all five countries from non-SACU members. This tariff system encourages intra-regional trade. For example, in 1995/6 over 50 per cent of South Africa's import and export flows were to other SACU states and in 1997 72 per cent of Botswana's imports came from the free trade area (mostly South Africa). Under the CET system, the tariff revenues are pooled and then shared among the member states. This has provided very important state revenues for Botswana, Lesotho, Namibia and Swaziland who receive a disproportionate share of the pool.



GNP per capita figures for SACU members, 2002
Source: based on data from World Bank (2003b)

In June 2003, the US began negotiations with SACU about creating a free trade area. According to the USTR (US Trade Representative) this would help economic development in the SACU countries by promoting foreign investment. In 2000, foreign direct investment to the SACU countries totalled US\$2.8bn (USTR 2003b). It is argued that this amount would increase greatly if the tariff barriers for US goods were removed. Oxfam America (2003) questions the potential benefits of a US-SACU Free Trade Area, claiming, among other things, that it would open the Southern African economies up to the dumping of subsidized US agricultural products undermining local agriculture.

Sources: adapted from Gibb (2004); Oxfam America (2003); USTR (2003b)

Table 7.3 Trading within NAFTA

Overall intra-NAFTA trade	1993 US\$306 billion 2002 > US\$621 billion
Mexican exports to USA	Increased 234% 1993-2002. 2002: US\$136.1 billion
Mexican exports to Canada	Increased 203% 1993-2002 2002: US\$8.8 billion
Canadian exports to USA	1993 US\$113.6 billion 2002 US\$213.9 billion
Canadian exports to Mexico	2002 US\$ 1.6 billion
US exports to Canada	1993 US\$96.5 billion 2002 US\$152.9 billion
US exports to Mexico	1993 US\$51.1 billion 2002 US\$107.2 billion

NAFTA now makes up 19% of global exports and 25% of global imports

Source: adapted from USTR (2003a)

As well as free trading zones or similar trade liberalization measures within the grouping, such regional organizations may play a role in maintaining political stability and security in the region. For example, the Economic Community of West African States (ECOWAS) has been involved in peace-keeping operations in Liberia through the ECOMOG (ECOWAS Cease-fire Monitoring Group). This Group is made up of troops from a number of member states (ECOWAS 2004).

Transnationalism

A concept often associated with 'globalization' is that of 'transnationalism'. Transnational processes refer to sustained

activities backwards and forwards across national borders (Glick Schiller *et al.* 1992). For example, transnational corporations consist of complex networks of research, production and marketing processes which take place in more than one country at any one time. For these corporations the transnationality of their activities is a way of maximizing profits. Production processes are often located where there is a suitably skilled and cheap workforce, as well as favourable government assistance. As argued above, individual governments are often limited in what they can do to control the movements and activities of TNCs.

Studies of transnationalism have focused particularly on migration. While international migration has been a feature of human activities since the world was divided into nation-states (Chapter 1), levels of migration have increased since the Second World War. This is partly because mobility is facilitated through advances in transport and communication technology. These technological changes also make it easier for migrants to continue links backwards and forwards between the host society and 'home' (Vertovec 1999). In addition, there is increasing demand for labour for work in agriculture,

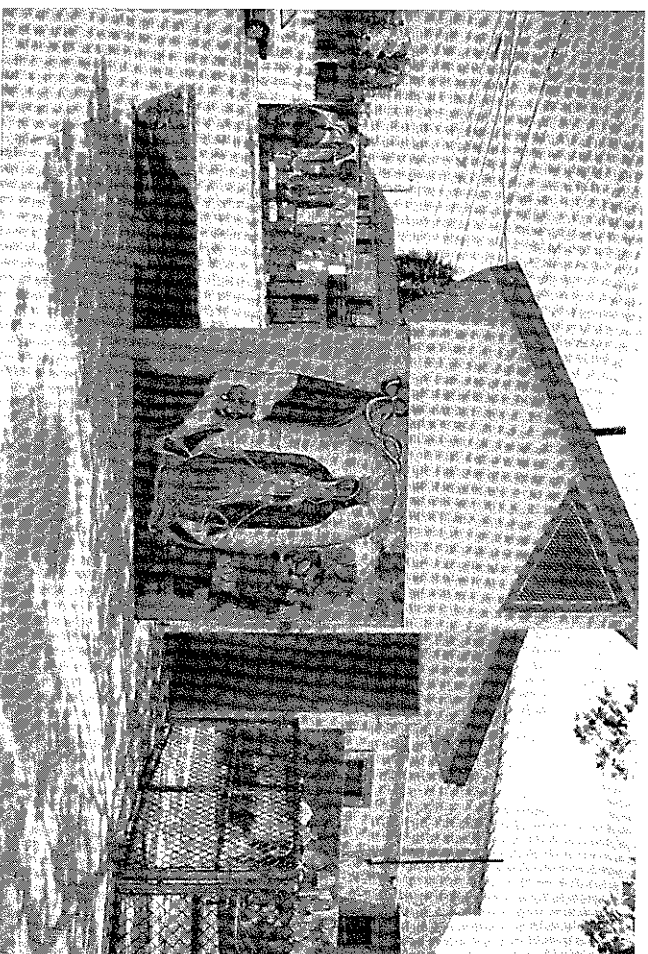


Plate 7.2 Latino murals, Santa Cruz, California.

export-processing manufacturing and domestic service, among other sectors. When domestic labour is insufficient to meet this demand, either because of lack of numbers, or the work is regarded as too poorly paid, migrant labour will often be used (Castles 2000).

Governments of countries with large amounts of out-migration have increasingly realized the importance of using the possibilities of transnationalism to enable migrants to contribute to national development. Remittances (the money sent to family members back home) are obviously important to the individual families and communities concerned and can result in significant improvements in standards of living. However, these flows of remittances can also represent large flows of capital into the national economy (Box 7.7). Governments may therefore introduce a range of policies to help ease the outflow of labour, even if this represents a loss of skilled workers to the domestic economy. Such policies may include government overseas recruitment agencies, the possibilities of dual citizenship and tax concessions for returning migrants.

'Hometown' associations of migrants or descendants of migrants may continue to send financial and other support back to their 'home

Box 7.7

UNEP/WHO/FAO (2001)

The Philippines Government, emigration and remittances

The Philippines is one of the most important labour-exporting countries in the world, with over 6.5 million workers overseas in the mid-1990s (Gutierrez 1995, in Parreñas 2001). While the majority of women migrate to work as domestic servants or care assistants, most men migrate to work in construction or related activities. The 'brain drain' which this outflow represents can be interpreted as a problem for development in the Philippines, but the estimated US\$6 billion a year that is sent back to the Philippines in the form of remittances is clearly crucial to the country's economic position (Karp 1995). The foreign currency earnings from remittances are only surpassed by income from the electronics industry which has expanded in certain parts of the Philippines due to the setting up of free trade zones and other preferential conditions for TNCs.

Filipino workers overseas are promoted as 'heroes' by the Philippines government and a number of legal changes have meant that it is easier for Filipinos overseas to move backwards and forwards. The government is keen to ensure that these migrants continue to see the Philippines as 'home', so that they will keep sending money and may eventually move back permanently and invest in domestic businesses.

Sources: adapted from Chant and Melwaine (1995); Parreñas (2001)

villages'. As with remittances, these flows can make significant contributions to infrastructural improvements such as community halls, basketball courts and health centres (Goldring 1999). The increasing significance of such flows and other transnational migrant processes need to be incorporated into our understandings of approaches to development.

However, while economically remittances and other flows may be important for improvements in standards of living, it must also be recognized that there can be severe social implications of emigration. These include the breaking up of households, with parents leaving children 'at home' while they move away to work. In addition, the working conditions which migrants face may be dangerous, unhealthy or expose them to extreme forms of exploitation. In many countries, domestic servants can only enter the country to work with a named family. This system is, therefore, like a bonded labour system whereby employees are at the mercy of their employers, unable to leave their employment because this would mean deportation (Anderson 2001).

Technology and communications

A key element of development approaches which view modernity as a goal, is technology. In particular, the way in which new technology can be adopted to help humans overcome or deal with natural obstacles, such as limited rainfall or earthquake hazard. The key reason for adopting technology is to improve efficiency, so producing more for the same effort. However, we have also seen how the drive for increased productivity using more and more advanced technologies can lead to environmental problems (Chapter 6). The introduction of new technologies can also exacerbate existing social divisions (as with the 'green revolution') as only some people are able to use these new technologies. This may be because of economic inequalities, but it may also reflect power distributions and norms such that certain groups, for example women, are not allowed to use particular forms of technology. The concept of appropriate or intermediate technology has been developed to address some of these issues (Schumacher 1974).

Technological advancements, particularly in the sphere of communications have been crucial in the creation of globalization processes. The internet, in particular, creates new possibilities for instantaneous communication and the exchange of large amounts of

information between millions of people. The possibilities which such technologies have for development, particularly in the fields of education and health, have been highlighted as worthy of attention. For example, the 2001 *Human Development Report* focused on the role of new technologies (UNDP 2001), and the DFID 2000 White Paper on *Making Globalisation Work for the Poor* has a chapter on this topic. The Internet can, it is argued, help overcome some of the spatial inequality problems that hinder improvements in standards of living.

For example, information and communication technology (ICT) can be used in education to allow access to resources that are not available locally. In China, television and audio cassettes have been used as part of initial teacher training. Changes in the education curriculum have also been introduced to Chinese teachers through on-line programmes supported by a range of other technologies, printed material and face-to-face meeting (Imfundo 2003).

However, it is important to recognize the significance of the 'digital divide' which exists (Table 7.4). Access to the Internet and telephone

Table 7.4 Access to communication technology by region, 1990 and 2000

	Telephone mainlines (per 1,000 people)		Internet hosts ^a (per 1,000 people)	
	1990	2000	1990	2000
<i>Developing countries</i>	21	78	(.)	0.7
Least developed countries	3	6	(.)	(.)
Arab States	35	77	(.)	0.2
East Asia and Pacific	17	104	(.)	0.6
Latin America and Caribbean	62	147	0.1	3.9
South Asia	7	33	(.)	(.)
Sub-Saharan Africa	11	15	0.1	0.4
<i>Central and Eastern Europe and the CIS</i>	124	210	0.3	3.0
OECD	392	524	8.5	92.0
High-income OECD	473	609	11.1	120.0
World	99	163	1.7	17.8

Source: adapted from UNDP (2002: Table 11, pp. 188-9)

Notes

^a A computer system connected to the Internet – either a single terminal directly connected or a computer that allows multiple users to access network services through it (UNDP 2002: 265).

(.) Less than 0.1.

technology is not equal, with large regional differences, as well as more local economic and social inequalities in access. For example, in Ethiopia 86 per cent of Internet users are male and in Chile 74 per cent of users are under 35 (UNDP 2002: 40). The focus on such technologies to achieve development aims must, therefore, be viewed cautiously and continued attention paid to other forms of technology that do not exclude such large numbers of people.

Cultural globalization and cultural homogenization?

In Chapter 5 we saw how certain forms of 'development' have been associated with processes of eradicating particular cultural practices. These claims of cultural homogenization have been exacerbated by the increasing inter-connectedness of the world. This is especially the case in relation to consumer culture. There has been much talk of the 'McDonaldization' or 'Coca-Colaization' of the world as large corporations spread both their production centres and also their sales outlets to more and more remote parts of the globe (Klein 2000; Tomlinson 1999). For some, this spread of 'Western' consumption practices is interpreted as a form of neo-colonialism. 'Non-indigenous' music, food and clothing are promoted as being 'better' and thus those people who can afford such consumer goods are regarded as more 'developed' or 'advanced'. This sounds very similar to Nanda Shrestha's account of growing up in Nepal and being exposed to the idea that his village and way of life were 'backward' (Chapter 1).

This view of global cultural processes has been criticized, however, for failing to recognize the agency of people, communities and governments in dealing with these flows. For example, rather than obliterating existing cultural practices, there may be a process mixing, also known as hybridization or creolization. For example, Howes (1996) describes how Coca-Cola is used in different places stating 'No imported object, Coca-Cola included, is completely immune from creolization' (1996: 6). While its main use is as a drink, it can be mixed with a range of alcoholic beverages to produce particular local specialities. In addition, in Russia, Coca-Cola is viewed as a liquid that can remove wrinkles.

The migration of millions of peoples around the world also creates new opportunities for cultural hybridization. In the cities of the North, for example, legacies of migration are evident in the range of

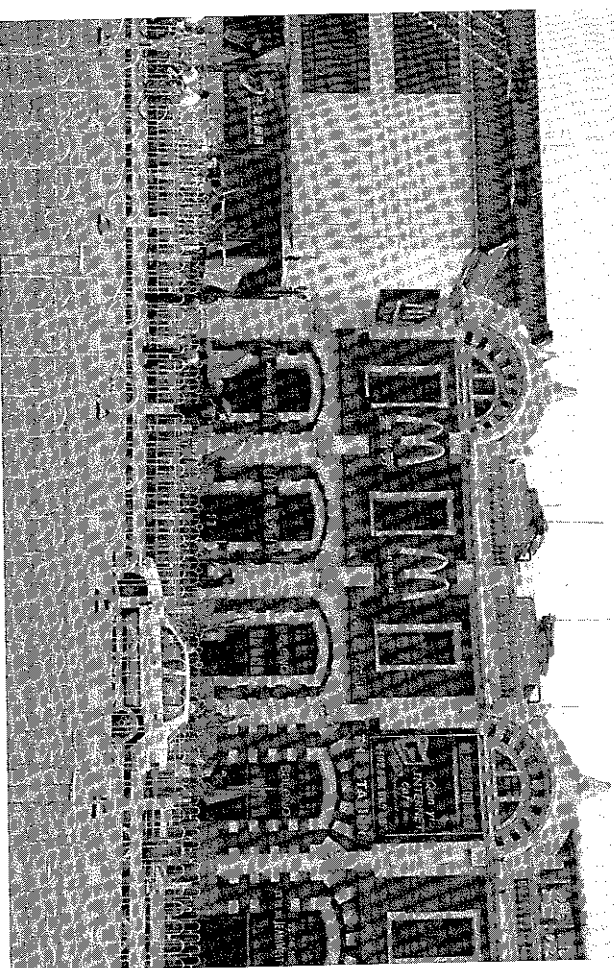


Plate 7.3 'Global' influences, Beijing.

restaurants available, and throughout the North, the popularity of (the rather dubiously-named) 'World Music' testifies to the fact that cultural exchange is not purely a North to South process. It is clear that cultural practices and norms that were previously found only in certain parts of the world are increasingly diffused, but this does not mean that everywhere is turning into a particular vision of the United States of America.

Political mobilization

The increasingly complex networks of communication that have helped the processes of economic globalization, have also been used for purposes of political organizing. Earlier in the chapter we discussed concepts of global governance and the perceived need for global-level institutions which would regulate issues at the supra-national level. Organizations such as the World Bank, the IMF and the WTO have taken on increasing importance as the processes of globalization have developed, but activities across national borders can also be significant for smaller-scale institutions. As Cohen and

Ran (2000: 8) state 'a global age needs global responses'. They argue that as decisions that affect people's lives are increasingly being made at the supra-national level, it is important for responses to take place at this level as well.

Fund-raising and awareness-raising have taken on a different character within the globalizing world. For example, the anti-WTO protests at WTO meetings from Seattle in 1999 to Mexico in 2003 were co-ordinated through the use of the Internet and other forms of high-tech communication. Similarly the Jubilee campaigns to cancel 'Third World' debt is a global movement, using websites and email alerts, as well as including campaigning tools which allow individuals to email their elected representatives (Jubilee 2000 UK 2004).

At a smaller scale, the activities of very localized groups can be promoted and publicized through the use of global-scale technology. Whereas in the past, local-level activities would only be known about at the local scale unless international organizations publicized them through books or leaflets, organizations can now use the technology available to 'talk to the world'. There are clearly obstacles to involvement in such activities, such as access to the technology and the reliability of telephone, electricity and satellite communication in remote areas (Table 7.4). However, there are numerous examples of organizations based in the South using such approaches to communicate with similar groups elsewhere, key players in global development decisions or the wider global public (Havemann 2000). For example, Radcliffe (1999, 2001) discusses the range of actors within the Project for the Development of Indigenous and Black People in Ecuador (with the acronym PRODEPINE in Spanish).

One of the most successful Southern-based organizations that has used new technologies to promote its message around the world is the EZLN (Zapatista National Liberation Army), also known as the Zapatistas (see Box 7.8). They came to public prominence on 1 January 1994, the day that the North American Free Trade Agreement came into force. While the demands of the EZLN for indigenous rights in Chiapas were directed at the Mexican government, the EZLN also promoted their message to the rest of the world and used their experience as a way of highlighting the plight of indigenous and marginalized rural populations throughout the world. Another interesting example is the 'Running Man' organization, which provides opportunities for indigenous communities to publicize their concerns using film, sound recording and the Internet (Running Man 2003).

Box 7.8

CASTELLS, M. (1997)

Zapatistas and the Internet

On 1 January 1994 the *Ejército Zapatista de Liberación Nacional* (EZLN) or the Zapatista National Liberation Army, popularly known as the Zapatistas, took control of the main municipalities in the Lacandon Forest in the state of Chiapas, Southern Mexico. The majority of the 3,000 people involved were members of Mexico's indigenous groups, but there were some others, including the spokesperson Subcomandante Marcos.

They had chosen 1 January 1994 as the day on which to launch this attack because it was the day that the North American Free Trade Agreement (NAFTA) came into force as Mexico joined the Canada–United States Free Trade Agreement which had operated since 1989. The indigenous people of Southern Mexico had suffered years of marginalization and neglect by the Mexican state and local landowners. Under the terms of NAFTA, their agricultural livelihoods were going to be increasingly threatened because of the liberalization of trade in two of their main crops: coffee and corn.

The Zapatistas used telephone communication, video and most importantly the internet to publicize their message. These techniques have led Castells to term them 'the first informational guerrilla movement' (1997: 72). By keeping the world constantly informed of what was happening in the Lacandon Forest, the Zapatistas were both promoting their cause and also protecting themselves. 'They were protected by their relentless media connection, and by their Internet-based worldwide alliances, from outright repression, forcing negotiation, and raising the issue of social exclusion and political corruption to the eyes and ears of public opinion' (Castells 1997: 81).

The Zapatistas continue with their struggle, but can claim a number of successes. In 2000 the 70-year domination of Mexican politics by one party (PRI), came to an end with the election of Vicente Fox from an opposition party as President. While the Zapatistas cannot claim all the credit for his victory, their influence was important in creating a climate where the PRI could be challenged. There have also been some improvements in health and education spending in Chiapas. However, the neo-liberal agenda continues and the role of NAFTA remains key in Mexico's economic policy-making.

Source: adapted from Castells (1997)

Networks of NGOs and community organizations are facilitated through the use of communication networks, and this technology can certainly help to overcome some of the problems of operating at a very small scale. As shown in Chapters 4, 5 and 6, while a grassroots approach can be very beneficial in terms of promoting participation and the involvement of local people, indigenous knowledge and appropriate technology in locally-defined development problems,

there can be limits to the success of these projects in terms of scale. Being able to tap into larger-scale networks and be involved in umbrella organizations can begin to help overcome some of these limitations. Of course, this is not always the case, with numerous examples of umbrella organizations experiencing management problems, being too costly and bureaucratic.

Localization

This chapter has focused on global-level processes within the debates about development. Colin Hines (2000) challenges many of the arguments made regarding possible benefits of globalization processes in his book *Localization: A Global Manifesto*. He is particularly critical of the free trade arguments promoted by the WTO, but he is also sceptical of some of the 'alternatives' that still operate within the global framework. He argues that 'green globalization' is an impossibility because of the environmental damage which results from transporting goods and people around the world.

Hines proposes focusing at the local scale, which could mean national level, but mainly sub-national levels. By doing this, policies would become people-centred rather than profit-centred, environmental damage would be reduced and the quality of life would improve:

[Localization] is the very antithesis of globalization, which emphasizes a beggar-your-neighbour reduction of controls on trade and confronts all economies to make international competitiveness their major goal. Localization involves better-your-neighbour supportive internationalism where the flow of ideas, technologies, information, culture, money and goods has, as its end goal, the protection and rebuilding of local economies worldwide. Its emphasis is not on competition for the cheapest, but on cooperation for the best. (Hines 2000: 256)

This is a very ambitious idea which has received criticisms from a range of sources. For example, those supporting free trade arguments stress that a move towards more local-level production and trade would prevent poorer economies participating in activities that could raise income. It would also help justify protectionist policies on the part of Northern countries. There are also concerns that localization would encourage xenophobic and extreme nationalist views. For

those following a localization agenda, these criticisms fail to recognize both the detrimental effects of current world trade policies, and how current political and economic structures have not necessarily reduced racism and xenophobia.

Summary

- 1) As globalization processes intensify, focusing development policies and theories purely at the national scale are difficult to justify.
- 2) Neo-liberal arguments support economic globalization, stressing the role of increased trade in poverty alleviation.
- 3) Free trade is currently being promoted by the rules-based WTO, but it has been criticized for promoting the interests of the North over those of the South.
- 4) Some national governments and organizations have embraced the possibilities aspects of globalization and transnationalism offer.
- 5) For some, globalization represents false hope and the focus needs to return to more local levels.

Discussion questions

- 1 What criticisms have been made of WTO policies and WTO activities?
- 2 How can globalization processes help alleviate poverty?
- 3 What role can the Internet play in development?
- 4 Do national governments still have a role in development policy in a globalizing world?
- 5 What are the advantages and disadvantages of following a localization approach?

Further reading

Dicken, P. (2003) *Global Shift*, 4th edition, London: Sage. An excellent overview of economic globalization processes.

The Ecologist (2000) 'The Ecologist Report: Globalizing poverty: the World Bank, IMF and WTO – their policies exposed', *The Ecologist* September. Collection of

articles examining the policies of the World Bank, IMF and WTO and arguing that rather than alleviating poverty, their free trade and economic globalization policies are exacerbating poverty levels.

Hines, C. (2000) *Localization: A Global Manifesto*, London: Earthscan. A polemical book which seeks to challenge the perceived inevitability of globalization and makes concrete suggestions about alternatives.

Useful websites

- www.ezln.org Zapatistas website.
- www.fairtrade.net Fairtrade Labelling Organizations International. Overview of fair trade activities throughout the world.
- www.fairtrade.org.uk Fairtrade Foundation. Information about fair trade products in the UK and links to useful fair trade websites.
- www.jubileusa.org Jubilee debt cancellation campaign in the USA.
- www.jubilee2000uk.org Jubilee debt cancellation campaign in the UK.
- www.resist.org.uk Globalise Resistance. An organization which is against the growth of global corporate power.
- www.warwick.ac.uk/csgr/ Centre for the Study of Globalisation and Regionalisation, University of Warwick.
- www.wto.org World Trade Organization website. Includes description of WTO activities, why such an organization is beneficial and responds to 'common misconceptions' about the WTO.