Theories and Practices of Development

Second edition

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7 Globalization and development: problems and solutions?

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- ● **New international division of labour**
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The majority of this book has dealt with the differing definitions of 'development' and the theorizations of why 'development' has or has not taken place with the nation-state as the main unit of analysis. In 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 2007). 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 *et al*. 2009).

'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 recognize 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 recognize 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 global connections are highly diverse, 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 economically viable. This has

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.
>
> (2000a: 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 neoliberal 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 (2000a)

contributed to what has been termed the 'new international division of labour' (NIDL). 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 becoming sites for the location of

Plate 7.1   Industrial park, Wuxi, China.

Credit: Katie Willis

TNC factories. Dicken (2007) argues that this is part of what he terms a 'global shift'.

In terms of global manufacturing output, while the USA, Germany and Japan have maintained their positions in the top five manufacturing exporting countries from 1963 to 2008, there have been a number of significant shifts in the top 15 manufacturing export rankings (Table 7.1). While a number of countries have moved into the top 15 since the 1960s, it is China's rise that has been particularly impressive. In percentage terms the top two countries in 1963 (USA and Germany) had 33.0 per cent of the world total; in 2008, Germany and China at the top of the rankings had an 18.0 per cent share.

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 (Dossani and Kenney 2007; Taylor and Bain 2005). India has proved a very attractive location for what is sometimes called business process

Table 7.1 *Changing patterns of global merchandise exports by value 1963–2008*

	2008		2000		1963	
	Rank	*%*	*Rank*	*%*	*Rank*	*%*
Germany	1	9.1	2	8.7	2	15.6
China	2	8.9	7	3.9	NA	NA
USA	3	8.0	1	12.3	1	17.4
Japan	4	4.9	3	7.5	5	6.1
Netherlands	5	3.9	9	3.3	9	3.3
France	6	3.8	4	4.7	4	7.0
Italy	7	3.3	8	3.7	6	4.7
Belgium	8	3.0	11	2.9	7	4.3
Russian Federation	9	2.9	NA	NA	NA	NA
UK	10	2.9	5	4.5	3	11.4
Canada	11	2.8	6	4.3	12	2.6
South Korea	12	2.6	12	2.7	NA	NA
Hong Kong	13	2.3	10	3.2	15	0.9
Singapore	14	2.1	15	2.2	NA	NA
Saudi Arabia	15	2.0	NA	NA	NA	NA
Total		**62.5**		**68.8**		**76.7**

Source: adapted from Dicken (2003: 40); WTO (2009: 12). Dicken used WTO figures for his calculations.

Note: NA = Not in the top 15 in that year.

outsourcing (BPO) with many banks, such as HSBC, moving call centres from Western Europe and the USA to cities such as Hyderabad and Bangalore (Plate 7.2). The highly-skilled English-speaking workforce are employed at a fraction of the cost of their European and American counterparts. In addition, telephone charges have fallen greatly since the late 1990s, making this movement financially viable. While India has become a centre for this kind of outsourcing, the expansion of technology has given rise to plans to expand the BPO sector in some African countries. For example, the connection of East African countries to international fibre-optic cables has prompted the Kenyan government to plan growth in the BPO sector from 8,000 staff to over 120,000 by 2020. Major obstacles include the unreliability of the electricity supplies and perceptions of high crime rates (*The Economist* 2010b).

The NIDL has not just involved the transfer of some production from North to South, with the associated foreign direct investment (FDI)

Plate 7.2 HSBC branch, Bangalore, India

Credit: © Ilja C. Hendel/VISUM/Specialist Stock

from Northern-based TNCs. There has also been significant South–South investment from China and India, as well as Indian and Chinese investment in the North. For example, Tata Steel, a company originating in India, now has investments in every major global region, including plants in the UK and the Netherlands.

Chinese investment in African countries experienced a rapid rise after the implementation of the 'Go out' policy by the Chinese government in 2001. This seeks to encourage Chinese companies to invest overseas by providing subsidies, cheap loans and reducing bureaucracy (Kragelund 2009). African countries were viewed as important locations for FDI for two main reasons: first their mineral and energy resources, which were in increasing demand to fuel China's economic growth, and second, the potentially large domestic market of African consumers. By 2008 there were at least eight hundred Chinese state-owned enterprises operating in Africa (Davies 2008), as well as small private-sector businesses. Indian investment has also risen sharply, particularly within the energy sector, with the Indian state-owned Oil and Natural Gas Company, for example, investing in oil pipelines in Nigeria and Sudan (Naidu 2008).

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 neoliberal agenda, the focus on free trade has been a key tenet. Rather than protecting national markets and producers, neoliberal 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 idea 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 153 member states (as of August 2010) and its remit is to promote the freeing up of trade between members (WTO 2010). 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 (Plate 7.3), 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

Plate 7.3   Market selling Chinese-produced imported goods, Meatu district, Tanzania.
Credit: © Joerg Boethling/Specialist Stock

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. However, the growing economic and political strength of key nations in the Global South, has resulted in greater deadlock in world trade talks. For example, at the September 2003 WTO meeting in Cancún, Mexico, the so-called 'Group of 21' including China, Brazil and India, acted together to withstand the pressures of the USA and the EU and refused to agree to their proposals (Stiglitz and Charlton 2005). There was a similar collapse to the Doha round of negotiations in July 2008 and agreement had still not been reached by August 2010.

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 11 September 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 (2010)

'Fair trade'

In relation to trade, the example of the Group of 21 at the Cancún 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).

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. Michael 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 A general term used to describe trade that provides disadvantaged producers with access to markets and a fair price for their goods. It is often used in relation to perceived unfair international trading rules, which exclude Global South producers from Northern markets, or allow Northern producers to receive subsidies when Southern governments are penalized for providing such support (Stiglitz and Charlton 2005).

Fairtrade A certification system that ensures producers are paid a 'fair price' for their goods and a premium is also paid for community projects. Producers within the Fairtrade system are required to meet a number of criteria relating to environmental sustainability and governance.

In 1989 the Netherlands was the first country to introduce a Fairtrade 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 this means the producer will get a reasonable return on their effort (Fairtrade Foundation 2010).

The main areas in which Fairtrade operates are in foodstuffs, particularly bananas, coffee and tea. In the UK, purchases of products with a 'Fairtrade' label have increased greatly since 2000 with purchases of over £799 million in 2009 (Figure 7.1). Globally, there are Fairtrade labelling initiatives in 23 countries, purchasing products from over 1 million producers in over 58 countries (FLO
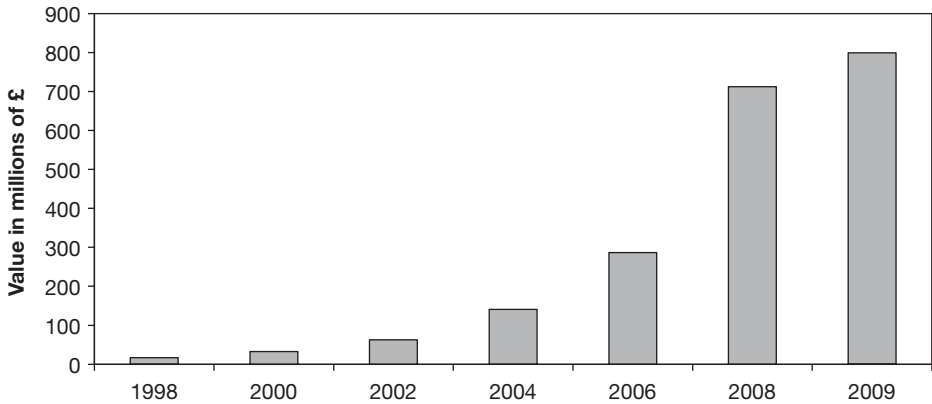
Figure 7.1 Growth in spending on Fairtrade products in the UK, 1998–2009.

Source: based on data from Fairtrade Foundation (2010)

2010). In 2007 £1.6 billion of Fairtrade-certified products were sold worldwide, an increase of 47 per cent from the previous year (Fairtrade Foundation 2010).

While Fairtrade 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 Fairtrade 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 neoliberals however, Fairtrade policies represent an unwelcome intervention into the workings of the free market. For example, in March 2004 the Adam Smith Institute published a report criticizing the Fairtrade 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 this latter point, they are in agreement with organizations campaigning for fairer trade systems that are not biased against Southern producers, such as the Trade Justice Movement.

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

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 Fairtrade company. This proved to be a successful arrangement and in 1997 the farmers decided to produce their own chocolate bar. The Day 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 company (called Divine Chocolate Ltd since 2007) now produces a range of chocolate bars, as well as selling Fairtrade cocoa to other companies.

The benefits of being involved in this cooperative have led to expansion and there are now around 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. The Fairtrade system means that the cooperative receives a 'social premium', which is spent on community projects such as schools, mobile clinics, drinking water and sanitation facilities.

Sources: adapted from Divine Chocolate (2010); Kuapa Kokoo (2010); Purvis (2003); Tickle (2004)

political sphere, regional groupings 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 Björn Hettne (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 interconnectedness. 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' (Schuurman 1993: 10). The importance of TNCs, the role of international financial institutions and greater links across national borders due to trade and migration mean 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. According to theorists such as Prebisch and Frank, the solution to problems of global power inequalities 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. 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. However, just as ISI reached certain limits, so attempts at regional cooperation often faced difficulties, particularly if there were significant inequalities between members. For example, the Central American Common Market (CACM) was set up in 1960 by Costa Rica, Guatemala and Nicaragua, with El Salvador and Honduras joining soon after. Intra-regional trade increased from 6.5 per cent of the total trading of

the five member nations in 1960 to 26.1 per cent in 1971, probably boosting domestic production. But political unrest, limits to ISI, followed by the debt crisis and SAPs, led to a stagnation in CACM activities (Bulmer-Thomas 1988, 1998; Grugel 1995).

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 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 7.5) 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 mean that there are significant flows of goods across the borders.

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 African Union is involved in peace-keeping operations in Somalia through the AMISOM (African Union Mission in Somalia), as well as being part of a joint peace-keeping force with the United Nations in Darfur, Sudan.

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.

Table 7.2 Examples of regional cooperation organizations

Name	Members	Date	Activities
African Union	53 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 Southeast 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)	15 members, including Antigua & Barbuda, Bahamas, Haiti, Jamaica, Montserrat, St Kitts & Nevis, St Vincent & the Grenadines, Suriname, Trinidad & Tobago	1965 Caribbean Free Trade Association (CARIFTA) 1973 CARICOM	Common market
EU (European Union)	27 members	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	1910, although later renegotiations	Common external tariff; finance redistribution

Sources: adapted from African Union (2010); APEC (2010); ASEAN (2010); CARICOM (2010); Dicken (2007: 192); Europa (2010); MERCOSUR (2010)

Box 7.5

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 1910, 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 GNI 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. 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. According to IMF figures cited by Latham (2010), about two-thirds of Swaziland's and Lesotho's official revenues came from SACU sources.
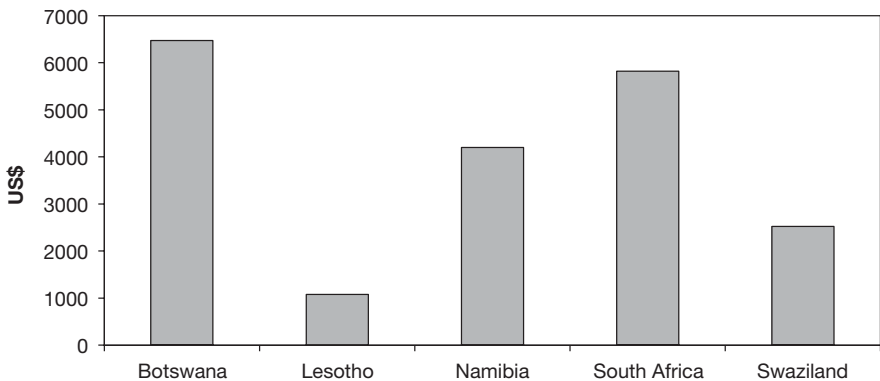

Figure 7.2   GNI per capita figures for SACU members, 2008

Source: based on data from World Bank (2010)

The future of SACU has come under increasing pressure due to the differences in economic power within the Union, as well as tensions caused by trade negotiations with external bodies. For example, the EU has sought to negotiate Economic Partnership Agreements (EPAs) with individual nations in SACU, which could undermine the Union. In July 2010, SACU leaders agreed to change the distribution of trade revenues following pressure from South Africa. Given the reliance on these revenues, particularly in Lesotho and Swaziland, this it likely to have very negative effects on the economies and populations of these countries, as well as on the future of SACU.

Source: adapted from Gibb (2004); Latham (2010); SACU (2010)

Studies of transnationalism have focused particularly on migration (Vertovec 2009). 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, partly because mobility is facilitated through advances in transport and communication technology. There are an estimated 214 million international migrants, making up 3.1 per cent of the world's population (UNDP 2009: 21). 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, 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 (Samers 2010).

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

Plate 7.4 Latino murals, Santa Cruz, California.

Credit: Katie Willis

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 (de Haas 2006). However, these flows of remittances can also represent large flows of capital into the national economy (Box 7.6). 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

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Box 7.6

The Philippines government, emigration and remittances

The Philippines is one of the most important labour-exporting countries in the world, with about 8 million Filipinos living overseas, representing about 10 per cent of the entire population (Castles and Miller 2009). 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' that this outflow represents can be interpreted as a problem for development in the Philippines, but the estimated US$16.3 billion a year that is sent back to the Philippines in the form of remittances is clearly crucial to the country's economic position. In 2007, remittances were equivalent to 11.6 per cent of GDP (UNDP 2009: 160).

Government involvement in promoting out-migration has a long history in the Philippines. The Overseas Employment Development Board (OEDB) was set up in 1974 to facilitate migration and to act as an employment agency for Filipinos wanting to work overseas. In 1982 it was merged with a range of other state bodies to form the Philippine Overseas Employment Administration (POEA). Before leaving the country Filipinos must attend workshops on destinations, available support and financial matters.

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. For example, in 2003, the law was changed to allow dual citizenship and Filipinos overseas became entitled to vote in national elections. 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.

Source: adapted from Castles and Miller (2009); Parreñas (2001); Ruiz (2008)

Plate 7.5   Advert for female beauty salon staff, Sharjah.
Credit: Kelly Carmichael

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 (Davies 2010; IDPR 2010; UNDP 2009).

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 (Parreñas 2005). In addition, the working conditions which migrants face may be dangerous, unhealthy or expose them to extreme forms of exploitation (Wills *et al*. 2009). 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. The Internet, mobile phones, radios, computers and television can, it is argued, help overcome some of the spatial inequality problems that hinder improvements in standards of living (Unwin 2009).

For example, mobile phones can be used to find out market prices for agricultural goods, vital for farmers living in remote areas. Use of mobile phones as a channel for transferring money is also growing. The M-PESA system, set up in Kenya in 2007, has been a notable success (Plate 7.6). The system allows users to deposit, send and withdraw money using their mobile phones and by August 2009 about 38 per cent of the adult population had used the system. While the ability of internal migrants to send money to relatives is an important use of the M-PESA system, it can also be used for paying utility bills, so saving time and energy going to the payment office. It also prevents traders and taxi drivers having to carry large amounts of cash, which could make them more likely to be victims of robbery (Jack and Suri 2009).

However, it is important to recognize the significance of the 'digital divide' which exists (Table 7.3). Access to the Internet and telephone technology is not equal, with large regional differences, as well as

Plate 7.6 Sign advertising M-PESA, Eldoret, Kenya.

Credit: Katie Willis

Table 7.3 *Access to communication technology by region, 1990 and 2005*

	Telephone mainlines (per 1,000 people)		Mobile phone subscribers (per 1,000 people)		Internet users (per 1,000 people)	
	1990	*2005*	*1990*	*2005*	*1990*	*2005*
Developing countries	21	132	(.)	229	(.)	86
Least developed countries	3	9	0	48	0	12
Arab States	34	106	(.)	284	0	88
East Asia and Pacific	18	223	(.)	301	(.)	106
Latin America and Caribbean	61	. . .	(.)	439	0	156
South Asia	7	51	(.)	81	0	52
Sub-Saharan Africa	10	17	(.)	130	0	26
Central and Eastern Europe and the CIS	125	277	(.)	629	0	185
OECD	390	441	10	785	3	445
High-Income OECD	462	. . .	12	828	3	534
World	**98**	**180**	**2**	**341**	**1**	**136**

Source: adapted from UNDP (2007, Table 13, pp. 271–6)

Note: (.) Less than 0.1

spatial differences within countries and social variations, particularly along gender and age lines. 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. It is also crucial that organizations designing ICT-related development projects focus on the relevance of content and design for the proposed beneficiaries, rather than concentrating purely on the technology itself (Kleine and Unwin 2009).

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 (Plate 7.7). '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 (Sharp 2009). For example, rather than obliterating existing cultural practices, there may be a process of mixing, also known as hybridization or creolization. For example, David 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.

Plate 7.7 'Global' influences, Beijing.
Credit: Katie Willis

The migration of millions of peoples around the world also creates new opportunities for cultural hybridization. For example, in cities throughout the world, legacies of migration are evident in the range of 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 Robin Cohen and Shirin Rai (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 Jubilee campaign to cancel 'Third World' debt is a global movement, using websites, email and text alerts (Jubilee USA 2010). The use of online petitions and blogs has also transformed the way information can be distributed and how individuals contact their elected representatives, while social networking sites, such as Facebook, have helped to create online communities of activists and supporters.

At a smaller scale, the activities of local 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, such as access to the technology and the reliability of telephone, electricity and satellite communication in remote areas (Table 7.3). 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, Sarah Radcliffe (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. 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. Manuel Castells referred to the

Zapatistas as 'the first informational guerrilla movement' (2004: 72) because of their use of communication technologies. Anti-government protesters in repressive states have also used modern technologies to publicize their plight, particularly at times of public unrest, as in Burma/Myanmar in 2007 (see Box 7.7) and around the Iranian elections of 2009 (Box 5.2).

Box 7.7

The Internet and pro-democracy movements in Burma

Since 1962, Burma (also known as Myanmar) has been ruled by a military government. While there have been elections, the results have not been respected by the government and they have remained in power. For example, the National League for Democracy (NLD), founded by Aung San Suu Kyi, won elections in 1990 but there was no handover of power. The government adopts highly repressive strategies to deal with opposition and has an appalling human rights record. Aung San Suu Kyi herself was under house arrest for many years, before her release in November 2010.

While there have been periodic uprisings against the government, the 2007 protests represented a shift in forms of mobilization and publicity due to the use of the Internet and other communication technologies. In August 2007 NLD activists and members of other civil society organizations began street protests against rising living costs, prompted by the end of government subsidies on fuel. Buddhist monks joined the protests, leading to this uprising being termed the 'Saffron Revolution' due to the yellow colour of their robes. Military violence and oppression against the protesters generated further demonstrations. The government claims that 13 people were killed, while the UN Human Rights Council says there is evidence for 31 deaths and the pro-democracy groups argue there were hundreds.

After the initial repression international awareness of the events was prompted by images taken using mobile phones and then sent out of the country, often to Burmese exiles living in Thailand, Europe or the USA. This footage was often used by TV news broadcasters as they did not have permission to film the protests themselves. Images and information were also used by campaigning organizations outside Burma to highlight the repressive regime and to mobilize people to lobby their elected representatives and to engage in public protests in their own countries.

In response, the Burmese government shut down Internet connections in September 2007. They were able to do this because they controlled the only

two Internet service providers in Burma. They also disabled international mobile phone coverage. This complete clampdown lasted for about two weeks, but government surveillance of Internet and mobile phone usage continues, with large numbers of websites that are seen as 'political' being blocked.

While the 'Saffron Revolution' did not succeed in overthrowing the government, it did highlight the repressive situation in Burma and provided significant evidence for campaigning groups outside the country. Mridul Chowdhury suggests that the circulation of images could have saved some lives as the government was wary that photographic evidence of brutality and killings would be used against the regime. However, Chowdhury also concludes that the regime's unwillingness to accept humanitarian aid following the devastation caused by Cyclone Nargis in May 2008 may be partly explained by their concerns about how modern media could be used as a tool against the government.

Source: adapted from Chowdhury (2008)

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.

Summary

- As globalization processes intensify, focusing development policies and theories purely at the national scale is difficult to justify.
- Neoliberal arguments support economic globalization, stressing the role of increased trade in poverty alleviation.

- 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.
- The economic rise of countries such as China and India is changing the world's economic and political power structures.
- National governments and organizations have embraced the possibilities that aspects of globalization and transnationalism offer.

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?

Further reading

Dicken, P. (2007) *Global Shift*, 5th edition, London: Sage. An excellent overview of economic globalization processes.

Murray, W.M. (2006) *Geographies of Globalization*, London: Routledge. Clear overview of geographical perspectives on globalization.

UNDP (2009) *Human Development Report 2009*, Basingstoke: Palgrave Macmillan (available at www.undp.org). The theme of this HDR was 'Overcoming human barriers: Human mobility and development'.

Williams, G., P. Meth and K. Willis (2009) *Geographies of Developing Areas: The Global South in a Changing World*, London: Routledge. Section 2 considers the Global South within economic, political, social and cultural globalization, focusing on how people and places in the Global South are both affected by and contribute to globalization.

Useful websites

www.enlacezapatista.ezln.org.mx   Zapatista network website in Spanish.

www.fairtrade.net   Fairtrade Labelling Organizations International. Overview of fair trade activities throughout the world.

www.fairtrade.org.uk   Fairtrade Foundation. Information about Fairtrade products in the UK and links to useful Fairtrade websites.

www.focac.org/eng/   Forum on China–Africa Cooperation.

www.forumsocialmundial.org.br/   World Social Forum homepage. The WSF was set up as a forum for NGOs, civil society organizations, social movements and other groups opposed to neoliberalism and imperialism.

http://cyber.law.harvard.edu/research/internetdemocracy   Internet and Democracy Project, Berkman Center for Internet and Society, Harvard University. Provides analysis of the role of the Internet in promoting democracy.

www.jubileeusa.org   Jubilee debt cancellation campaign in the USA.

www.kiva.org   Homepage of the Kiva organization that uses the Internet to link lenders to small-scale entrepreneurs.

www.resist.org.uk   Globalise Resistance. An organization that is against the growth of global corporate power.

www.tjm.org.uk   Trade Justice Movement.

http://viacampesina.org/en/   Via Campesina. An international movement of peasants, small-scale farmers and agricultural workers.

www.warwick.ac.uk/csgr/   Centre for the Study of Globalisation and Regionalistion, 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.