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## GEN 214: Introduction to Development Studies

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# Module 9: Globalization and Development

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## Globalization

- **Interconnectedness** of different parts of the world, where **physical distance** becomes less of a barrier to **exchanges and movements** of ideas, goods, people and money (Dicken 2007).
- The intensification of global **interconnectedness**, a process that they see as associated with the spread of **capitalism** as a production and **market** system (Schech and Haggis, 2000)

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## Globalization

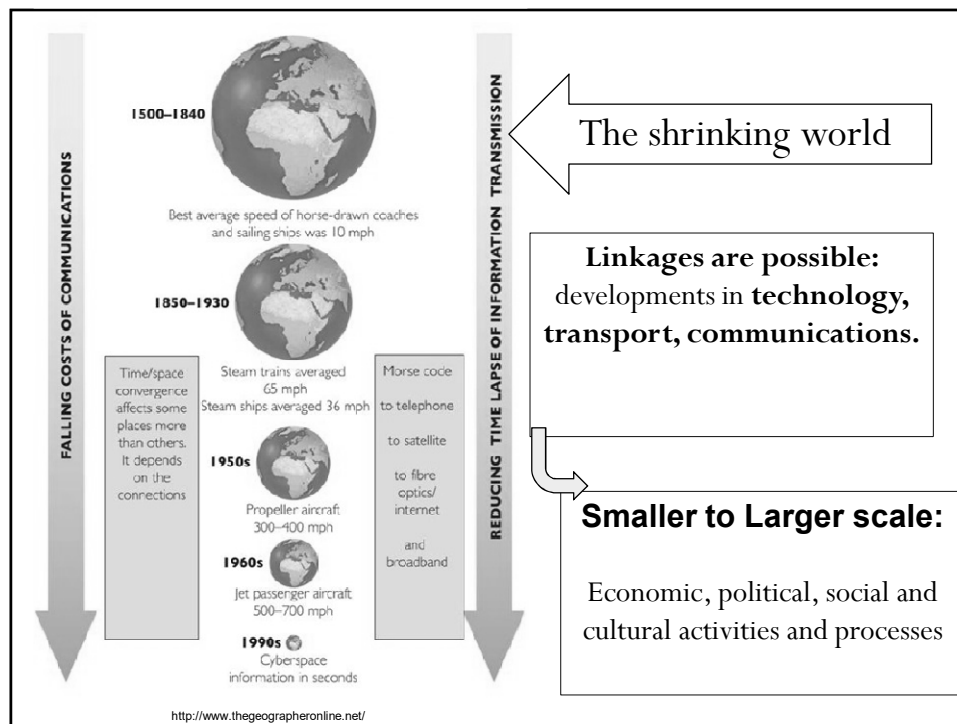
- Globalization refers to a world in which **societies, cultures, politics and economies** have, in some sense, come closer together (Kiely, 1999)
- Impacts of globalization:
  - vary from **region to region**, and **group to group**

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- Three distinct aspects of global change:
- First, 'shrinking world':
  - distances that can be covered in a given period of time
- Second, better communications,
  - cable and satellite television, global web now has far more connections
- Third, ascendancy of global corporations
  - emergence of global financial markets.

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Source: Potter, Binns, Elliott, & Smith (2008)



## Historical debate of Globalization

### Global corporations:

- countries or communities as either markets for their products or
- sources of labor or raw materials.

**Walmart**  
Save money. Live better.

<https://www.businesswire.com>



<https://www.mcdonalds.com>



<https://global.toyota/>

# Waves of globalization

## First wave:

- European colonialism
- fueled by the Industrial Revolution
- Colonialism transferred:  
technology, food products,  
and ideas
- British parliamentary system of Government and  
spread the English language



Source: Berglee (2012).

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Waves of globalization (cont.)

## Second wave:

- Space race
  - competition between the United States and the Soviet Union to develop space-related technologies
- Information age
  - advancements in computer technology fueled the second major wave
- Technology and corporate activity
  - stimulated a wave of globalization

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Source: Berglee (2012).

- What are the major differences between European colonialism and globalization today?

### Answer

- Globally active multinational corporations: do not wish to own a country or run government directly.
- Neocolonialism continues to exploit **natural resources, labor, and markets** for **economic profits**.

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- Examples of corporate colonialism:
  - Desire for profits drives corporate colonialism.

#### US & Mexico:

US corporations move their manufacturing plants to Mexico to earn more profits by exploiting cheap labor.

The corporations do not take over Mexico **politically**; they exploit it **economically**.

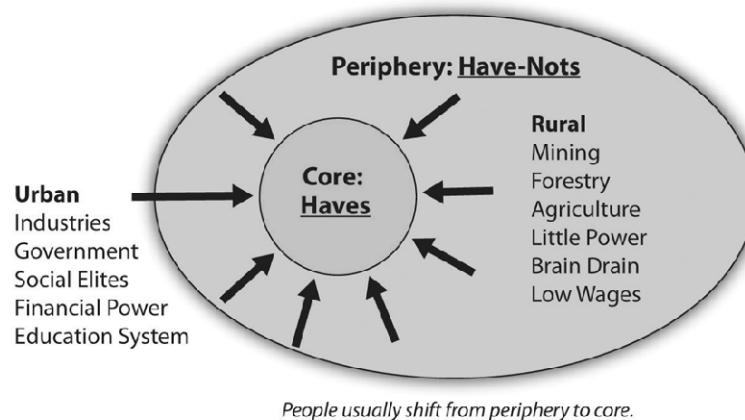
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#### US & China:

US corporations that have started manufacturing their products in China do not attempt to overthrow the Communist Chinese government.

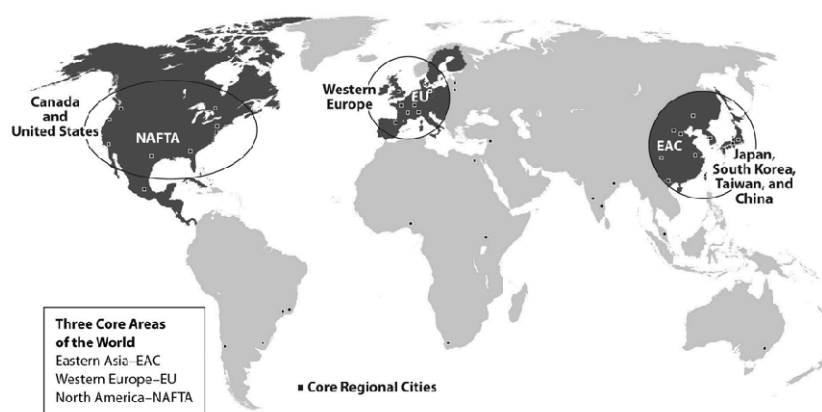
They want to exploit the cheap Chinese labor pool and open up markets to sell products to Chinese consumers.

## Core-Periphery Spatial Relationship



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Source: Berglee (2012).

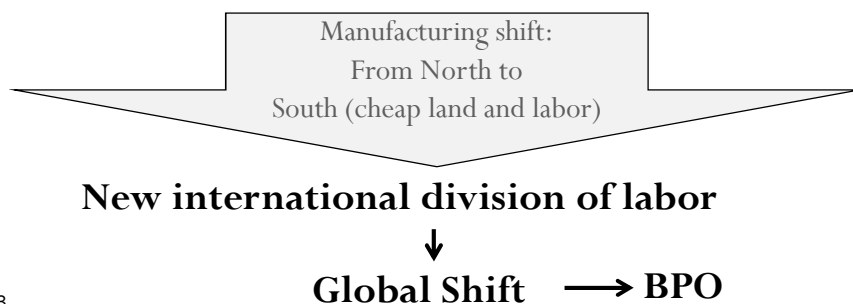


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Source: Berglee (2012).

## New international division of labor

- Economic aspects particularly prominent in globalization
- Improvement in transport, communication and technology:
  - production can take place at everywhere



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## Strands of globalization:

- Allen (1995) has recognized 3 strands to globalization
  - (a) Economic globalization:
    - Distance: less important to economic activities
    - Large corporations: operating within a 'borderless' world.
  - (b) Cultural globalization:
    - Western forms of consumption and lifestyles (global capitalist)
    - Global homogenization.
  - (c) Political globalization:
    - Internationalization: leading to erosion of role and powers of nation state.

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## Homogenization of the whole world



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Source: Potter, Binns, Elliott, & Smith (2008)

## Globalization and trade

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### (a) Ethical trade

- trade in goods and services: socially and/or environmentally as well as financially responsible



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<https://arcadiastones.com/csr-1>

### (b) Free trade

- No obstacles to the free movement of goods and services.
- Obstacles: tariffs, quotas and preferential treatment for domestic over foreign companies.



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<https://thefinancialexpress.com.bd/uploads/1618298032.jpg>

### (c) Fair trade

- Provides disadvantaged producers with access to markets and a fair price for their goods.



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Source: <https://wfto.com/fr/buy-fair-trade/member/289>

## Political Globalization

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### Political globalization:

- Process of changes in the rules and structures of global governance.
- Changes in political structures and ideology: after the two world wars
  - rise and fall of **socialism**
  - emergence of global and regional institutions of governance: IMF, World Bank, WTO
- Fund raising, awareness raising,
- Social networking sites, such as Facebook, Tweeter: create online communities of activists and supporters
- Networks of NGOs and community organizations

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# Globalization and Culture

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- Process of cultural homogeneity or having similar taste, all over the global economy.



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## Cultural homogenization versus cultural hybridization??

- **Cultural homogenization:**
  - outcome of the impact of ideas and images that are able to travel globally due to the developments in telecommunications and internet.
  - As countries globalize dominant culture will prevail.
  - Defuse: Spread Religion, corporation, sports, trends, music
  - Dominant cultures will spread to other countries (diffuse) before the country is able to determine there own culture

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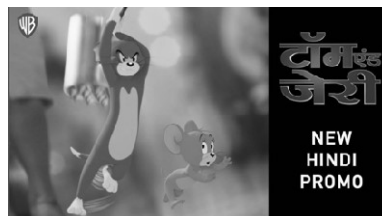
- **Cultural hybridization:**
- adaptation of global products and ideas according to the local tastes and preferences
- development of new culture by merging two or more process of amalgamation of the global with the local .
- Cultural hybridization is speeded up through interactions among societies.

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- Assigns a local flavor to global products



<https://www.mcdonalds.com/ae/en-ae.html>



<https://timesofindia.indiatimes.com/>

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- Bangladesh is culturally hybridized society
- Attributes of culture hybridization:
  - Language: English, Hindi
    - o Foods: Chinese, Indian, Italian, Pakistani
  - Cloths: hybridized with Indian, western, Arabic culture
    - Festivals: Valentines
      - o Marriages
    - Customs and values

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**Is Globalization Reducing or  
Increasing Poverty and Inequality?**

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## Case 1

- Vandana Shiva (2000) (example of peasants in India)

Globalization is leading to a concentration of the seed industry, the increased use of pesticides, and, finally, increased debt. Capital-intensive, corporate-controlled agriculture is being spread into regions where peasants are poor but, until now, have been self-sufficient in food. In the regions where industrial agriculture has been introduced through globalization, higher costs are making it virtually impossible for small farmers to survive. The globalization of non-sustainable industrial agriculture is evaporating the incomes of Third World farmers through a combination of devaluation of currencies, increase in costs of production and a collapse in commodity prices.

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## Case 2

- Robert I. Lerman (2002) (globalization is benefiting the poor)
- It has helped the poor countries that adopted sound policies and contributed to income convergence among the countries participating in the global system. In principle, allowing trade, investment and migration should reduce global poverty. Less clearly, it should also shrink the gap between rich and poor. As firms move from high to low-wage areas, the demand for workers should grow in low-wage areas and decrease in high-wage areas, again lowering inequality.

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- **Reference**

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Potter, R. B., Binns, T., Elliott, J. A., & Smith, D. W. (2008). *Geographies of development: An introduction to development studies*. Pearson Education.