

ICT4D
Lecture-4 & 5
12/02/2022
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Globalisation & Development

WHAT WE INTEND TO DISCUSS?

Alternate perspectives on Development

Globalisation- meaning, perspectives

Historical Phases and Key Drivers

Dimensions of Globalization

Globalization and Development

Let us pick up the thread- Development

- Development is highly contested concept having wide ranges of meanings and connotations
- In common parlance, it denotes a process of growth and progression towards betterment; a positive growth which is considered qualitatively good
- It is a value judgemental concept, highly political and linked to power structure in society
- Development as a discourse denotes various meanings getting assigned to the word development through narratives, speech, communication, language.
- Dimensions of development- Economic, Social, Cultural, Political, Environmental, Human
- Human development: Increasing choices to have meaningful life: Health, Education, Resources
- Alternate perspectives on Development: Marxian and Gandhian model

Alternate Conceptions of Development

Gandhian Swaraj, Sen's Development as
Freedom

Marx's Development as Emancipation

Gandhian Notion of Development

- **Development is Freedom- Swaraj**
- **For individual** it denoted self-mastery, self-control, self-restrain, self-realization, moral goodness & perfectibility
- **For Community** it meant self-governing autonomous community life without any formal coercive authority; full rights of civil liberties, and civil disobedience against any unjust actions/law of the state/govt
- **For political economy** it denoted classless economic order, equal honour/dignity for all kinds of labour, self-renunciation(limiting our wants), Trusteeship, Sarvodaya(welfare of all), and Antyodya (care for the last one)
- It also meant **freedom from want**, material possession, ego, bondage of so called modern materialistic life- modern large machine, faster transport system, competition/conflict-court/lawyer, modern medical system- doctors, etc.
- **In sum**, it was his vision of an ideal civilisation based on **Non-violence** (अहिंसा), **Truth**, and moral **duty** (Dharma) in contrast to western modern civilisation based on violence/force, material possession, and Rights

Development as Freedom- Prof Amartya Sen

- Development to Prof Sen should be seen as a process of expanding the real freedoms that people enjoy and which make them capable to lead the kind of lives they have reason to value.
- **Narrower views of development:** growth of gross national product, rise in personal incomes, industrialization, technological advance, social modernization
- Increasing substantive Freedom and Human Capabilities should be the end/goal of development; Freedom (free agency) is also means of development
- Truly Free & capable people can effectively shape their own destiny and help each other.
- They won't remain poor; neither they will be passive recipient of welfare goods/services

5 Freedoms

- **Political Freedoms**

- Freedom to vote, fight election, political participation

- **Economic Facilities**

- Freedom to enter into market: trade/commerce/contract, Employment, access to resources

- **Social opportunities**

- **Proper education**, health care, social recognition, social equality & equity

- **Transparency guarantees**

- Transparent & open governance system

- **Protective Security**

- Social Security- unemployment allowances; old age care, pension, etc.

- These freedoms are inter-linked and strengthens each other.

- Economic unfreedom can breed social unfreedom, just as social or political unfreedom can also foster economic unfreedom.

Marxian concept of Development

- Development is historical evolution in mode of production through class struggle
- **Primitive** subsistence society--→**master-slave** society--→ **Feudal** Society(lord-serf)--→ **Capitalist** society(capitalist-labourer)--→ **Socialist** society (Dictatorship of Proletariats') --→ **Communist** Society
- **Communist Society- Final stage of development**
 - Classless, stateless society
 - **Development is freedom**
 - True freedom is social production in which each individual contribute freely as per his ability, and get as per one's need and relate to fellow man as equal
 - Human development is Man working to realise essence of being human, act of self-realization
 - *“it will be possible for me to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticize after dinner, doing just that which gives me pleasure without ever becoming a hunter, fisherman, shepherd or critic. This will be the real state of freedom for man from alienation and exploitation” (Marx)*

GLOBALISATION & DEVELOPMENT

GLOBALISATION: Meaning & Definitions

- Worldwide Interconnectedness and interdependence of people, places, ideas, information, objects, activities, and exchanges ; **breadth** of interconnectedness **stretched** globally, and its **intensity increased manifold**
- Globalization refers to a multidimensional set of social processes that create, multiply, stretch, and intensify worldwide social interdependencies and exchanges while at the same time fostering in people a growing awareness of deepening connections between the local and the distant. (**Steger**)
- Intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. (**Anthony Giddens**)
- Globalization is a trans-planetary process or set of processes involving increasing **liquidity** and the growing multi-directional **flows** of people, objects, places, and information, as well as the structures they encounter and create that are barriers to, or expedite, those flows (**Ritzer**)
- Globalization as a concept refers both to the compression of the world and the intensification of consciousness of the world as a whole. (**Roland Robertson**)
- Globalization may be thought of as processes which embodies a transformation in the spatial organization of social relations and transactions - assessed in terms of their extensity, intensity, velocity and impact generating trans-continental or inter-regional **flows** and networks of activity, interaction, and the exercise of power (**David Held**)

Features of globalization-1/2

- **Process, a condition, structure, a force, Policy, marketing strategy, discourse, predicament, an age?**
 - **Globality: condition ; Globalism:** ideology of globalization ;
Globalization: processes transforming our present social condition into one of globality ; Denotes movement towards greater interdependence, interconnectedness, and integration
 - **Global Structure :** Inter-governmental organizations (IGO) & IO –UN, WTO, IMF, World Bank; International NGOs- Amnesty International, Trans-national Corporations (TNCs)- Walmart & Amazon, Global movements, International Civil Society
 - **Post Modern Global age beginning from the end of cold war; Neo liberal era- free market economy and liberal democracy sweeping the world**
 - Rise of ‘supraterritoriality’ or ‘deterritorialization’

Features of globalization-2/2

- A spatial **continuum** with the 'local' and the 'global' at extremes and 'national' and the 'regional' at the centre.
- Compresses the time and space aspects of human interactions (***James Mittelman***)
- Role of Markets, IGO, INGOs increasing at the cost of Role of State/govt
 - Reconfiguration of the idea of Sovereignty, state, nation and Nation-state
 - Multi-actor global politics/IR- nation-state, NGOs, MNC/TNC, global movements, Global civil society, International regime & organizations
 - Blurring the line between 'national' and 'international' in areas of policy making, and governance
- **Multiple Dimensions- economic, social, political, cultural, technological**
- Heated Debate and alternative perspectives on its origin, driving forces, extent, impacts, and supporting ideologies

Significance of Globalization

- We are living in globalized world- touches one way or other all aspects of life of people across the Globe
- Deep impact on how Researches are conducted, technologies are developed, deployed and utilized
- Has impacted nature, role, and capacity of nation-states and how citizen relates to the state/Govt.
- Deeply impacted how we live, work, entertain, and relate to others
- Affected ideologies, worldview, and popular culture around the globe

Historical phases of Globalization

- **Colonialism**, led by British empire, as outer world oriented development
 - 18th-19th century
 - Nations as colonies and colonizers
 - Individuals as Subjects
- Inner oriented (**nation-state centered**) development, led by developmentalism & modernization of American
 - 1960s-70s till 1990
 - Nations as developed/modernized and underdeveloped/backward
 - Individual as citizen
- **Neo-Liberal Phase- since 1991**: Development through globalization, led by USA and neo-liberal institutionalism- IMF, World Bank, WTO
 - Individual as Consumer

The world is Flat: Thomas Friedman

Globalization versions

- **Globalization 1.0:**

- 1492-1800
- Led by exploration and colonization
- Shrank the world from a large size to a size medium

- **Globalization 2.0:**

- 1800-2000
- Led by companies(MNCs) globalizing for markets and labour
- Revolution in transport and Communication, Internet, WWW
- Shrank the world from a size medium to a size small

- **Globalization 3.0:**

- Started around 2000
- Led by individuals and small group globalizing
- Driven by ICT revolution, innovation
- Shrinking the world from a size small to a size tiny
- Flattening the playing field- making the world Flat

Drivers of Globalization

- **Disintegration of USSR, ideological victory of liberalism & capitalism**
 - Unipolar Moment: US as global Hegemon
 - World united by single ideology, driven by the Hegemon
 - Worldwide expansion of Neo-liberal ideology- free market capitalism
- **Technological Breakthrough in transport, communication, and Financial transactions**
 - Revolution in Information & Communication Technologies
 - Faster planes, containerized Ships, intercontinental multi-modal transport
 - Electronic fund transfer, and online financial transactions
- **MNCs/TNCs**
- **IMF, World Bank, WTO**
 - Structural Adjustment programs
 - Free trade regime
 - **Development as key agenda?**

The world is Flat: Thomas Friedman

10 key Drivers

- **10 events which made the World Flat-** level playing field
 1. end of cold war-1989- end of ideological divide of the world
 2. 1995- Netscape went public- WWW revolution
 1. JavaScript, SSL. Connected, in real time, people to people anywhere on globe
 3. overinvestment in trans-continental OFC
 4. Y2K: work flow integration
 5. Outsourcing,
 6. Open sourcing, off shoring, insourcing
 7. global supply chaining
 8. informing- Yahoo, MSN Search, Google, Quora, fb, twitter
 9. Wireless access (wi-fi) and VoIP

Multiple Perspectives on Globalization

- **Multiple perspectives on its origin**
 - As basic human instinct,
 - as a long-term cyclical process,
 - as a series of historical epochs or waves, each with its own point of origin
 - multiple points of origin of globalization are located in seminal historical events,
 - New phenomenon of late twentieth and early twenty-first centuries
- Alternative perspectives **on key drivers** : Materialistic vs ideational
 - Forces and relation of production- capitalism, MNCs, Technology are the key drivers
 - Ideas, thinking, information and knowledge driving globalization
- Multiple perspectives **nature of expansion of globalization.**
 - Globalization from Top vs Globalization from below
 - **From Top**: by large-scale forces, such as the nation-state and the MNC of the 'North' imposed on the 'South'
 - Globalization **from below** : Worldwide opposition of globalization from top by individual actors, groups of actors, social movements, etc
 - Anti- globalisation or alter-globalization movement
- Alternative perspectives on its Impacts- good or bad

Alternative Perspectives on Impacts of Globalization

Pluses : Globalists or Globophilia

- promote world peace, Human security and Economic well-being.
- Faster Economic Growth and Increasing Democratization
- Optimum resource utilization; global division of Labour
- Great equalizer : ‘ Flat World’ : Friedman
- Global Governance: IGO, and INGOs : UN, Greenpeace, Amnesty International, WWF
- Break territorialization of Earth in borders of nation-state ; furthering the spread of Global "civil society"
- Promote universal human Rights, world community, respect for diversity, increases power to working in concert

Minuses : the Sceptics or Globaphobia

• Political Rights/conservatives

- Immigration, Outsourcing, Job loss to locals, Cultural homogenization- cultural destructions, rising cultural backlash

• Political Left/Liberals

- Globalization as Neo-Imperialism
- Increases Inequality and poverty – works against ‘Have nots’ and ‘Global South’
- international financial organizations work for the interests of ‘North’
- Increasing powers of MNC/TNCs vis a vis State
- Reduce national Sovereignty, Democratic space, and govt’s accountability to citizen
- Decreased social security and welfare
- Environmentally unsustainable
- Not opposed to idea of globalization per se, but neo-liberal globalization: its imposition from ‘North’, its corporate forms, protecting interests of ‘haves’, and its lopsided features

Dimensions of Globalization

Dimensions of Globalization

- Economic & Financial Globalization
- Social Globalization
- Political Globalization
- Technological Globalization
- Cultural Globalization

Dimensions or Types of Globalization

- **Economic Globalization**

- global economic integration ; economic globalization is globalization
- **Liberalization**: Trade, Financial, Investment, Economic policy, Currency; **Privatization**- outsourcing, PPP

- **Political Globalization**

- Global Politics/IR in era of globalization
- Issue of Sovereignty, territoriality, nation-state, statelessness, global governance, role of IGO, INGO, TNC, Global community, global movements, etc
- **Collective Dilemma** :Global terrorism, Climate change, Migration, pandemic, Human security, Global poverty
- Role of non-state actors in policy making & regulations ; Interconnectedness & interactions of cities/regions/organizations bypassing states

- **Social Globalization**

- State retreating from social welfare – retreat of welfare state
- Less public spending, creation of public goods, and public services
- Migration, family structure, community life, social security, adversely affected social stability
- Conflicts between domestic social norms, social institutions and global social norms and institutions

- **Cultural Globalization**

- **Homogenization**- common global popular culture & **Heterogenization**- culture is becoming increasingly varied
- Food, entertainment, Leisure, worldview, Ideologies, social practices – all affected , becoming globalized
- Cultural relativism vs universalization

- **Technological Globalization**

- **ICT revolution**- Information Society
- Pervasiveness of technology in daily life: Facebook, Google, Twitter, Microsoft, Apple, Samsung

Economic Globalization: Meaning & Definitions

- ‘shift from a world of distinct national economies to a global economy in which production is internationalized and financial capital flows freely and instantly (OECD,1995)’
- ‘the web of economic interconnectedness and interdependence making the world economy as a borderless single global entity. ’(Ohmae 1990).
- Absorption of national economies into an interlocking global economy
- **Liberalization:** Free Trade, Financial, Investment- FDI, Economic policy, Currency; **Privatization-** outsourcing, PPP – **LPG**
- Global Supply Chain, circulation of Hot money, Financial Integration
- Denoted ideological victory of capitalism- market, private property and competition were accepted worldwide – global capitalism

Dimensions of Economic Globalization:

- **Free International trade**
 - Since 1945, international trade has, on average, grown at double the rate of international production
 - \$629 million in 1960 to \$20,000 million in 2018 (32 times!)
- **Global Supply Chain:** Globalized production, distribution , and consumption
- Global division of labour – BPO, Off shoring
- **Globalized financial system**
 - freely convertible currencies, free flow of capital & money, global currency trading
- **Rising global economic inequality**

Social Globalization

- State retreating from social welfare – retreat of welfare state
- Less public spending, creation of public goods, and public services
- Migration, family structure, community life, social security, adversely affected social stability
- Conflicts between domestic social norms, social institutions and global social norms and institutions
- Giving rise to Global Social Movement- WSF

Political Globalization

- triumph 'of **Neo-liberalism**- minimal state maximum market, liberalization, deregulation, privatization, individualism, and democratization
- Changing nature of nation-state, dilution in state sovereignty
- Arguments against:
 - Myth of Borderless World, Dominant role of state, Pooled sovereignty, Enduring attraction of the nation-state
 - economic globalization nevertheless requires a political framework that is provided by the state, notably in the form of the 'military-territorial power of an enforcer' (Robert Cox)
- '**Internationalization of the state**' -State adjusting national economic practices and policies to the perceived interest of the global capitalist economy.
- **Return of the state**
 - maintain domestic order and protect its citizens from external attack ; threat of terrorism, growing nationalism, conservatism
 - ICT : wider powers of surveillance, control and increasing regulation
- Statelessness, weak, and failed state and state-building

Cultural Globalization

- Food, entertainment, Leisure, worldview, Ideologies, social practices – all affected , becoming globalized
- Cultural **Homogenization**: *Coca colaization, Macdonaldization* : Flattening out of cultural differences
 - assault on local, regional and national distinctiveness; Cultural Hegemony
 - Cultural relativism vs universalization
- Chief factors fueling cultural globalization
 - growth of TNCs , global media corporations –Netflix, Amazon Prime, Global social networking- Twitter, Fb, increasing popularity of international travel and tourism, ICT revolution
- Cultural globalization as a ‘top-down’ process- global monoculture, cultural imperialism, ‘westernization ’or, ‘Americanization’
- Two main ingredients of cultural globalization have been the **global consumerism** and the **rise of individualism**
 - Cultural **Heterogenization**: polarization and diversity; **cultural backlash**- rise of ethnic nationalism and religious fundamentalism

Technological Globalization

- Technology, especially ICT, key drivers of Globalization
 - Printing press, Telegraph, Telephone, Semi-conductor and Computer, radio, TV, Mobile phone, satellite & transatlantic fibre cable, Jet plane, Internet, Plastic Money, GPS, AI, 3 D printing, e –Commerce, M-commerce, Mobile banking, cloud computing, IoT, Block chain, Machine learning, Crypto currency
- technological diffusion, the spread of technology across borders driving technological innovation at greater speed
- Technology driven Financial globalization: **Electronic Transfer of Funds (ETF), Society for Worldwide Interbank Financial Telecommunication (SWIFT)**
- **Techno-globalism**: rationalizes globalism on technological grounds ; technological determinism
- Globalized society: Information Society : Knowledge or weightless society
- Knowledge and high tech industries- Google, FB, Twitter, Microsoft, Apple, etc- are both drivers and face of globalization
- Issues/Challenges: **Digital divide**; may increase inequality and gaps between ‘Have’ and ‘have nots’ ; ‘The North’ and ‘The South’

Globalization and Development

- Globalization in the name of Development
- Complex linkages to different dimensions of development
- Positive or negative impacts depends upon how development is defined, where one lives, how far one is capable of, etc.
- Overall very complex linkage; indeterminate impacts
- Faster spread of crisis....financial crisis 97-98; prime lending, Pandemic?

Globalization & Development

- **Development as faster economic growth, material prosperity:**
 - GDP risen impressively, global trade increased manyfold
 - Boon for many: MNCs, English educated ICT savvy young people in urban pockets of India, China, and other developing countries
 - But so has risen the inequality, economic misery and hardships to billions of people
- **Development as social well being, welfare, happiness**
 - Development as social well being, welfare, happiness
 - Social equity diluted, welfare state gave way to full cost public services by market, consumerism caused psychological distress
- **Development as social harmony, cultural flourishing**
 - Disharmony increased, clash of culture/civilization increased, cultural backlash against cultural hegemony and homogenization
- **Technological Dimensions**
 - Technological dependence, Hegemony
 - Digital Divide further widened inequality
- Generally adverse for farming community, small traders, small businesses, and local innovations

Globalization giving way to Slowbalization?

- Globalization has given way to an era of sluggishness, or 'slowbalization,' a term coined by Dutch writer and trend watcher, Adjiedj Bakas in 2015
- Global trade has fallen from 61 per cent of the GDP in 2008 to 58 per cent now.
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- FDI dropped from 3.5 per cent of the GDP in 2008 to 1.3 per cent in 2018.
- PwC report: in 2019, the global volume of merchandise traded slowed down drastically and even went into reverse.
- Growing movements for 'Slow City', Slow Food', 'slow travel', 'slow fashion', 'slow consumption', 'slow gaming' and even 'slow education' !

Sum Up

- Globalization is greater and faster interconnectedness of people, places, information, objects, activities, and exchanges across the Globe
- May denote process, condition, structure, force, Policy, marketing strategy, predicament, an age.
- Deep impact on all aspects of people's life, academic disciplines, science, research, and technology
- Alternative perspectives on its existence, extent, origin, key drivers, nature and impacts.
- It is multi-faceted and Multi-dimensional- Economic, Social, Political, Cultural, Technological
- For globalists it has brought economic prosperity, democracies, equality, peace, human rights, global governance
- For escapists, on both side of political spectrum, it adversely impacted local people, created greater inequality, served interest of 'Haves' of 'the North', environmental destruction, consumerism, socio-cultural turmoil

References

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THANKS FOR WATCHING!

GOOD WISHES !