

## Global development – topic 2 - Globalisation

Globalisation is the growing interconnectedness of societies across the world – including- faster and frequent communication, cheaper and more travel, growth of global economy, global spread of neoliberal free trade and free market capitalism, development of global organisations and global social movements

Economic globalisation	Political globalisation	Cultural Globalisation
<p>EG is the growth of trade and economic connections between different parts of the world. Frobel – new international division of labour – design and knowledge in developed world and manufacturing in LEDC's.</p> <p>Evidence as follows-</p> <p>Spread of capitalism and neo liberalism around the world.</p> <p>Growth and power of TNC's and their global e.g. Apple operations</p> <p>Spread of McDonaldisation (Ritzer) – this has come to dominate aspects of culture and economics.</p> <p>Globalisation of international finance &amp; banking</p> <p>Reduced controls of governments of their economies as power shifts to TNC's</p> <p><b>Limitations of EG</b></p> <p>Still many national companies – even the biggest companies have national bases</p> <p>Nation state is still important</p> <p>Groups of countries e.g. EU still provide basic rights for workers and so limit the power of TNC's</p> <p>Hirst and Thompson see no evidence of a fully developed global economic system.</p>	<p>Evidence of PG includes</p> <p>Spread of western style liberal democracy, human rights and individual freedom</p> <p>Erosion of power of elected governments – decisions often made by unelected and unaccountable TNC's or super states such as the EU.</p> <p>Increase in global decision making – problems cannot be solved by national governments alone e.g. climate change, terrorism, drugs trade, refugees</p> <p>Rise in new transnational social movements that operate across several nations e.g. debt relief, environment, climate change.</p> <p><b>Limits of PG</b></p> <p>National governments still have considerable power e.g. taxation, go to war. National governments DECIDE to join or create IGO's</p> <p>Spread of liberal democracy may not be as real as it appears – western societies still support and ally themselves to undemocratic regimes.</p> <p>Strong national, ethnic and religious identities resist globalisation e.g. Brexit and Islamic fundamentalism.</p> <p>Maybe less, not more, democracy – governments voted into power no longer make many decisions.</p> <p>These are increasingly made at global level by unaccountable elites or TNC's.</p>	<p>This includes-</p> <p>Worldwide media and communication systems.</p> <p>Global spread of western consumer culture e.g. McDonalds, Rap Music.</p> <p>Cultural homogenisation</p> <p>The globalisation of religions – i.e. not fixed to a geographical location.</p> <p>Global dominance of English Language</p> <p>Spread of western values – family, gender equality</p> <p>Cosmopolitan lifestyles – draws on culture and ethnic identities from all over the world.</p> <p>World sport and tourism.</p> <p><b>Evaluation of cultural globalisation</b></p> <ul style="list-style-type: none"> <li>+ Cultural flow is not one way i.e. north – south. Reverse now occurs e.g. Bollywood.</li> <li>+Global migration has led to southern cultures all over the world.</li> <li>+new hybrid 'Third' cultures.</li> <li>+expansion of the internet and global communications has allowed people from all over the world to access information and ideas</li> <li>-CG is cultural imperialism – western and American culture imposed on everyone.</li> <li>- Main global mass media and communications all based in north.</li> <li>-Western culture can destroy and degrade local cultures and values in developing countries.</li> </ul>

Theories of Globalisation		
Neo liberals – positive	Radicals – neo Marxists - negative	Transformationalists – sit between neoliberals and radicals – outcome is uncertain
<p>Neoliberals welcome globalisation as a positive force  McGrew focuses on three areas  -Worldwide capitalist free market leads to global economic growth, the spread of western values , eradication of poverty and spreads democracy  -Production of wealth will have a ‘trickle down’ effect to the whole population – improving standards of living for all.  -m in the long run no losers only winners.</p>	<p>Linked to dependency theory and world systems theory.  EG benefits the rich MEDC's.  It has furthered the interests and profits of TNC's - creating a 'transnational capitalist class'  It has increased global inequality - no trickle down  Based on high consumption and consumerism – this is not environmentally sustainable.  Galtung said it is based on 'structural violence' where some groups are exploited by the systematic denial of rights – this can be based on gender, ethnicity, religion or caste.  Cultural globalisation is cultural imperialism.  Unelected and unaccountable TNC's have replaced elected governments – they drive globalisation.  As the North gains wealth at the expense of the South this will create terrorism and illegal migrants and refugees.</p>	<p>Globalisation can be controlled and used to promote development  It may be possible for some countries and people to reject the negative and embrace the positive aspects.  Globalisation is not unstoppable - it could decline or even reverse  There is no cultural homogenisation through cultural imperialism but instead a new hybrid based on the blending of cultures – 'glocalisation'.  Reverse cultural flows mean that the developing world can influence the west. It's a two way process.  The world is still unequal but globalisation has allowed transformation of the old hierarchies – e.g. North/ South and First/Third World.</p>

Development - Topic Three – TNC's, NGO's and IGO's in local and global development	
<p><b>States and development</b> – Development states focus on development goals can prove successful by leading development and economic growth. Leftwich argues development states have been essential in leading industrialisation and ec. Growth e.g. Asian tigers and China. States tend to be authoritarian, but this now causes issues with aid and debt relief due to this being dependent on democracy.</p> <p>Predatory states- hinder development. Corrupt politicians and officials take money, abuse power, prey on own people and plunder their countries wealth.</p> <p>Governments in LEDC's have little wealth to help development. Neoliberals think states should reduce influence and allow development to come from private business.</p> <p>Whereas Marxist dependency theorists favour state led development – but the problem is that most states favour the ruling elite or wealthy countries. Socialism needed.</p>	
<p><b>TNC's and development</b></p> <p>These are hugely powerful global companies e.g. Nestle, Nike, Apple. Features include - operations transcend national borders, produce and sell around the world, use global supply chains, employ people in many different countries.</p> <p>Globalisation and international division of labour have encouraged their growth.</p> <p>TNC's main purpose is to get profits for shareholders not aid development.</p> <p>Export processing zones or free trade zones are set up in some countries to attract TNC investment with special inducements e.g. tax breaks and less worker's rights.</p>	<p><b>Dependency theory and the disadvantages of TNC's</b></p> <p>Weaken and exploit workers in LEDC's to strengthen capitalism.</p> <p>Exploitation of workers – child labour, poor conditions, low pay etc.</p> <p>'Race to the bottom' – term from Kernaghan to describe how LEDC's compete with each other to attract TNC's with ever worsening procedures e.g. lack of Env. Laws.</p> <p>Not always that men jobs created and best ones go to ex-pats rather than locals.</p> <p>Exploitation of the environment can be harmful to locals.</p> <p>Exploitation of local markets – miss-selling and harmful goods.</p> <p>LEDC's don't benefit financially profits are exported and taxes avoided.</p> <p>TNC's have little loyalty - they move when labour is cheaper elsewhere.</p> <p>Bio-piracy – steal traditional medicines and foods to benefit themselves and eliminate the original local firm</p> <p>Exploitation of western consumers – making false claims about their practices.</p> <p>Products for western markets – locals can't buy or afford them</p>
<p><b>Modernisation and Neo Liberalism and the benefits of TNC's</b></p> <p>Cultural change – more modern values</p> <p>Investment- money, resources, technology, jobs, expertise.</p> <p>Better education to get skilled workers.</p> <p>More jobs in local businesses that support TNC's</p> <p>More jobs for women – promotes gender equality.</p> <p>Provides infrastructure that also benefits local people.</p> <p>Encouragement of international trade opens up new markets.</p>	<p><b>Why are TNC's unethical?</b></p> <p>Economic and political power of largest TNC's lets them ensure policies are made to benefit them or their wrong doing can be overlooked.</p> <p>Often operate through smaller subsidiary companies- so they can distance themselves from wrong doing e.g. working conditions.</p> <p>Little incentive to be ethical – laws are hard to apply and enforce globally, fines are tiny in comparison to profits and will probably be passed onto consumers. Imprisonment is rare for corporate crime.</p>
<p><b>INGO's –</b></p> <p>Non-governmental organisations are non-profit or charitable organisations – they are politically and economically independent from governments and profit making organisations.</p> <p>INGO's are international NGOs' who work internationally on humanitarian, development and environmental issues in LEDC's.</p> <p>Example OXFAM – raise emergency funds for public disaster relief, most also help provide development aid for local projects.</p>	<p><b>INGOS's and the global civil society</b></p> <p>Civil society refers to the network of businesses, political groups and voluntary organisations that exist between individuals, family and states.</p> <p>Globalisation has led to the rise of the GCS including INGO's and global social movements opposed to neoliberal globalisation.</p> <p>Protesters often protest at meetings of the WTO, World Bank and IMF – all neoliberal.</p>

<b>Strengths of INGO's</b>	<b>Criticisms of INGO's</b>
<p>Less bureaucratic than national governments.</p> <p>Worldwide track record of helping projects with local people on a small scale.</p> <p>Good knowledge of needs due to work with local people.</p> <p>Able and willing to take risks</p> <p>Seen as trustworthy - politically neutral and independent of local power structures.</p> <p>Not driven by profit.</p> <p>Continuity – not elected like governments</p> <p>Responsive to beneficial intentions of donors – rely on for funding</p>	<p>Limited effectiveness</p> <p>Can sometimes be too closely linked to governments – rely on for funding.</p> <p>Work hampered by political agendas of governments.</p> <p>Sometimes have links to TNC's.</p> <p>Unclear accountability – who do they answer to?</p> <p>Inappropriate spending of funds – too much on administration</p> <p>Portray people in developing countries as helpless victims and objects of pity.</p> <p>Don't always prioritise the right things – faith based INGO's can focus too much on beliefs.</p> <p>Sometimes too focused on PR and building a brand.</p>

### **IGO's – international governmental organisations.**

States cannot solve development issues alone – they cooperate to set up a number of transnational organisations – IGO's

The United Nations – (UN)

Wide variety of programmes and agencies – concerned with social and economic development.

Establishes global targets for development and poverty reduction.

Tends to be more radical and pro south than the IMF, WTO and World Bank.

The European Union – (EU)

This is the largest donor of development aid in the world.

The Bretton Woods Institutions

These are largely under the control of MEDC's – heavily influenced by neoliberalism. Their main problem is that they are accused of acting in the interests of the most powerful countries in the world.

Including-

The international Monetary Fund (IMF) – the last resort lender for countries. IMF loans are linked to countries accepting IMF neoliberal economic policies in the form of SAP's.

+ Sensible to have an IGO regulate the global economy and help countries in debt. + helps access funding and expertise to help Ec. Dev. And reduce poverty. – Sticks strictly to neoliberal policies and SAPS don't help developing countries because they promote TNC's over domestic industries. They reduce employment rights and work conditions. Cut government spending on health and education. Economy focuses on export rather than domestic priorities. – imposes a one size fits all model to development. – Deals with short term economic goals rather than long term development strategies.

The World Bank – gives loans to developing countries at low or zero rates of interest for poor countries.

Used to be limited to lending for specific projects which were inappropriate to wider development e.g. Dams.

Works closely with IMF and SAP's – so has the same criticisms.

The World Trade Organisation -(WTO) – pushes neoliberal reform in terms of trade – tries to reduce trade barriers

Poorer countries tend not to be involved in discussions.

Tends to lead to unfair trade – developing countries suffer and have to accept SAP's – rich nations don't tend to open up their markets as easily.

Gives free trade priority over all other considerations.

Global development – Topic Four – Development in relation to aid and trade, industrialisation, urbanisation, environment and war & conflict.				
Aid – refers to financial grants and loans to developing countries – it can also include military supplies, medical and technical assistance. Two main sources are- INGO's collect money from public in the west e.g. Oxfam. Official development assistance (ODA) – loans and grants directly from governments or IGO's. Aid can be tied or conditional. Aid usually goes from rich to poor nations.	Case for AID Aid from the north can give a helping hand – allows them to reach prosperity. Aid saves lives e.g. disasters, famines. Aid stops things getting worse Aid works- leads to improvements in education, healthcare, infrastructure. Aid increases world security- reduces poverty driven social unrest, illegal economic migration, wars and drug production for wealthy countries. Aid is morally and ethically right.	Case against AID Neoliberal view Aid creates a culture of dependency Aid doesn't mean cultural values change Aid interferes with the free market as it is a form of subsidy – reduces competit. Aid is lost money – if a project was viable it would take place anyway. Aid fosters corrupt. & poor governance. Neo Marxist view Aid is imperialism- rich exert power Most aid doesn't alleviate poverty Aid creates jobs and exports for donors Most Aid doesn't go where it's needed	Evaluation of AID + - The right kind of aid – small scale, knowledgeable, local and NGO funded is normally positive. + - Aid in a disaster can be vital. X – Aid is not to solve the problems of poverty. X – Aid results in money leaving poorer countries – e.g. Africa. This occurs in loan repayments etc.	

The Debt crisis- Dependency theorists argue that inappropriate or embezzled foreign aid and a history of colonialism mean LEDC's need to borrow to develop. Mod. And NL believe lending money allows development and then interest and loans can be repaid. >  
 Economic recession in rich countries in 1980's cut the export markets of poorer countries, SAP's didn't give expected ec. Growth >  
 A growing debt crisis – LEDC's couldn't repay loans and borrowed even more – more getting spent on loan interest >  
 Debt boomerangs – George said that the debt crisis caused problems for the North in 'debt boomerangs' >  
 Highly indebted poor countries initiative launched in 1996 by IMF and world bank due to protests from global social movements>  
 New debt crisis – in 2016 loans to LEDC's were growing again – many countries still facing extreme poverty.

Modernisation and Neo liberal view of trade Trade is key to economic growth, especially int. trade Trade helps development through free trade Production of goods at competitive prices leads to development Free trade is more effective than aid Increased wealth from trade leads to 'Trickle down'	Dependency and Radical view of Trade Trade helps neo colonial exploitation of the south LEDC's still dependent on the export of a few primary products, but the rich MEDC's make most in profit in processing etc. Prices are also at the mercy of markets. Terms of trade can be negative – world trade system often leads to poor prices. LEDC's are forced into free trade whilst MEDC's still use protectionism.	Fair Trade – tries to alter the terms of trade to give producers in LEDC's more profit and ethical prodn. Neoliberals oppose fair trade as it interferes with free trade – it gives unfair subsidy to a small number of producers in fair trade schemes. Some argue that the fair trade logo as a marketing device by big businesses to sell products by deceiving customers – claiming that they are ethical.
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Industrialisation- the move from small scale agriculture and workshops to commercial agriculture and large scale factory production.

Import substitution indn. (ISI) ISI replaces imported goods with home produced ones. Used by many LEDC's	Export orientated indn. (EOI) Started in the 1970's – production of goods that they had a relative advantage in to sell in MEDC's.	Tourism- internat. Tourism is the world's third biggest industry. +Globalisation has led to the growth of non-western tourism and it has become particularly popular in cheaper countries +Developing tourism in LEDC's has increased jobs and income. -environmental damage	Evaluation of industrialisation and development. Industrialisation can bring own problems
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<p>in the 1950's/60's e.g. Argentina and India.</p> <ul style="list-style-type: none"> <li>+ helps them become less dependent on MEDC's</li> <li>+ gives more control over their own economies</li> <li>+enables reinvestment of own profits</li> <li>-wasn't very successful</li> <li>-Protection of infant industries can make them inefficient</li> <li>-can lead to retaliation from MEDC's e.g. tariffs</li> </ul>	<ul style="list-style-type: none"> <li>+ encourages development by getting taxable profits - reinvest.</li> <li>+ worked well for Japan and NIC's</li> <li>-Export was at the expense of domestic markets- reliant on export.</li> <li>-LEDC's don't have access to the capital investment and skills for EOI- means TNC's take advantage of cheap labour= few benefits for LEDC.</li> <li>-Success of Japan and Asian tigers reduced opportunities for others.</li> </ul>	<ul style="list-style-type: none"> <li>-growing inequality between those who do and don't benefit</li> <li>-seasonal employment only, risky to rely on tourism for dev.</li> <li>-Hotels import majority of foods etc. – local ec. Doesn't benefit</li> <li>-Profits do not stay in country – go back to foreign tour comps.</li> <li>Agriculture- some LEDC's have concentrated on this rather than industry for development .g. Cash crops, Fair trade, superfoods.</li> <li>Industrial techniques are often used – but environmental problems are caused e.g. pesticides.</li> <li>Production and export often controlled by TNC's – this doesn't really help broader development.</li> <li>Data processing and software development – globalisation has opened up benefits for LEDC's in this area. Global communications technology has allowed customer services in the west to be outsourced to cheaper nations e.g. call centres.</li> </ul>	<p>e.g. environmental issues.</p> <p>Industrialisation often doesn't match social development e.g. education, workers' rights, democracy.</p> <p>Benefits tend to end up with TNC's or local elites.</p> <p>It can be fragile and unsustainable if it relies on a single industry or product.</p>
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<p>Urbanisation – driven by push and pull factors as people search for a better life and move away from poverty and a lack of opportunity.</p> <p>Modernisation- urbanisation is essential for cultural and economic change required for development. Provides a labour force in one place for business and industry.</p> <p>Provides cultural change and modern values – this moves away from traditional rural life and to western values essential for development.</p> <p>Dependency- many cities have not grown due to industrialisation but were instead colonial outposts. Under colonialism a two-tiered system grew with colonial administrators and local elites at the top with very little improvement for the mass population. Things have not improved now and TNC's have replaced colonial powers.</p> <p>Urbanisation creates inequality and social problems that hinder development. Cities divided into ruling elites and mass poverty. High levels of unemployment or under employment. The growth of urban squalor – shanty towns with lack of clean water, sanitation, planning waste disposal, education and healthcare. LEDC's cannot take the same route to development as MEDC's in the past- people are marginalised and will not come together as Marx said of the urban poor in western cities of the 19C.</p> <p>Differences in urban and rural poor-urban conditions often worse than rural. Due to SAPS urban water has often been privatised. Rural poor often get money sent home.</p>
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<p>The Environment- development can have negative impacts on environment- need to go to sustainable development. Poor are people most affected by env. Problems.</p> <p>View of neoliberals- solution to environmental problems is the free market. Capitalism may have contributed to env. Issues, but will also lead to the fix. Privatisation of public goods can help solve e.g. water supply.</p>	<p>View of neo-Malthusians and modernisation- growth of population threatens environment – most issues come from rural poor. Pop. Growth leads to over farming = desertification. Problems are internal –need for soc. Cult. And Ec. Modernisation to improve them.</p>	<p>View of Anti-Malthusians and dependency theorists- many env. Problems in LEDC's due to uneven distribution of resources. Exploitation of LEDC resources allows MEDC mass consumption. TNC's often pressure for weaker env. Laws. Western countries should reduce their own consumption.</p>
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<p>War and conflict</p> <p>Why are there so many civil wars in the poorest countries? Kaplan (neo malth.) says pop. Growth, urbanisation etc. leads to scarcity of resources = struggle to survive and leads to civil war.</p> <p>Modernisation- civil wars are part of process to create modern states. CW will reduce with mod. Values, free trade &amp; democracy.</p> <p>Dependency- caused by external factors. Globalisation increases inequality. Unequal AID. Changes to trade terms can increase pov.</p>	<p>What are the effect of war on development?- negative for development</p> <p>War is expensive. War can make trade impossible. War destroys the infrastructure required for ec. and soc. dev.. War creates poverty and it is difficult for aid workers to work in war zones. War can damage environmental infrastructure. War kills and can harm health long after its end because health services are destroyed. War destroys security and effective government.</p>
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