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Introduction: Whither Development in the Age of Globalisation?

Stephen McCloskey

Understanding development issues is essential to enable all of us to play an effective role as global citizens in working toward the eradication of poverty, injustice and social exclusion in both local and global contexts. With over a billion people consigned to subsistence lifestyles and living on less than a dollar a day, we have secure grounds on which to question the Western-led model of development that has characterised the past 50 years. During this period, development has become synonymous with globalisation and regarded as encompassing rapid industrialisation, global trade in goods and services, laissez-faire economics and capital transfer. In fact, some commentators on globalisation have traced its origins to the earliest colonisation of the Americas initiated by Columbus 500 years ago and view post-war development as an extension of that process. The current phase of globalisation has adopted new technologies and institutions to maintain the old hegemonic control of the leading Western powers that has spanned centuries. While many corrupt and compliant Third World leaders have played a significant role in economically disadvantaging their own people, the development model advocated by Western governments in the aftermath of the Second World War has been largely responsible for the deepening underdevelopment that has enveloped the majority of the world's people.

This introduction will examine the concepts of globalisation and development in historical and contemporary contexts. It will highlight the importance of development issues in equipping learners with the skills and knowledge necessary to analyse how the modern world is ordered and to address the latent inequalities of globalisation. This chapter will also outline the main institutional and ideological instruments of globalisation whilst charting a future course for development in the context of the new popular movements for change that have emerged in recent years.

GLOBALISATION AND DEVELOPMENT

Development issues have accrued increasing importance in the period of renewed globalisation that has characterised the post-Cold War era. The collapse of state command economies in the Eastern bloc in 1989 was to herald a 'new world order' of greater prosperity, security and equality. The United States (US) emerged from the Cold War as the world's last remaining superpower, confident that its dominant neo-liberal model of economic development had eclipsed the failed alternative path of socialism. Throughout the 1990s, neo-liberalism became an unchallenged article of faith proclaimed by Western governments and preached to the poor. This ideological dominance was manifested in a sharp swing to the right in political institutions across Europe and North America, and provided an ideological context for an accelerated form of globalisation which was promoted as the only legitimate pathway to development.

The contemporary form of globalisation has been characterised by new innovations in telecommunications, increased interdependence amongst states, enhanced cultural awareness and, more negatively, by a rampant private sector dominated by Transnational Corporations (TNCs). The political philosophy underpinning globalisation advocates greater trade liberalisation, reduced state intervention in the economy, and the derogation of increasing levels of control over our public services to the private sector. As globalisation has reached new levels of technical development, production and profit, the poverty gap between rich and poor has widened between (and within) developed and developing countries.¹

In assessing progress toward the eradication of poverty in the ten years following the collapse of the eastern bloc, the United Nations *Human Development Report* (2000) found that by the late 1990s the fifth of the world's people living in the highest income countries controlled 86 per cent of the global Gross Domestic Product (GDP) – the bottom fifth controlled just 1 per cent.² Thus, the profits generated by globalisation have been largely accumulated by a wealthy elite rather than redistributed according to social need. Global inequalities increased in the twentieth century 'by orders of magnitude out of proportion to anything experienced before' whereby the distortion in income between the richest and poorest countries grew from 34 to 1 in 1970 to 70 to 1 in 1997.³ Moreover, the combined wealth of the top 200 billionaires in 1999 reached a staggering \$1,135 billion compared to the collective incomes of \$146

billion for the 582 million people living in the least developed countries.⁴ The human cost of globalisation has been immense and largely poverty related. Some 30,000 children die every day from preventable diseases mostly caused by food shortages and a lack of clean water. Over 1.2 billion people live on less than a dollar a day whilst 2.4 billion people lack basic sanitation.⁵ The technological advances that have been the flagship of globalisation underline the unevenness of development when contrasted with the medieval environs of some sub-Saharan African states gripped in poverty and continually threatened by famine or drought.

The role of globalisation in the development process has been hotly contested by governments and non-governmental organisations (NGOs). For example, in 2000, the British government's Department for International Development (DFID) published a White Paper, *Eliminating World Poverty: Making Globalisation Work for the Poor*, which argued that 'globalisation creates unprecedented new opportunities for sustainable development and poverty reduction'.⁶ In a critique of DFID's position, the Catholic Agency for Overseas Development (CAFOD) suggested that 'equity and redistribution are increasingly recognized as the "missing link" between globalisation and poverty reduction... What is good for poor people is good for the economy as a whole. Yet up to now, globalisation has frequently been linked with inequality.'⁷ Western governments, therefore, argue that globalisation can be an agent of development by generating growth and investment in developing countries and integrating their economies into the global market of commodities and services. However, NGOs and civil society activists believe that globalisation is exacerbating poverty levels in developing countries and effectively dictating their engagement with the global economy on terms favourable to the developed world. Third World countries have been particularly critical of the institutional instruments of globalisation.

THE INSTITUTIONAL INSTRUMENTS OF GLOBALISATION

The Bretton Woods Institutions

The concepts of development and globalisation can be sourced to the post-Second World War period of reconstruction led by the United States. The economic philosophy associated with the modern and renewed form of today's globalisation has its origins in the Bretton Woods Institutions – the International Monetary Fund (IMF) and the World Bank – established in 1944 to 'support post-war

rehabilitation and promote international trade'.⁸ These bodies have been the vanguard of globalisation for almost 60 years, primarily through the disbursement of conditional loans to developing countries. While the post-war period was characterised by resurgent nationalism and the fragmentation of old colonial empires, the combined efforts of the World Bank and the IMF resulted in an insidious recolonisation process by economic means. The World Bank was charged at Bretton Woods with providing 'longer term loans to developing countries to support their development' whilst the IMF was given the role of supporting an 'orderly international monetary system'.⁹ Beneath the façade of this laudable rhetoric, however, the IMF and the World Bank have orchestrated economic indebtedness throughout the Third World by facilitating a 'bonanza' of irresponsible borrowing by developing countries in the 1970s. Loans from the IMF became conditional on the implementation of structural adjustment programmes (SAPs) that 'covered social policies, financial policy, corporate laws and governance'.¹⁰ In short, SAPs represented a neo-liberal reform programme designed to dictate economic policy to Third World governments.

Over the past 30 years the debt crisis has strangled Third World economies and prevented meaningful development for the world's poor. According to the Drop the Debt Campaign, the combined debt of developing countries currently exceeds \$2.4 billion and thereby forces Third World governments to drastically cut social expenditure in order to meet loan repayment schedules.¹¹ Developing countries are locked in a vicious cycle of debt repayment, re-scheduling loans when faltering on payments, and fresh borrowing to repay old debt. The poorest countries are forced to channel more than 50 per cent of their GDP into repaying debt, which necessitates a massive austerity programme encompassing cuts in health, education, welfare, housing and public utilities. The burden generated by this neo-liberal agenda is most acutely felt by the vulnerable in developing countries: the elderly, children and, especially, women who often combine onerous domestic chores (unpaid labour) with intensive, low-paid employment in either rural or urban contexts. Debt also traduces the impact of multilateral (from international organisations like the United Nations) and bilateral (country-to-country) aid as agents of development. For every \$1 donated in grant aid to developing countries, more than \$13 is returned in debt repayments to the developed world.¹² While long-term aid delivered in partnership with communities and NGOs

in developing countries can effectively address social needs, this process is continually undermined by the downsizing of governments by the debt crisis.

World Trade Organisation

A third key agent of the contemporary form of globalisation is the World Trade Organisation (WTO) which, together with the World Bank and the IMF, makes up a triumvirate of international financial institutions (IFIs) that effectively control the policy agenda for global trade and economic development. The WTO was established on 1 January 1995 as a successor to the General Agreement on Tariffs and Trade (GATT) with the aim of liberalising trade and reducing state protectionism of domestic markets. The US was initially reluctant to devolve meaningful powers to an international regulatory body on trade so GATT evolved through a series of trade negotiations that culminated with the Uruguay Round from 1986–94. Although GATT focused primarily on manufactured goods, its successive trade rounds reduced tariffs on commodities from 'an average of 40 per cent in the 1940s to 4 per cent today'.¹³ The Uruguay Round agreed the establishment of the WTO to carry forward the GATT agenda which was broadened to include agriculture, services (such as telecommunications and finance) and intellectual property rights that governed the patenting of commodities. The WTO also has the power to arbitrate in trading disputes between its members and, if necessary, impose sanctions on nations in breach of its regulations.

Negotiating and implementing the rules of global trade provides the WTO with enormous influence over the economic development of Third World countries. Development NGOs consider the WTO an undemocratic institution designed to propagate a profit-driven model of development that mostly benefits developed countries and private companies. With 144 members, the WTO should, in theory, arrive at decisions favouring developing countries, which represent some 80 per cent of the world's population. In practice, however, negotiations are rarely concluded by democratic procedures, but rather involve bruising exchanges in which poorer nations are arm-twisted into accepting terms tabled by Western governments. Moreover, many developing countries lack the resources and expertise to properly negotiate their case in the WTO on a level playing field. Negotiations represent a web of legalistic jargon and intricate detail that require regular monitoring and expert representation. Government delegates to the WTO are regularly lobbied by TNCs equipped with batteries of

lawyers contracted to enhance the privatisation of public utilities and maximise the investment conditions for private companies. However, developing countries are woefully under-represented and, thereby, sidelined in negotiations that regularly result in outcomes that benefit the developed world.

Developed countries proclaim the benefits of free trade economics as a badge of honour and, yet, protect their domestic markets from Third World imports by applying tariffs and quotas to specified commodities. By contrast, developing countries are browbeaten into accepting foreign direct investment by TNCs on terms that threaten domestic productivity and services, and increase unemployment. The 'open economy' mantra of the WTO can be disastrous for developing countries. For example, the dumping of cheap food imports into Mexico from the US created a collapse in local maize prices and impoverished Mexican farmers who saw their income slashed and livelihoods threatened.¹⁴ The WTO sustains the trading domination of developed countries by employing loopholes to circumvent regulations. An example is the WTO Agreement on Agriculture, which is designed to reduce subsidies to farmers and protect members' domestic markets from cheap food imports. However, the European Union (EU) and US government continue to subsidise farmers at an annual rate of \$360 million which, consequently, undermines agribusiness in developing countries.¹⁵ According to the United Nations (UN), this form of protectionism in developed countries costs the Third World 'an export income of \$2 billion a day, many times more than the total inflows of aid'.¹⁶

GATS and TRIPS

The decision-making mechanisms of the WTO are dominated by 'the Quad' – Canada, the European Union, Japan and the US – with a view to securing maximum advantage for their economies and facilitating the creeping privatisation of the public sector in the Northern and Southern Hemispheres. The EU and the US sometimes make uneasy transatlantic bedfellows and have occasionally engaged in mutual recrimination over protectionist policies that have disadvantaged imports. However, 'the Quad' has been unified in its pursuit of WTO agreements designed to open up public sector services to private investment and control. The Multilateral Agreement on Investment (MAI) was formulated in the 1990s and offered unprecedented powers to TNCs in challenging the rights of

national governments to protect public utilities and employment sectors from private takeover and competition. The MAI was defeated in December 1998 through the vigorous and sustained campaigning efforts of hundreds of NGOs around the world. The privatising impulse of MAI has been resurrected, however, in the guise of the General Agreement on Trade in Services (GATS) which was originally ratified in 1994 and is currently under debate at the WTO with a view to extending its remit. Described by the WTO Secretariat as 'the world's first international investment agreement', GATS is designed to remove any restrictions and internal government regulations in the area of service delivery that are considered to be 'barriers to trade'.¹⁷

The services vulnerable to privatisation under the GATS agreement include education (schools and colleges), health (hospitals), public libraries, and municipal services such as the supply of water. The main danger for the poor, of course, lies in public services becoming profit-making entities under the control of TNCs that will then demand payment at the point of delivery. The quality of essential services will steadily decline without government intervention and be priced beyond the reach of the poorest communities in developing countries. Unsurprisingly, it is the TNCs that have driven the GATS negotiations in the WTO and it is they who are primed to become its chief beneficiaries. The foothold of TNCs in developing countries has also been secured by the Agreement on Trade Related Intellectual Property Rights (TRIPS), which was one of the main outcomes of the Uruguay Round of trade talks.

TRIPS is a particularly damaging agreement for developing countries in that it enables TNCs to patent 'intellectual property' that includes medicines and agricultural seeds indigenous to the South. As the South African activist Mohau Pheko stated, TRIPS enables 'bio-pirates to steal from your land, patent your seeds and then sell them back to you'.¹⁸ Under the auspices of TRIPS, Western-based corporations can monopolise new technologies and stifle indigenous industrial development in developing countries. Most crucially, however, intellectual property rights (IPRs) enable TNCs to patent and market drugs and agricultural products that will hinder food and commodity production, and exacerbate medicinal shortages in developing countries. With the spiralling AIDS crisis reaching epidemic proportions in Southern Africa, the TRIPS agreement will deepen the suffering of its victims.

Transnational Corporations

TNCs have been the vanguard of globalisation in the post-war era. Like modern manifestations of the Spanish Conquistadors, who first brought a missionary and military zeal to empire building over five centuries ago, TNCs are international conglomerates which use the force of capital to capture new markets. TNCs such as McDonald's and Starbucks have become totems of accelerated globalisation and driven its expansion into areas such as Eastern Europe that are ripe for investment following the end of the Cold War. With their headquarters normally based in Western Europe or North America, TNCs have proliferated their operations in developing countries under the auspices of favourable trading terms agreed in the Uruguay Round. Accountable only to stockholders and the international share index, TNCs reflect the capacity of trade rules to open up governments and markets to the advantage of developed countries and private capital. The operations of TNCs have been criticised on the grounds that they:

- Relocate most of their profits to their countries of origin (usually industrialised nations)
- Regularly prevent the unionisation of their labour force
- Exploit child and women workers in poor developing countries to maximise their profits
- Pay low wages to employees who are forced to work long hours to earn a living wage
- Create environmental problems through the use of unsafe and polluting methods of production, particularly, in the oil industry
- Breach environmental and labour standards in host countries, especially poor nations in the greatest need of internal investment

The world's top ten TNCs exercise immense political influence and accumulate annual revenues that dwarf the earnings of many developed and developing countries. For example, the car manufacturer General Motors has an annual turnover greater than Norway and the US-based oil company Exxon can boast an annual income that is more than double the Gross National Product of Venezuela – one of the world's leading oil exporting countries.¹⁹ TNCs are, therefore, developing an alarming level of political impunity in their

operations, facilitated by the profit-driven ethos of neo-liberalism, favourable trading conditions, and the prescriptive economic measures foisted by the World Bank and the IMF on vulnerable developing world economies. The World Development Movement (WDM), an NGO that has successfully campaigned on trade justice issues, states that:

... multinationals could play a valuable role in pro-poor economic development providing jobs, capital and technical know-how, but in reality their positive impact is limited. Their full potential is not realized. Moreover, there is mounting evidence that multinationals, registered in the North, are actually causing harm in the Third World. Transgressions include: abusing workers' rights and causing bodily harm; destroying local lands and livelihoods; promoting harmful products to consumers; breaking national laws and undermining local democracy.²⁰

Thus, TNCs could generate positive investment in developing countries but, instead, effectively asset-strip natural resources from the Third World while exploiting a labour force that receives in wages a fraction of the profits made by TNCs on commodities sold in developed countries.

The WDM has urged industrialised countries to take responsibility for the activities of corporations based and registered under their jurisdictions that operate in developing countries. In an ideal scenario, TNCs would be self-regulating bodies measuring their operations against a firmly enforced code of conduct which addresses issues relating to the environment, working conditions, wages and trade unions. However, many leading corporations, such as Nike and Gap, continue to manufacture their products in conditions that contravene international labour standards despite using a code of conduct in promoting their products in developed countries.²¹ The WDM has argued for binding regulations to be introduced that will properly police the activities of corporations under the auspices of an International Investment Treaty 'promoting quality investment and core standards for corporate responsibility'.²² Given the influence of TNCs over some national governments in the context of WTO negotiations, the regulation of such a treaty should be handled by independent specialist bodies such as the International Labour Organisation (ILO) and the World Health Organisation (WHO).

THE IDEOLOGICAL INSTRUMENTS OF GLOBALISATION

Development and Underdevelopment

The international financial institutions have been the battleground on which the contemporary debate on development has been fought. Third World networks, NGOs and development organisations regard the IFIs as partners in globalisation, working in tandem to pursue a neo-liberal agenda that masquerades as development but, in fact, deepens poverty levels in developing countries. The lending policies of the World Bank and the IMF have prised open Third World economies to inward investment from countries and corporations in the developed world, while the WTO has locked developing countries into unfair trade agreements that compound their difficulties. The IFIs and Northern governments regard development as integrating poor countries into the globalising economy. This is achieved by export-led economic regeneration, attracting inward investment, dropping protectionist tariffs, and enhancing private control of public services. However, the prescriptive policies of the IFIs raise fundamental questions about the appropriateness of neo-liberalism in a developing world context and what actually constitutes meaningful development.

Wolfgang Sachs has sourced the concept of development to an inaugural address by US President Harry Truman on 20 January 1949 in which he described the Southern Hemisphere as comprising 'under-developed areas'.²³ Sachs regarded Truman's description of underdevelopment as having four basic premises:

1. That industrialised nations stood at the top of the 'social evolutionary' scale and, therefore, represented the apex of development – the model to which underdeveloped nations should aspire. The 2001 *Human Development Report*, however, points to increasing levels of poverty in the wealthy member states of the Organisation for Economic Co-operation and Development (OECD) in which:
 - 15 per cent of adults are functionally illiterate
 - 130 million people are living in income poverty
 - 34 million people are unemployed
 - 8 million people are undernourished²⁴
2. That the development process would enable the US to enlist the support of developing countries in the ideological battle with

Eastern bloc countries during the Cold War. The US, therefore, represented a 'comforting vision of development' which poor countries could ape in their eagerness to 'develop'. However, Sachs suggests that the US has run out of 'ideological steam' in the aftermath of the Cold War and that the East-West rivalry has now been superseded by the rich-poor divide, with underdeveloped countries largely blamed for their own poverty.

3. That in the race to develop, poor countries would ultimately match their counterparts in the North by adopting the same model of development and swallowing the strong medicine of neo-liberal reform. The 'one-size-fits-all' doctrine of the Truman years continues to underpin the model of development espoused by Northern governments today. The IFIs apply the same neo-liberal template to all developing countries without due consideration of their particular social, economic and political needs. Southern countries that have bravely embraced alternative paths to development which encompass the redistribution of wealth and land, and tackle social problems such as health and education, are bullied, threatened or overthrown by the US. Chile, Cuba, Nicaragua, and more recently, Venezuela, are examples of countries that challenged US hegemony within its own hemisphere and, consequently, suffered varying levels of US intervention.
4. That development will result in the westernisation of the world. Sachs argues that the Truman 'project' aimed to create a mirror image of the US in the development of poor countries. This fear has been realised to an extent in the cultural imperialism attending the pervasive export of Hollywood films (the biggest export earner for the US economy), and brand names like Nike and Coca-Cola. These icons of globalisation collectively threaten cultural diversity, standardise material expectations and marginalise traditional life in terms of customs, clothing, language, and identity. Westernising the world, however, reinforces the old monetarist hierarchy of countries and the ideological dominance of the US. It also stifles debate on alternative models of development that are both sustainable and consistent with social justice and equality.²⁵

The Truman Doctrine

A dictionary definition of a developing country states that it is a 'poor or non-industrial country seeking to develop its resources by

industrialisation'.²⁶ Thus, the concept of development is equated with industrialisation or, as Gustavo Esteva suggests, is reduced to the accrual of economic growth.²⁷ Truman's coinage of 'underdeveloped' as a new description of poor regions prefaced a commitment to a 'program of development based on the concepts of democratic fair dealing' ... 'The old imperialism,' he said, 'has no place in our plans.'²⁸ Truman's speech heralded over 50 years of deepening global underdevelopment in which many developing countries, such as Indonesia and Vietnam, became pawns in a Cold War over markets, control of resources, strategic dominance and ideological supremacy.

Indonesia provides a prescient example of the human cost of the Cold War. In 1965, the US and its Western partners turned a blind eye to the 1965 military *coup d'état* led by General Suharto that resulted in the slaughter of 1 million Indonesians and a 30-year dictatorship which plunged the country into communal division, corruption, political repression and widespread human rights abuses.²⁹ The US embraced the new military regime, which conveniently disposed of a communist 'bogeyman', President Sukarno, who had led a reformist government that took a leadership role among developing countries to co-ordinate united action towards effecting meaningful development for poor nations. Sukarno was sacrificed to satisfy the strategic interests of the US in South-East Asia, where it now had a foothold to repel the spread of communism and, most importantly, an ally conducive to Western investment and neo-liberal 'reform'. Truman's promise of development as 'democratic fair dealing' became an example of Orwellian double-speak that characterises how development is defined by today's leading agents of globalisation. Truman's 'development' consigned millions to poverty, insecurity, repression, hunger and social marginalisation – the antithesis of development – through a renewal of the 'old imperialism' that had no place in 'his plans'.³⁰ Development, therefore, signalled a deepening underdevelopment which prioritised selfish strategic and economic interests over the welfare of the world's poor.

THE INSTRUMENTS OF CHANGE

Charting the Future

Despite the social polarisation of wealth and inequality that has attended accelerated globalisation over the past 50 years, there are grounds for optimism regarding development in this new

millennium. In December 1999, the Ministerial Council of the WTO met in Seattle and faced vehement protests from an international coalition of campaign groups: NGOs, development agencies, women's organisations, environmentalists, socialist groups, trade unions and other civil society organisations. The aim of the protesters was to demand 'trade justice' for developing countries, including: the cancellation of Third World debt; abolition of trade rules that hobble developing world economies; meaningful and binding controls on environmental pollution; and the democratic accountability of TNCs. The protesters successfully collapsed the WTO talks but, more significantly, drew worldwide public attention to the undemocratic operations of the IFIs and their exacerbation of poverty in developed and developing countries. While similar protests had been organised in developing countries along similar lines in the past, the formulation of a trade justice agenda and campaign movement in the North reflected a deepening public awareness of development issues within industrialised countries. Moreover, civil society in the North demonstrated a preparedness to take action that would address poverty-related issues in solidarity and in partnership with developing countries on the doorstep of the IFIs.

The trade justice coalition is arguably the most significant popular movement to emerge in the North since the civil rights and anti-Vietnam protests of the 1960s. It indicates the often underestimated capacity of the public to digest complex economic issues and formulate strong opinions on the causes of underdevelopment. Since Seattle, protests have been organised in cities throughout the developed world, including Bonn, Genoa, London, Madrid and Seville, to coincide with the meetings of international financial and policy-making bodies like the EU, the Group of Eight leading industrialised countries (G8), the UN, the World Bank and the WTO. Although the mainstream media and Western governments have often been dismissive of the protests as anti-democratic and harbouring violent intent, in reality the trade justice movement represents a revitalisation of democracy on the streets rather than a threat to democratic order. The protesters recognise the culpability of Western governments in facilitating the privatisation of the public sector largely to the benefit of powerful corporations. Civil society has consequently become increasingly alienated from Northern governments and been prepared to bypass 'democratic' institutions to seek justice for a silent majority disempowered and marginalised by government bodies. As the journalist and broadcaster John Pilger

points out, the British general election in May 2001 produced the lowest turnout in electoral history: '24 per cent of the electorate voted for Tony Blair and this is described as a landslide victory.' As Pilger suggests, the low turnout was less an indication of public 'apathy' than a demonstration of 'public protest'.³¹

The trade justice movement has successfully monitored and challenged the policies and negotiations of the IFIs, played an important educational role in raising awareness of development issues in the public domain, and illustrated the value and power of popular democracy as an effective vehicle for change. The protesters have also recaptured the concept of development from the distortion of Truman's definition to encompass:

- The redistribution of wealth to address social needs
- The regulation of trade and investment to developing countries to ensure that it enhances their technological development and promotion of indigenous industry
- Greater Third World participation in, and influence over, international finance and trade bodies
- The establishment of national development strategies to promote pro-poor growth
- Sustained public investment in health, education and welfare services
- The introduction of an effectively monitored International Investment Agreement
- The cancellation of Third World debt
- The implementation of effective controls over environmental pollution and the protection of biodiversity³²

These are baseline measures that can begin to arrest the poverty gap within and between developed and developing countries. The alternative vision of development advocated by leading world powers will not only perpetuate social divisions and inequalities but also absorb natural resources at an unsustainable rate. Sustainability has become increasingly debated in the context of development, particularly since the 1992 United Nations Conference on Environment and Development in Rio de Janeiro which raised concerns about the increasing demands made of the natural environment to fuel the global trade in commodities.³³ The follow-up to the Rio conference, the World Summit on Sustainable Development, held in Johannesburg from 26 August to 4 September 2002, tested the commitment

of developed countries in setting aside national economic interests to ensure sustainable development on a global scale.

World Summit on Sustainable Development

In the ten years since the Rio conference, poverty levels have worsened in the developing world, overseas aid from some developed countries has receded, the number of people living without clean water and sanitation has risen to over 2 billion, and 28 million people in sub-Saharan Africa have contracted HIV/AIDS (an estimated 60,000 Africans died of AIDS during the ten-day summit).³⁴ The Johannesburg summit, therefore, presented a challenge to all the participating countries to display the political will necessary to address the world's immense social problems and the main causes of environmental denudation. The key environmental concerns discussed at the summit included arresting the depletion in fish stocks, increasing renewable energy sources to reduce pollution caused by fossil fuels, protecting biodiversity, and tackling the causes and effects of adverse climate change. The World Summit consequently had a formidable agenda that required universal consensus to end what Thabo Mbeki, the South African president, described as a 'global apartheid' between rich and poor.³⁵

A total of 45,000 delegates representing 187 countries attended the summit, which was addressed by 104 world leaders – although President George Bush refused to lead the US delegation at the conference. Bush's decision was apparently influenced to some extent by a letter (leaked to Friends of the Earth) from 31 right-wing political groups in the US – seven of which are funded to the tune of over \$1 million by the oil giant Exxon Mobil – which advised the president that 'the least important global environment issue is potential global warming, and we hope your negotiators keep it off the table and out of the spotlight'.³⁶ In fact, the US negotiators were conspicuously successful in preventing the summit establishing new targets and timetables in respect of key development and environment concerns. Frustration with the US position over the ten days of the summit boiled over on the final day when Colin Powell, the US Secretary of State, was roundly booed by delegates for his country's intractability on key issues.

Before the summit had even begun it was clear that delegates would find it difficult to reach consensus on a plan of action to take away from Johannesburg. Preliminary negotiations designed to structure an agenda for the conference identified more than 400

points of disagreement between delegates. Thus, the fact that the summit managed to agree a 65-page plan of action at end of the event was considered by many as nothing short of miraculous – though NGO and Third World delegates were bitterly disappointed by the final text. The most significant new target agreed at the summit was a pledge to halve the number of people (about 1.2 billion) living without basic sanitation by 2015, which in itself was a restatement of an earlier International Development Target (IDT) set at a UN Millennium Summit in 2000 to halve the number of people without safe drinking water.

Securing US support for the basic sanitation target came at a price however: the vetoing of an EU-led proposal to increase the proportion of global energy supplies from clean, renewable sources such as wind and sun. The EU's initiative was specifically aimed at over 2 billion people lacking electricity supplies and reliant on alternative polluting sources of fuel such as animal dung. Renewable energy has the capacity of bringing clean energy to the poor without exacerbating global warming through the use of fossil fuels. However, the EU found itself hopelessly isolated on the issue, with Australia, Canada and Japan joining the US in opposing its proposal. Even the group of 77 Third World countries, which normally operates by consensus in the UN as a single bloc, could not reach agreement on renewable energy targets. Third World members of OPEC (Organisation of Petroleum Exporting Countries) were concerned about reduced oil revenues in the event that the EU initiative proved successful. The summit plan of action was, therefore, woefully short of firm timescales and targets for eradicating poverty and undoing the environmental damage caused by unchecked resource consumption over several generations.

In comparing the Johannesburg and Rio summits, delegates pointed to the increased influence and direct involvement of the business sector in the former as partially explaining its failure to arrive at positive and meaningful outcomes. Held in the prosperous and exclusive suburb of Sandton, the Johannesburg summit assumed the appearance of a corporate trade fair with its hi-tech exhibitions housed in a 'plush shopping centre'.³⁷ Some 8,000 business and pressure group representatives attended the summit and were heavily involved in the preliminary negotiations which agreed the agenda. Naomi Klein, the author and commentator on TNC activity, suggested that 'many of the official "stakeholders" (NGOs and community activists) weren't at the official table but out in the

streets or organizing counter-summit conferences to plot very different routes to development'.³⁸ For Klein and other activists, the business sector had supplanted the interests of the poor in summit negotiations, ensuring that key decisions were either deferred and left in a negotiating limbo, or only paid lip service at the event.

The fact that a conference on sustainable development, which included strong NGO representation, became itself subject to a 40,000 strong counter-demonstration similar to those organised at IFI meetings, reflected the anger and disappointment of development and environment activists with the summit proceedings. Delegates were unequivocal in their condemnation of the US as the main source of the summit's failings, but also apportioned culpability to other developed countries in their lacklustre efforts to make headway on key issues. Whatever the causes of the summit's poorly received plan of action, it seems that the UN is rethinking the organisation of similar large-scale set-piece conferences in the future 'until governments put into practice what they have decided to do'.³⁹ The reaction to the summit's toothless action plan by NGOs, developing countries and those suffering the effects of underdevelopment will undoubtedly be manifested in greater activism in grassroots development and support for the global coalition for economic and social justice.

Global Interdependence

The trade justice coalition has been labeled an anti-globalisation movement by the media and governments, which suggests that the protestors are opposed to all things global and all aspects of globalisation. In fact, the protest movement is itself a global initiative in the composition of its affiliates, the issues it addresses and the nature of its operations. Therefore, it can hardly be defined as anti-globalisation. Moreover, the benefits of globalisation include new innovations in telecommunications and information technology that have underpinned the mobilisation of trade justice groups. Amartya Sen, the 1998 Nobel Laureate for Economics, suggests that 'over thousands of years globalisation has progressed through travel, trade, migration, spread of cultural influences and dissemination of knowledge and understanding, including of science and technology'.⁴⁰ Globalisation has strengthened cultural interdependence between developed and developing countries enabling us to increase our understanding of other societies and develop more meaningful opportunities for cultural exchange.

The challenge of development in the age of globalisation is to promote cultural diversity and interdependence while implementing democratic controls over unfettered trade and reckless forms of investment. A Christian Aid/CAFOD briefing paper on globalisation states that:

Globalisation is a process of increasing interconnectedness of individuals, groups, companies and countries. The technological, economic and political changes which have brought people closer together have also generated serious concerns over the terms of that globalisation. These concerns have also been generated by the realisation that while globalisation has led to benefits for some, it has not led to benefits for all. The benefits appear to have gone to those who already have the most, while many of the poorest have failed to benefit fully and some have even been made poorer.⁴¹

The increasing power and influence of international finance and investment organisations over the past half century has compelled some commentators to write the obituary of the nation state as an agent of development. Their concerns are based on a perceived erosion of democracy that has attended the shift of decision-making processes from national governments to regional trading blocs such as the European Union. The danger of regionalisation is that key decisions affecting our everyday lives will be taken by faceless, unelected bureaucrats in Brussels, Geneva or Washington who are unaccountable to national forums and their elected officials. Moreover, the accumulation of wealth and political clout in the boardrooms of major corporations combined with WTO trade rules and the increasing deregulation inherent in the investment policies of the World Bank and the IMF, are limiting the capacity of national governments to implement programmes that are consistent with social justice and equality. These concerns merit serious discussion given that development has to take root at local and national levels to bear fruit in the international arena. However, it may be premature to consider the nation state a spent force in promoting development and effecting positive global change.

For example, the European Union summit held in Seville in June 2002 considered proposals tabled by the British and Spanish governments 'to cut aid to countries such as Turkey and Bosnia that refuse to crack down on asylum seekers passing through their borders'.⁴² The Anglo-Spanish plan to tie aid donations to

compliance with hardline EU policies on asylum and immigration was vetoed by France and Sweden when a unanimous vote was required. The difficulty in establishing a common position on such contentious issues in international bodies like the EU and the UN is rooted in the pressures felt by politicians at a national level to act in the best interests of the state and the electorate. This was underlined in Seville, where France vetoed the asylum plan advocated by Tony Blair 'to protect its relations with francophone countries in North Africa and the Middle East', while Sweden commendably 'recoiled at the harshness' of the measures on poor countries.⁴³ Thus, developed countries can significantly influence decisions in the international arena either bilaterally or in tandem with other nation states. Therefore the challenge for the trade justice movement is to ensure that wealthy countries support policies toward eradicating poverty even when such policies might conflict with their own economic interests.

The Text

This text aims to introduce the key issues that are fundamental to our understanding of development. It is offered as a reference text or research aid for those active in the field of development, studying development issues at tertiary level or interested in enhancing their knowledge of the main economic and political forces that influence our lives. The contributors to the book include leading academic commentators in the development field and representatives of some of the main development NGOs that operate in both local and global contexts. While the text is not an exhaustive commentary on all aspects of development it provides useful suggestions (including web sites) for further reading on the issues raised. The chapters are designed both to introduce specific issues and to complement the contributions from other authors, particularly, as many of the themes addressed in the text are interconnected. It is also intended that the chapters can serve as 'stand-alone' introductions to the main issues highlighted in the book. Readers are encouraged to use the text as a manual for increasing their knowledge of development issues and, in the spirit of Freirean discourse, to use their understanding as the basis for action to effect positive change.

NOTES

1. The use of the terms 'developed world' and 'developing world' refer to the so-called First World and Third World. Alternative terms used in this

- text include minority (First) and majority (Third) worlds, and North (Northern Hemisphere) and South (Southern Hemisphere). The developed world refers to wealthy, industrialised countries and the developing world to poor, underdeveloped countries. We accept the limitations of all of these terms, which have been used interchangeably in the text. For example, the term Third World is often considered derogatory as if suggesting a third-class status for people living in developing countries. In fact, this term emerged from the Third World during the Cold War, and referred to a possible third path to development which strictly followed neither capitalism nor communism. The terms 'developed' and 'developing' are also flawed in suggesting that poor countries should embrace a Western-led model of development, when social inequalities and divisions are strongly prevalent in industrialised countries. 'North' and 'South' represent a crude demarcation of developed and underdeveloped countries – for example, Australia is a developed country located in the Southern Hemisphere. 'Majority world' and 'minority world' are narrow, one-dimensional terms reflecting the fact that 80 per cent of the world's population live in developing countries and 20 per cent in developed countries. We acknowledge the validity of other terms not used in the text and those outlined above. The terminology of development is usefully outlined in Wolfgang Sachs (ed.), *The Development Dictionary: A Guide to Knowledge as Power* (London and New Jersey: Zed Books, 1992).
2. UNDP, *Human Development Report 1999* (Oxford and New York: United Nations Development Programme, 1999), p. 3.
 3. UNDP, *Human Development Report 2001* (Oxford and New York: United Nations Development Programme, 2001), p. 20.
 4. UNDP, *Human Development Report 2000*, p. 82.
 5. UNDP, *Human Development Report 2001*, p. 9.
 6. DFID, *Making Globalisation Work for the World's Poor: An Introduction to the UK Government's White Paper on International Development* (London: Department for International Development, December 2000), p. 4.
 7. CAFOD, 'A Development NGO Critique of Globalisation: Submission to the House of Lords Economic Affairs Committee' (London: Catholic Agency for Overseas Development, February 2002).
 8. Jean Somers, 'Debt: The new colonialism', in Colm Regan (ed.), *75:25, Ireland in an Increasingly Unequal World* (Dublin: Dochas, 1996), p. 171.
 9. Somers, 'Debt: The new colonialism', p. 171.
 10. Martin Khor, *Rethinking Globalisation: Critical Issues and Policy Choices* (London: Zed Books, 2001), p. 12.
 11. The Drop the Debt Campaign is an extension of Jubilee 2000, a global coalition of NGOs and civil society organisations that vigorously campaigned for complete debt cancellation at the start of the new millennium. The campaign achieved significant successes with some debt liabilities being written off by developed countries; however, anti-debt campaigners regard this approach as piecemeal and insufficient in addressing the larger debt problem. A full analysis of the debt crisis can be accessed on <www.jubilee2000uk.org>.
 12. Drop the Debt Campaign, <www.jubilee2000uk.org> (19 July 2001).
 13. CAFOD, *CAFOD Guide to the WTO* (London: CAFOD, 2001).
 14. CAFOD, *CAFOD Guide to the WTO*.
 15. CAFOD, *CAFOD Guide to the WTO*.
 16. CAFOD, *CAFOD Guide to the WTO*.
 17. World Development Movement (WDM), 'Briefing Paper on GATS', <www.wdm.org.uk/campaign/GATS.htm> (27 January 2002). The WDM was one of the leading campaigning NGOs that ensured the defeat of the Multilateral Agreement on Investment (MAI) in 1998. It has played a valuable role in deciphering the trade jargon used in the WTO and exposing the effects of global trade on the world's poor. The WDM web site is a useful resource for information on global trade and investment issues.
 18. Mohau Pheko (Africa Gender and Trade Network) was speaking at the World Development Movement conference 'Whose Rules Rule?' held in the Institute of Education, London (8–9 June 2002).
 19. Regan, 75:25, p. 189.
 20. WDM, 'Briefing on Regulating TNCs: Making investment work for people: An international framework for regulating corporations' (London: World Development Movement, February 1999).
 21. See the investigative journalism of John Pilger on the impact of globalisation in developing countries recorded in *The New Rulers of the World* (London: Verso, 2002). Pilger gathered evidence of human rights abuses and widespread exploitation of workers in factories in Indonesia manufacturing products for Western-based multinationals that claimed to operate a code of practice. The codes seem designed to allay the fears and salve the consciences of customers concerned that they may be purchasing goods produced by exploited workers rather than provide a *modus operandi* for corporations.
 22. WDM, 'Briefing on Regulating TNCs'.
 23. Sachs, *Development Dictionary*, p. 2.
 24. UNDP, *Human Development Report 2001*.
 25. Sachs, *Development Dictionary*, pp. 2–4.
 26. *Collins Pocket English Dictionary* (Glasgow: HarperCollins, 1989).
 27. Gustavo Esteva, 'Development', in Sachs, *Development Dictionary*, p. 12.
 28. President Truman's Inaugural speech delivered on 20 January 1949, quoted in Gustavo Esteva, 'Development', p. 8.
 29. Pilger, *New Rulers of the World*, pp. 15–45. Pilger describes events surrounding the *coup d'état* in 1965 and the consequences of the Suharto dictatorship for today's Indonesia – which has been a 'model pupil' of the World Bank and IMF.
 30. Quoted in Esteva, 'Development', p. 6.
 31. John Pilger quoted from his input to the World Development Movement conference 'Whose Rules Rule?', held in the Institute of Education, London (8–9 June 2002).
 32. WDM, 'Briefing on Regulating TNCs'.
 33. OWC, *Education for Sustainable Development in Northern Ireland* (Belfast: Environmental Education Forum and One World Centre, 2000).
 34. *Irish Times* (7 September 2002).
 35. *Guardian* (31 August 2002).

36. *Guardian* (24 August 2002).
37. Geoffrey Lean, 'They Came. They Talked. And Weasled. And Left', *Independent on Sunday* (8 September 2002).
38. *Guardian* (4 September 2002).
39. *Independent on Sunday* (8 September 2002).
40. Amartya Sen, 'Slicing up the Spoils', *Guardian* (19 July 2001).
41. Christian Aid and CAFOD, 'A Human Development Approach to Globalisation' (June 2000) <www.cafod.org.uk/policy/polhumdevglobsum1.shtml> .
42. *Observer* (23 June 2002).
43. *Observer* (23 June 2002).

WEB SITES

Catholic Agency for Overseas Development
Christian Aid

Development Education Association

Drop the Debt Campaign

One World Centre (NI)

World Development Movement

World Summit on Sustainable Development

www.cafod.org.uk

www.christian-aid.org.uk

www.dea.org.uk

www.jubilee2000uk.org

www.belfastdec.org

www.wdm.org.uk

www.worldsummit.org