



# 7

## Globalization and Development

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### LEARNING OBJECTIVES

- To understand how globalization has changed the Global South and the Global North.
- To understand contemporary transformations in the post 2007–8 crisis period.
- To examine tensions around trade, investment, and geopolitical alignments worldwide.
- To understand the resurgence of nationalism and counter-globalism on the political right.
- To examine alternative paths proposed to promote a pro-people globalization.

▲ Workers at an electronics factory in Dongguan, China.

FangXiaNuo/iStockphoto

## Introduction

Since the 1980s, “**globalization**” has been a buzz-word in international development. What became known as the “Washington Consensus” (see Chapter 3) deeply affected the theory and practice of development by emphasizing trade and investment liberalization, public sector reduction in favour of private capital, and cut-backs to public services and institutions. Borders were trespassed if not abolished, and thanks to technological innovations, the world became one single economic entity. But the heralded benefits of globalization did not always materialize. First, the impact of these policies was problematic in terms of rising poverty and political instability in many countries. Social movements started to question how globalization was shaping the world, and out of this critique came the idea that some sort of “alter-globalization” was necessary.

But globalization has also faced other challenges. In 2007–8, the world system was struck by a huge financial crash that destabilized many countries. Despite attempts to reform some of the liberal policies of globalization, the crisis aggravated income gaps, contributed to environmental deterioration, fomented nationalist responses and political competition between superpowers, while, at the same time, a wave of new conflicts threatened millions of lives. In 2016, the election of Donald Trump as president of the United States was at once a symptom and an accelerator of this evolution. The COVID-19 pandemic that began in China in early 2020 simultaneously thrived within and threatened the processes of globalization. Through the dense global web of international chains of production and mass tourism, it rapidly reached Europe and, later, the Americas and Africa, infecting tens of millions, and killing almost 1.7 million people, as vaccines were being rolled out in late 2020. While states and international agencies are still trying to develop coping strategies and the World Bank predicts a substantial global economic downturn, it is still unclear how the pandemic will affect the process of globalization (World Bank 2020).

At a time when globalization seems to be under threat, this chapter focuses on its impact on development and developing countries. It aims to trigger new debates and reflections, especially for those who are working on and studying development.

## Globalization and Developing Countries

In the early 1990s, when the concept of globalization became widely used, many scholars and policy-makers working on development were taken aback. One of those was Fernando Henrique Cardoso, one of the founders of the famous dependency school that had such great influence on thinking in development studies in the 1970s (see Chapter 3 and 4). He changed his earlier interpretation of the causes of underdevelopment, giving this globalization-and-development debate a rather provocative spin. After becoming the president of Brazil in 1994, Cardoso (2007) argued that past development theories were dead and buried and that everything he had said about development was wrong! Instead, he proposed that development required full integration into the world system, which implied, in turn, accepting the terms of current macroeconomic policies as they were defined a decade before in the Washington Consensus (Box 7.1). Under Cardoso’s presidency, the social and economic priorities of Brazil were refocused to adjust to the needs and requirements of international markets. Yet a few decades previously, Cardoso and many of his colleagues in development studies had been arguing that the only path to development was to “delink” from international capitalism.

Globalization meant that Brazil and other developing countries that had challenged a world economic system that had seemed to benefit the rich countries were changing paths, and as a result, most of the nations of the world sought to further integrate into the capitalist system under the rubric of Washington Consensus-style policies. These broad policies were promoted by the G7, an informal association of the richest countries in the world (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States).

### Success Stories?

For former President Cardoso and other heads of state of the developing world, there was simply no alternative in the early stage of globalization. In the 1990s, this “mode of development” had appeared to be successful in the form of the “East Asian miracle.” Developing countries in that part of the world had

## Important Concepts

### BOX 7.1 The Washington Consensus

By the early 1990s, the dominant discourse argued that capitalism had triumphed worldwide with the collapse of the Soviet Union. “Underdeveloped” countries would follow the policies promoted by the advanced capitalist “core.” The World Bank predicted that most of the world would prosper and progress through fully “globalizing” and integrating with the world economy. Globalization was then defined by former World Bank official John Williamson as implying the adoption of “Washington Consensus” policies. The term has been associated with neoliberal policies first adopted by the United States and Britain in the early 1980s and later promoted by the World Bank and the IMF in developing countries. The “consensus” recommended the liberalization of capital flows and trade (through free trade agreements), the privatization of the public sector, and the abolition of market-restricting regulations. It became a central component of **structural adjustment** programs imposed by the Bank and the IMF on countries that required loans (see Chapters 3, 10, and 15).

found competitive niches and succeeded in attracting foreign capital, thereby triggering economic growth and development. This strategy seemed to have worked in China, South Korea, and other smaller “tigers” and “dragons” that emerged at that time, reducing poverty (from 78 per cent in 1981 to 8 per cent in 2011). More than 600 million Chinese were lifted out of poverty (World Trade Organization 2018, 23). Parallel to these achievements, North America and western Europe struggled to come out of the financial and economic slump of 2008, the most severe since 1929. Indeed, China has become the workshop of the world, exporting a vast surplus of industrialized goods and, increasingly, high-tech products. The United States’ share of world industrial production decreased from 25.1 per cent (2000) to 17.7 per cent (2015), while China’s share exploded from 6.5 per cent (2000) to 23.6 per cent (2015). China’s share in global merchandise trade in 2017 was 11.5 per cent while the United States’ was 11.1 per cent. Yet globalization was broadly thought to contribute to economic growth and prosperity in the Global North, even though a large part of productive capacities was moved to low-wage Southern economies often managed by authoritarian governments.

Much of this increase in exports from developing countries has to do with the fact that they have been encouraged by the IMF and World Bank to open their

economies, liberalize trade, and increase exports. Under the influence of the powerful agencies promoting globalization, trade is expanding faster than production. The theory is that the soothing influence of the market (the “invisible hand” of Adam Smith) will help every country to find its “niche” selling and buying where its comparative advantage dominates (see Chapter 16). Everyone wins in the end, so the story goes. Most countries of the world are now members of the World Trade Organization, the champion of international globalization, liberalization, and economic integration.

The World Bank also remains convinced that globalization—i.e., integration into the world market—is working for the poor and the developing world. For David Dollar (2004), an economist working for the Bank, the simple proof that globalization works is that poor-country growth rates were higher than rich-country growth rates for the first time in modern history. These positive trends toward faster growth and poverty reduction are strongest in developing countries that have integrated most rapidly into the global economy. The World Bank is also encouraged by the fact that the growth of exports from developing countries is mostly in manufactured products. At the same time, **foreign direct investment (FDI)** to developing countries accounted for 52 per cent of all FDI.

However, the flows are asymmetrical. Four countries (China, India, Brazil, and South Africa) have received most of the FDI flows to developing countries.

## Time and Space Contracting

Put simply, globalization translates into new sets of relations and activities, mostly in the economic arena, that are taking place irrespective of the geographical location of participants. Globalization underpins a transformation in the organization of human affairs by linking together and expanding human activity across regions and continents (Held and McGrew 2003).

Territory as a geographic reality no longer constitutes the whole of the “social space” in which human activity occurs (see Box 7.2). Because of these major changes, social geographer David Harvey (2005) believes that modern capitalism has integrated the world much more profoundly than ever before. **Time and space** are no longer insurmountable, as they were in the past, because with modern communication and transportation, everything moves everywhere, including goods, services, and people. Therefore, the geographic divide between the North and the South appears to have become blurred (Golub 2013). This is not to say that the gap has disappeared. Rather, globalization is generating a new pattern whereby poverty and wealth are redistributed through a reconstituted structure of exclusion. For Harvey (1990, 147), current patterns of development under globalization lead to “shifts in the patterning of uneven development, both between sectors and between geographical regions.”

Given this global panorama, we arrive at a simple question: what is new about globalization? Are we not seeing the same thing, under new conditions perhaps, that has been restructuring the world since the expansion of Western capitalism? Is it not the same pattern observed by Karl Marx and Friedrich Engels more than 160 years ago?

The bourgeoisie has, through its exploitation of the world market, given a cosmopolitan character to production and consumption in every country. Instead of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, the universal interdependence of nations. National one-sidedness and narrow-mindedness become less and less possible, and from the numerous national and local literatures, there arises a world literature (Marx and Engels 1967 [1848]).

What does appear to be new is the speed and intensity of interconnections among entities across the world. Around the world, 24 hours per day, financial markets are imposing immediate economic decisions. New technologies, at least partially, have created another reality—namely, the “world factory,” managed by the world firm, under a world label, where everything from production to marketing and design is integrated across continents and communities. For Luis Hebron and John F. Stack (2009), for example, globalization is powerful because it brings together politics, economics, law, social structures, media, and information technologies.

## Critical Issues

### BOX 7.2 A Global Age?

Globalization is a trans planetary process or set of processes involving . . . 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. Although globalization and transnationalism are often used synonymously, the latter is a more limited process which refers largely to interconnections across two, or more, national borders. The sheer magnitude, diversity and complexity of the process of globalization today lead to the conceptualization of the current era as the “global age.”

Source: Ritzer 2010, 28.

## Critical Issues

### BOX 7.3 The New Face of Imperialism

Some analysts believe that globalization is basically just “another face” of imperialism, allowing the powerful, mostly in the Global North, to extend their reach and widen the net of international capitalism (Watts 2011). The core, not to say the bulk, of key economic, commercial, and financial transactions remains concentrated in the “**triad**,” the traditional centre of power composed of western Europe, Japan, and North America. Although representing less than 15 per cent of the world’s population, the triad accounts for most of the economic output, even if the emergence of new economic powers is eroding this supremacy. For Samir Amin, a radical economist from Egypt, “their domination is exercised directly on all the huge companies producing goods and services, like the financial institutions (banks and others) that stem from their power” (Amin 2009). Amin (2004) suggests that globalization is setting the stage for a new offensive from the United States to protect its imperial interests. The “empire” relies on unlimited military might and the overwhelming influence of **transnational corporations** (TNCs), compelling other countries to submit. Indian scientist and ecologist Vandana Shiva writes:

Globalization is not a natural, evolutionary or inevitable phenomenon [but rather] a political process that has been forced on the weak by the powerful. . . . “Global” in the dominant discourse is the political space in which the dominant seeks control, freeing itself from local, regional, and global sources of accountability arising from the imperatives of ecological sustainability and social justice (Shiva 2000, 92).

Within this context, a growing body of research and policy argues that current globalization needs to be “fixed” or eventually replaced.

## Globalization’s Fault Lines

However, by the late 1990s, it became apparent that the promises made about inclusive growth and better living conditions for all were elusive. Beyond the important achievement of a global decline in the number of the poor (from 43 per cent of the world’s population in 1990 to 17 per cent in 2011), the situation for the majority in most of the deprived countries remained problematic. Indeed, the mixed record of poverty reduction calls into question the efficacy of conventional approaches involving economic liberalization and privatization. Amartya Sen, a well-known economist from India, believes that the main issue is not globalization itself but inequitable sharing of its benefits.

The traditional North/South fracture persists. Advanced capitalist countries control more than 90 per cent of financial assets, 85 per cent of foreign direct

investments worldwide, more than 65 per cent of the world GDP, and 70 per cent of industrial exports. This situation is compounded by the fact that, in many respects, the East Asian “tigers” still depend on the Global North in key sectors such as finance and high technology.

Even the most ardent promoters of globalization will admit that Africa is facing a tough challenge. Exclusion from the benefits of globalization for the poorest countries, defined by the UN as the “least developed countries” (LDCs), remains a dreadful reality. Currently, many African countries appear to be trapped in a vicious cycle of interlocking handicaps, including poverty, illiteracy, civil strife, environmental pressures, poor governance, and inflexible economies largely dependent on exports of a single commodity. For example, income from African exports declined from \$255 billion in 2014 to \$190 billion in 2016. Sub-Saharan Africa remains far behind.

This bleak picture, however, needs to be nuanced. In the past decade, African social global indicators have been improving, in great part because of the good economic performance of a small group of countries. In countries rich in oil and other natural resources, such as Angola and Nigeria, high growth rates have been registered. Some countries have even been able to improve access to basic social services, making progress toward achievement of the Millennium Development Goals (UN Department of Economic and Social Affairs 2010) and their replacement, the SDGs.

More critical views, however, suggest that economic growth has not led to major social improvements and, moreover, remains fragile, linked principally to the scramble for African natural resources by developed-country investors from the US, the European Union, and China. In addition, Africa's recent surge in growth was driven by commodity exports that did not induce much structural change. Instead, they merely reinforced Africa's narrow export base. Moreover, since 2013 many commodities have lost much of their previous value while external markets have been squeezed because of the slump in Europe and Asia (IMF 2014). In the meantime, Africa accounts for less than 1 per cent of the world's GDP. To add to the catastrophe, external debt has exploded—from \$89 billion (1980) to \$149 billion (2010). In 2014,

while aid and investment flows into Africa represented \$134 billion, financial outflows from Africa were almost \$192 billion, thus creating a net deficit of nearly \$60 billion for the African economy (Jubilee Debt Campaign 2014). (See Chapter 15.)

Walden Bello, a political economist from the Philippines, reminds us that the income gap continues to grow between “rich” and “poor” countries even if, within these countries, similar patterns are at play between social groups:

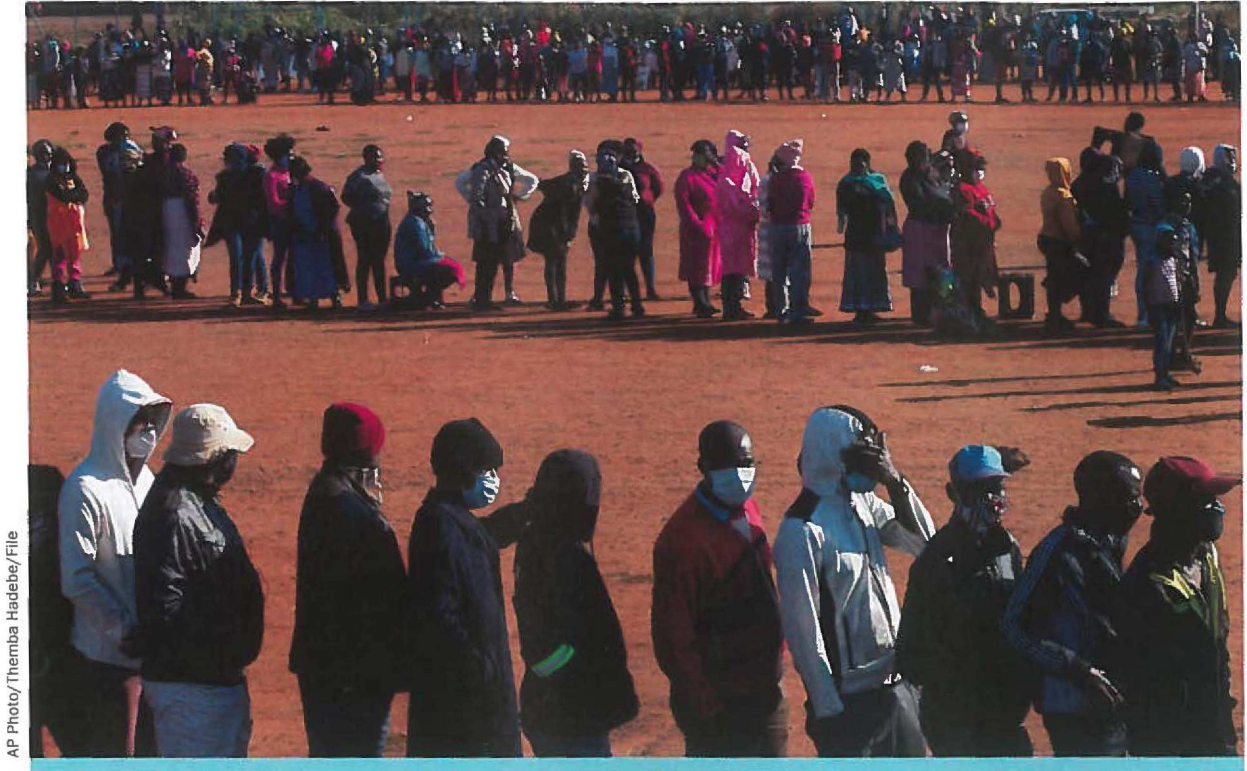
There has been too much dissonance between the promise of globalization and free trade and the actual results of neoliberal policies, which have been more poverty, inequality, and stagnation. One of the very few places where poverty diminished over the last 15 years is China. But interventionist state policies that managed market forces, not neoliberal prescriptions, were responsible for lifting 120 million Chinese out of poverty. Moreover, the advocates of eliminating capital controls have had to face the actual collapse of the economies that took this policy to heart. The globalization of finance proceeded much faster than the globalization of production. But it proved to be the cutting edge not of prosperity but of chaos (<https://www.waldenbello.org/globalisation-in-retreat>).

## Critical Issues

### BOX 7.4 Growing Inequality

About half the world's population (3.4 billion people) subsists on less than \$5.50 a day. Between 1980 and 2016, the poorest 50 per cent of humanity got 12 cents in every dollar of global income growth. By contrast, the top 1 per cent got 27 cents of every dollar. The human cost of inequality is devastating. Today, 262 million children will not be able to go to school. Almost 10,000 people will die because they cannot access health care. Yet, 10 years since the financial crisis, the number of billionaires has nearly doubled worldwide. Meanwhile, the wealth of the poorest half of humanity, 3.8 billion people, fell by 11 per cent. Last year, 26 people owned the same as the 3.8 billion people who make up the poorest half of humanity, down from 43 people the year before. The world's richest man, Jeff Bezos, owner of Amazon, saw his fortune increase to \$112 billion, which makes Bezos's income bigger than the health budget for Ethiopia, a country of 105 million people.

Source: Oxfam, Public Good or Private Wealth, January 2019.



AP Photo/Themba Hadebe/File

**PHOTO 7.1** People affected by the economic downturn caused by the COVID-19 pandemic line up to receive food parcels in Pretoria, South Africa, in 2020.

## Critical Issues

### **BOX 7.5** COVID-19 and the Global South

Contrary to previous pandemics (Ebola, SARS, H1N1), COVID-19 has hit the Global North very hard, particularly the United States, Britain, Italy, and Spain. In the Global South, the health impacts have been different. While Brazil and other Latin American countries have been very badly affected, many African countries have apparently succeeded in managing the impact (although many poor countries have weak monitoring systems, so the true extent of the infection is difficult to assess). This situation is notable, considering that most poor countries already had limited health systems and high rates of mortality related to curable diseases. In this regard, many governments consider the impact of the resulting economic recession on the Global South and the substantial decline in trade, investment, and tourism as more problematic than the direct health effects, especially considering weak or non-existent social security nets. According to the African Union, the tourism and travel sector in Africa could lose at least \$50 billion because of the pandemic and at least 2 million direct and indirect jobs (Policy Centre for the New South 2020).

## Critical Issues

### BOX 7.6 Governance in a Globalized World

Joseph Stiglitz, former chief economist of the World Bank, wrote:

Unfortunately, we have no world government, accountable to the people of every country, to oversee the globalization process. Instead, we have a system that might be called *global governance without global government*, one in which a few institutions—the World Bank, the IMF, the WTO—and a few players—the finance, commerce, and trade ministries, closely linked to certain financial and commercial interests—dominate the scene, but in which many of those affected by their decisions are left almost voiceless.

Source: Stiglitz 2002, 21–2.

### The Powerless State?

Globalization has a profound impact on politics. The nation-state, at the centre of the political architecture of the modern world, is losing parts of its sovereignty as economic actors such as large **multinational corporations (MNCs)** and financial institutions transact freely across borders (see Chapters 8 and 12). Kenichi Ohmae, in a provocative book, *The End of the Nation State*, explains: “the workings of genuinely global capital markets dwarf their ability to control exchange rates or protect their currency.” Consequently, “nation states have become inescapably vulnerable to the discipline imposed by economic choices made elsewhere by people and institutions over which they have no practical control” (Ohmae 1995, 12).

For many experts, political structures inherited from the nation-state are becoming obsolete. Fundamental policies governing macroeconomics are discussed and determined by agencies far removed from the public arena (Lenhard 2010). While the powerful have influence, most developing countries are left out of the process. For example, the IMF and the World Bank are directed by a small group of countries because these institutions, unlike the United Nations, are governed by powerful states that have larger voting shares because of their greater financial contributions to institutional functioning,

contrary to the UN system in which all member states, in principle at least, have an equal footing (see Chapters 10 and 11).

The governments of smaller or weaker states are therefore losing their influence in the international arena—but also at their own national level. At worst, this process ends up in a breakdown, as we have seen in several sub-Saharan countries (as well as in south-east Europe and elsewhere). This disjuncture between the economic/private and the political/public spaces is creating a vacuum. It remains to be seen, for example, whether the United Nations will be able to recover from its current semi-marginalization, considering that the rich and powerful may not want it to do so.

### Globalization: The Unravelling

Prior to 2007–8, deepening globalization seemed inevitable and unstoppable. Since then, a series of crises have contributed to undermining the global consensus on globalization and its benefits.

In 2007–8, the financial systems of several capitalist countries were shaken when important institutions in the United States lost billions of dollars. Because of the interconnectivity of financial systems worldwide, this crash rapidly contaminated many countries.

## Shifting Economies

What was the cause of this crisis? By and large, it was in fact the turn toward the finance sector – the “financialization,” that had been so successful in the first age of globalization. Indeed, in the wake of the neo-liberal program of the 1980s, finances became the driving force of the economy. According to Walden Bello, “Financialization involves the massive creation of indebtedness to substitute for stagnant incomes in order to create demand for goods and services.” Large financial institutions like JP Morgan Chase, Citigroup, Wells Fargo, Bank of America, Goldman Sachs, and Morgan Stanley own an estimated \$100 trillion coming from rich people looking for tax shelters (Bello 2019a).

By 2010, a recession had started to hit the Global South, including economies that had been rapidly growing in Asia and Latin America. Other regions, in particular North Africa and the Middle East, were also affected by rising unemployment, cutbacks in basic services, etc., which contributed to a series of political crises and social confrontations. In many countries, the economic conditions of the “middle classes” became more precarious. Countries that were once seen as members of the group of “emerging economies” like South Africa and Brazil also experienced high unemployment, declining wages and income, increased indebtedness, stagnation of the social safety net, and important reductions in the provision of basic public services. Similar problems were found in the economies of the Global North (Milanovic 2016).

The COVID-19 economic crisis could have even worse consequences for developing countries, although at the time of writing the impact of the recession is unclear. In the short turn, the estimated losses for 2020 are greater than 10 per cent of total world GDP. Many African countries, still dependent on income generated by resource exports, could lose tens of billions of dollars (Roberts 2020). Some believe a full recovery is unlikely before 2023. The IMF has described the fallout from the pandemic as a “crisis like to no other”:

many countries now face multiple crises—a health crisis, a financial crisis, and a collapse in commodity prices, which interact in complex ways. Policymakers are providing support to households, firms, and financial markets, and, while this is

crucial for a strong recovery, there is considerable uncertainty about what the economic landscape will look like when we emerge from this lockdown. . . . We project global growth in 2020 to fall to –3 percent. . . . This makes the Great Lockdown the worst recession since the Great Depression, and far worse than the Global Financial Crisis of 2008 (IMF 2020).

While it is unlikely that the world economy will be “deglobaling” as a result of the pandemic crisis, we may expect that more constraints on the global flow of goods will be imposed by leading economic powers like China, the US, and the European Union. More and more conflicts will arise around border controls, tariffs, and commercial measures in the context of greater competition. The poorest countries are going to be more vulnerable to these changes, while international institutions (like the UN and the World Bank) will be more limited in their actions due to budgetary cutbacks and political divergences among their members.

## Another Globalization?

The Global South is “re-” and “de”-composing itself into a myriad of contradictory processes. Out of the current chaos, various proposals are emerging. Early in the millennium, under the influence of a new generation of centre-left South American government and China, there were various initiatives to restructure the world economy away from the traditional dominance of the United States and its G7 allies. Proposals to reform the United Nations, the World Bank, and the IMF, even the World Trade Organization, went along with boosting regional bodies, such as the Mercosur (in South America) and the Association of Southeast Asian Nations (in Asia). Some of the “emerging” countries that were advancing in terms of economic growth came together under a relatively informal alliance, the “BRICS” (Brazil, Russia, India, China, South Africa), with the intent to access the global market on an equal footing (Chapter 14). All in all, these approaches aimed at reforming, not bypassing, current policies to promote a more stable and equitable globalization. By the end of the first decade of the millennium, however, these attempts were stalled. Since 2010, China’s economy has entered a period of “slow

growth.” Brazil, Argentina, and other “emerging” economies have been battered by the decline in the price of commodities on which their growth was based (mineral and agricultural resources). With the new situation triggered by the 2020 pandemic, China will face internal and external difficulties as the “workshop of the world” in a constrained international market. In many of these countries, slowing growth has created huge political and social confrontations, with right-wing elements leading the downfall of reformist governments (as in Brazil).

## Movement from Below

Beyond the recent phenomenon of states challenging neoliberal globalization, of course, is the ascendancy of a **global civil society** expressing itself through numerous demands, demonstrations, movements, and networks (see Chapter 13). And beyond the image of anti-globalization protests and riots, a “movement of movements” seems to be in the process of becoming a significant factor in world politics. Radical authors such as Michael Hardt and Antonio Negri (2000) and Naomi Klein (2015) think that new alternative “alter-globalist” movements and demands could eventually turn globalization upside down. Thus, just as the empire appears to be expanding, an alternative political organization of global flows and exchanges is growing alongside it.

## From Chiapas to Tunis via Seattle

In 1994 in southern Mexico, Indigenous communities represented by a group known as the Zapatista Army of National Liberation, otherwise known as simply the Zapatistas, appeared on the world stage, apparently out of the blue, to express their rejection of NAFTA (North American Free Trade Agreement) and the neoliberal globalization policies attached to that process, which, according to them, was threatening the livelihood of the large peasant and Indigenous populations of that region. The movement captured the imagination of media around the world, partly because of the symbolism attached to Emiliano Zapata (a leader of the Mexican revolution in the early 20th century) and also, more substantially, because the revolt was led by farmers and Indigenous people who

had traditionally been left out of the political arena, even by anti-systemic movements. In rather uniquely poetic language, Zapatistas demanded the end of neoliberal policies (see Marcos 2001). They became widely known through their audacious use of modern communications at a time when use of the Internet was still embryonic for social movements and radical projects. Moreover, the Zapatistas were capable of creating and deploying new codes and modes of social interaction and communication, different from the traditional leftist approaches. They clearly asserted, for example, that their rebellion was not about “taking” power but about “changing” it. It might have been just a brilliant formula, but it has indeed changed the paradigm for many social movements.

In Seattle in 1999, that cry was taken up by a wide coalition of US and international NGOs and social movements that was later defined as an alliance of “teamsters” (trade unions) and “turtles” (environmentalists). The occasion was the ministerial meeting of the recently formed World Trade Organization. A large “movement of movements” became visible after Seattle, with its adherents demonstrating in the streets of many cities in different parts of the world. Later, the anti-globalization movement spread out in Europe, Asia, and Africa.

Then, in 2008, the world seemed to enter a new phase. The crash of large financial institutions on Wall Street and across the planet led to social and economic dislocation of a scale not seen since the Great Depression of 1929. As millions of people lost their jobs and sometimes their homes while others had to face scarcity and uncertainty, a widespread sentiment came about that the status quo was untenable. A few years later, popular uprisings erupted across the world. The “Arab Spring” in 2011 pushed out long-established dictatorships in Tunisia and Egypt. It was triggered by the self-immolation in December 2010 of a young unemployed street vendor, Mohamed Bouazizi, protesting his condition. Thousands of Tunisians took to the streets and, unarmed, confronted security forces—leading ultimately to the collapse of the regime. The Arab Spring was followed by protests against economic austerity in southern Europe, notably in Spain and Greece. The occupation of public places, the takeover of closed-down factories, and the massive use of social media to spread the word and to systematically expose the negative impacts of neoliberal policies, massive

corruption, and elite complicity across state boundaries have continued for several years.

In the United States and Canada, the “Occupy Wall Street” movement reached more than 70 cities in North America, led by a new generation of educated youth dispirited by the lack of suitable job opportunities. The third country of North America that we sometimes forget, Mexico, was also shaken by protests and mobilizations against state and gang violence and corruption.

Many anti- or alter-globalization movements are not caught up in the idea of replacing a “system” with another but in articulating a new perspective that proposes to break down the structures of domination and exclusion that marginalize the poor. This push has been exemplified in South America, where progressive governments came into power after the first wave of anti-globalization protests in Venezuela, then Brazil,

Argentina, Ecuador, Bolivia, Uruguay, and elsewhere. After more than a decade in power, people’s movements are still struggling, facing unfulfilled promises and manipulative rules preventing popular movements from effectively participating in the process of power.

### Can the World Change?

The demand for “another” globalization is captured by important national and international movements and social forces. Since 2001, many movements and initiatives have started a new international dialogue to build what they call a “counter-hegemonic project.” One of the manifestations of that collective search is the World Social Forum (WSF), which had its roots in Latin American activism and held its first annual conference in Brazil in 2001 as a counter to the World Economic Forum held annually in Davos, Switzerland. The WSF

## Critical Issues

### BOX 7.7 Occupy!

In October 2011, a group of mostly young people decided to occupy an area right in the middle of the famous financial district of Wall Street in New York City. Zuccoti Park became for a few weeks the epicentre of a series of demonstrations, cultural events, and workshops in which many hundreds of people protested against the corporate influence over the political system and political institutions and against the privileges enjoyed by the “1 per cent,” that is, the very rich people in the United States. Being located in New York City, the protest attracted world attention and went on until May 2012 when 50,000 people demonstrated in the streets. One of the causes of that protest was the growing inequality in the US where those with higher incomes have gained a much larger share of the national revenue over the last decades. Among the important features of the movement were its decentralized nature, the apparent absence of hierarchy, and the fact that nobody appeared to be in charge other than the people themselves functioning through daily general assembly. The Occupy movement impressed onlookers as a flash mob of serious intent, and public opinion was struck, as were some of the political actors, including US President Barack Obama. Similar protests were held in Toronto and in Los Angeles, Chicago, Seattle, San Francisco, Boston, Houston, and many other American cities. The Occupy process later appeared in several other Canadian cities and in Europe, Asia, and South America. After a while, the camps were dismantled, and Occupy disappeared from the limelight.

Occupy suggested that the idea of citizen mobilization was gaining more and more credibility in the world as economic hardship and political deadlocks appeared, to many people, as obstacles that cannot be confronted by working within state and international institutions as they are currently structured (Rowe and Carroll 2014).

has become a truly world process led by civil society groups, not only to protest the neoliberal institutions of globalization but to define alternatives to the current system. Currently, more than 500,000 small and large social movements in the world participate in the WSF process, decentralized into many local, national, and thematic forums and using the most advanced information technologies to stage ongoing and complex debates. In 2013 and 2015, after many years in South America, the WSF moved to Tunis, the “capital” of the Arab Spring, where it was attended by 65,000 delegates. Social movements there agreed on a program of social action:

We have forged a common history and a common stream of work which has led to some progress,

with the hope to achieve a decisive victory against the ruling system and to create alternatives for a socially just development that respects nature. People all over the world are suffering the effects of the aggravation of a profound crisis of capitalism, in which private transnational corporations, banks, media conglomerates and international financial institutions are trying to increase their profits by applying interventionist and neo-colonial policies with the complicity of neoliberal governments. . . . We denounce the false discourse of human rights defense and fight against fundamentalism, which is often used to justify military occupations. We defend the right to people’s sovereignty and self-determination (World Social Forum 2015).



Godong/UiG/Shutterstock

**PHOTO 7.2** Demonstrators at the World Social Forum in Tunis in 2013, which was the first time this annual meeting was held in the Arab world. The organizing committee of WSF 2013 was comprised of Tunisian organizations that helped to end the dictatorship in their country.

## Trump and the Relative Decline of the United States

Part of the anger about globalization was also captured by right-wing reactionary forces who blamed progressive policies as being too “slack” to confront migrants and refugees. The Tea Party movement in the US became the voice of large sections of the underclass that had lost jobs and status through neoliberal austerity policies. And it was also the case with other populist movements and political formations in Europe, India, the Philippines, Brazil, etc.

Donald Trump was elected president of the United States to be a “disruptor” of the usual way of doing things, which included American support for the world order that the country had built with its allies since the end of the Second World War. He brushed off policies that had dominated during the “golden era” of globalization, such as free-trade agreements, reduction of commercial barriers, and multilateral agreements regarding a whole range of issues. Commercial and economic conflicts of the US have multiplied with most countries of the world, including with its long-term allies such as Canada, Mexico, and the European Union, at the same time that military alliances such as NATO (the North Atlantic Treaty Organization) were questioned or rejected along with the multi-country cooperation to defeat ISIS in the Middle East and the Taliban in Afghanistan. The largest commercial confrontation came about with China, the second-biggest economy

of the world. Traditional American foreign policy concerns, such as support for democracy and human rights abroad, were jettisoned in favour of personal comradery and deal-seeking with some of the world’s autocrats and dictators, such as Russia’s Vladimir Putin, Brazil’s Jair Bolsonaro, and North Korea’s Kim Jong-un.

Trump’s narrow interpretation of an “America first” policy in which the United States tried to leverage its power in bilateral relationships to get “better deals” came at the expense of undermining the world order it had created. Many saw this as symptomatic of the economic and military decline of the United States, now faced with rising powers such as China, which despite its authoritarian system of government, remains committed to developing global free trade and investment liberalization (Xi Jinping 2017).

But we must also recognize that the election of Donald Trump was a product of the electoral voice of the forgotten victims of globalization in the United States. For people who saw themselves as victims of free trade and globalization and who found pride in traditional interpretations of American-ness and American Exceptionalism, Trump’s promise to tear it all down struck a chord.

## Beyond Globalization

We are now at a critical juncture. Neoliberalism and globalization have been discredited by both social movements and, more recently, by conservatives and

## Critical Issues

### BOX 7.8 The Rise of the Conservatives

In the US, Donald Trump put forward a policy of confrontation with the rest of the world. In Europe, the conservative right outmaneuvered the left by hijacking its critique of globalization. What made the brew toxic, however, was the mixing of these themes with racism and nativism, fueled by primordial fears that whites or people of European stock were in danger of being outnumbered by non-white migrants. It was a winning narrative that served as a euphemistic cloak to a sinister synthesis of primordial racial, ethnic, cultural, and religious solidarities that trumped the old solidarity of the working class with marginalized communities.

Source: Bello 2019b.

are unlikely to make a comeback, at least in their classic form. Some have suggested that remaining committed to neoliberal policies in an era of social protest leads to “de-democratization” as governments turn toward coercive measures in order to limit dissent. However, more and more, common people, social movements, and researchers are becoming convinced that the system has to be totally replaced, which Walden Bello has provocatively labelled “de-globalization.”

In this vision, de-globalization, “does not promote isolation or autarchy, but rather a different kind of global integration that is not dominated by capital” (Solón 2017). De-globalization does not say that interests, competition, and efficiency are bad but that their pursuit must be subordinated to values, cooperation, and community. It aims to promote, according to Walden Bello, “effective economics, which strengthens social solidarity by subordinating the operations of the market to the values of equity, justice, and community and by enlarging the range of democratic decision making in the economic sphere” (Bello 2018). The idea of de-globalization comes from the conclusion, by various social movements and intellectuals, that there is need for systemic alternatives, i.e., programs to tackle the complexity and interactivity of the problems related to inequality, mass poverty, economic destruction, and authoritarian regimes. Working on these systemic alternatives requires going beyond opposition and embracing transformative practices.

## The Challenge of Climate Change

For more than 70 years, the development debate has been dominated by the issue of economic growth. But critics of the current model of globalization insist on the non-sustainability of the process. “Hyper-growth” and the unrestricted exploitation of the planet’s resources are seen as challenges that social movements need to face and surmount. The International Forum on Globalization (2002), an independent think tank based in Washington with a mandate to nourish social movements with alternative perspectives, argues that the economy should be geared to “meet human genuine needs in the present without compromising the ability of future generations to meet theirs, and without diminishing the natural diversity of life on Earth.”

Since the Earth Summit in Rio de Janeiro in 1992, the world has been warned that the hyper-exploitation of resources was creating an unprecedented problem for humanity. However, after more than 20 years of talks and negotiations, the problem remains as our planet is threatened by a number of factors, including the tremendous growth in emissions from fossil-fuel combustion. Based on scientific evidence, there is a real possibility that the climate will alter significantly in the next 25 to 50 years so that many life forms and human settlements, particularly in the Global South, will be at risk (see Chapter 18). Despite various attempts to reach a consensus, the United States and a number of other governments seem unable to identify affirmative policies to face the climate challenge—for

## Critical Issues

### BOX 7.9 The Era of Chaos

A new period of crises affects the countries of both the North and the South, generating poverty alongside concentrated wealth in all countries. According to Pablo Solón, “We have before us the beginning of a capitalism of chaos that not only takes advantage of environmental, social and economic crises and war, but also constantly causes them in order to set off processes of even greater capital accumulation.

Source: Solón 2017.

## Critical Issues

### BOX 7.10 Climate Change: Time Is Running Out

Canadian author and social activist Naomi Klein is one among many who have sounded the call for immediate action to stem the impending disaster of global climate change:

Climate change is not a problem that can be solved simply by changing what we buy—a hybrid instead of an SUV, some carbon offsets when we get on a plane. At its core, it is a crisis born of overconsumption by the comparatively wealthy, which means the world's most manic consumers are going to have to consume less. . . . Our changing climate is like the landscape out the window [of a racing bullet train]: from our racy vantage point, it can appear static, but it is moving, its slow progress measured in receding ice sheets, swelling waters and incremental temperature rises. If left unchecked, climate change will most certainly speed up enough to capture our fractured attention—*island nations wiped off the map, and city-drowning superstorms, tend to do that.* But by then, it may be too late for our actions to make a difference, because the era of tipping points will likely have begun.

Source: Klein 2014.

example, firm targets to limit emissions and legal enforcement mechanisms. As a result, it is up to the diverse spectrum of social movements and NGOs to take on the issue.

As this debate continues, macro and meta changes are taking place. In many countries, an astonishing

number of social movements have mobilized broad sectors of society. They are doing so (at least partially) by reinventing the language of protest while seeking more inclusionary politics. While political issues of power remain important, social movements increasingly do not focus exclusively on the state. And yet there

## Critical Issues

### BOX 7.11 Governments Must Act Too

Governments must listen to ordinary citizens and take meaningful action to reduce inequality. All governments must set concrete, timebound targets and action plans to reduce inequality as part of their commitments under Sustainable Development Goals (SDGs).

- Deliver universal free health care, education, and other public services that also work for women and girls. Stop supporting privatization of public services.
- Free up women's time by easing the millions of unpaid hours they spend every day caring for their families and homes. Invest in public services, including water, electricity, and childcare that reduce the time needed to do this unpaid work.
- Stop the race to the bottom on personal income and corporate taxes. Agree on a new set of global rules and institutions to fundamentally redesign the tax system to make it fair, with developing countries having an equal seat at the table.

Source: Oxfam 2019.

## Critical Issues

### BOX 7.12 Social Movements after the COVID-19 Pandemic

As the COVID-19 pandemic spread across the world in early 2020 and its impact was felt in many communities with poor health services and inadequate protection for the poor, social movements stepped in to fill the gap. Many social movements initiated emergency campaigns to feed, house, and take care of the vulnerable, including those who had become sick with the virus. Voluntary “brigades” were set up in several sites in the Global South and the Global North, including Argentina, Palestine, Spain, Canada, and the United States. International health services were provided by Cuba. Apart from these short-term activities, social movements whose strategy is based on development interventions, popular education, protest, and even civil disobedience were also negatively affected by the lockdown. Alternative electronic means were explored to maintain communication, dialogue, and campaigns, but overall, the crisis meant a serious downturn in social struggles. As the pandemic recedes and national lockdowns are eased, large groups of people will again act together, and social movements will likely regain the initiative, especially since the long-term impact of the crisis (high unemployment, cutbacks in social services and social programs) will fall heavily on the disadvantaged people of the world.

is increasing recognition that social movements have to affirm their presence in the political sphere, with states and governments. As explained by Pablo Solón,

Deglobalisation cannot flourish if social forces do not seize and transform State power. Democratising the management of the State property of public enterprises, strengthening the communes that exist and developing others to turn consumers into producers, reinforcing self-organisation and self-management of society, and punishing corruption and nepotism are essential to ensure that the transition process does not come to a halt or regress (Solón 2017).

The strengths of this vast alter-globalist movement are obviously impressive—such as the capacity to create immediate coalitions to resist policies and propose alternatives, sometimes to the extent of changing the political leadership. At the same time, the weaknesses of these movements are apparent as mirror images of their assets—i.e., their dispersion, their fragmentation, their inability to propose coherent and long-term programs because such proposals could jeopardize the narrow limits of the alliances on which the movements are built.

The old saying “think globally, act locally” no longer applies because alter-globalists are indeed acting globally. A striking example of this phenomenon concerns the devastating HIV/AIDS epidemic. It was first addressed by gay communities in northern California, later afflicted poor communities (mostly women) in sub-Saharan Africa with terrible consequences, and then was confronted by large-scale coalitions in such places as South Africa. That led to the creation of an extraordinary “rainbow coalition” of movements intervening at the very heart of international processes: in the UN and powerful agencies like the World Bank, as well as directly with large pharmaceutical corporations. The pressure built up until the rich countries were forced to concede that the countries most affected by the epidemic could have access to generic medication, bypassing the usual system of patents and protection for the giant pharmaceutical companies. It was by no means a 100 per cent victory, but the struggle allowed poor people access to some treatment. Today, the struggle continues. These efforts from below in combatting AIDS are mirrored in various other global movements that have risen from the grassroots. Now, governments and agencies are being challenged by well-organized and structured movements operating

across borders, able to share information and elaborate strategies across the planet (Gibson 2006).

## Summary

In this chapter, readers have learned that globalization means that new sets of relations and activities, mostly in the economic arena, are taking place irrespective of the geographical location of participants. In the meanwhile, even if the North–South gap remains and even if the rich countries of North America and western Europe remain powerful, a few countries like China have become economic powerhouses. Out of these changes emerges a new geopolitical and geo-economic architecture. At the societal level, citizens have acted worldwide to make important demands to improve social development and human rights.

You have learned that the globalization process that was initiated in the 1980s has now encountered serious grassroots opposition associated with economic turbulence since 2007. The institutions that were mandated to manage globalization are under stress, such as the World Trade Organization, the International Monetary Fund, the World Bank, and even the United Nations. Regional or continental structures of integration (in North America and Europe) are being

challenged by conservative and nationalist forces from the right. Conflicts in the Middle East and North and West Africa abound, putting further stress on globalization. According to Pope Francis,

In the current situation of globalization not only of the economy but also of technological and cultural exchanges, the nation-state is no longer able to procure the common good of its population alone. While, according to the principle of subsidiarity, individual nations must be given the power to operate as far as they can, on the other hand, groups of neighboring nations—as is already the case—can strengthen their cooperation by attributing the exercise of certain functions and services to intergovernmental institutions that manage their common interests (Pope Francis, 2019).

Alter-globalization activists have proposed reforming globalization in a systemic manner called deglobalization. Changing altogether the paradigm, the methods, the goals that are required to achieve human development is another option. While this debate goes on, the climate emergency ensures that world we live in, along with all its development challenges, will never be the same.

## Questions for Critical Thought

1. What explains the deterioration of the belief in globalization's benefits?
2. Is it possible to reform the globalization process, or is it necessary to go beyond reform?
3. What will be the long-term impact of the 2020 “triple” crisis (COVID-19, economic recession, climate challenge) on the globalization process?
4. What are the main challenges for “alter-globalization” movements?

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## Note

1. “Tigers” were countries like Taiwan, Indonesia, and Thailand that had succeeded in diversifying their economies and augmenting their exports. They were preceded by “dragons” (e.g., Hong Kong, Singapore),

which had done the same on a smaller scale. Later, “dragons” came to include other “emerging” Asian economies like Malaysia and Vietnam.

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