



Netherlands  
Development Assistance  
Research Council

# Coping with Globalization

The Need for Research Concerning  
the Local Response to Globalization  
in Developing Countries

Publication no. 20

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September 2000

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## Contents

- **Preface** 5
- **Executive Summary** 7
- **Introduction** 11
- **I. Overview of the scientific debate on globalization** 13
  - I.1 Consensus and controversy over globalization 13
  - I.2 Globalization issues on which there is consensus 13
  - I.3 Controversial issues 15
- **II. Globalization in Tanzania and Bolivia** 19
  - II.1 The economic, socio-political and cultural dimensions of globalization in the South 19
  - II.2 Globalization opportunities for the South: what the workshops recommend 22
    - II.2.1 Workshop recommendations concerning globalization policies 22
    - II.2.2 Workshop recommendations concerning globalization research 23
    - II.2.3 Workshop recommendations for follow-up 24
- **III. RAWOO proposal** 25
  - III.1 Towards a program of research on the local response to globalization in developing countries 25
    - III.1.1 Focus: synthesizing themes 25
    - III.1.2 Research for empowerment 27
  - III.2.1 Program development phase 29
- **Annexes** 31
  - Annex 1. Members of the RAWOO Working Group Globalization*
  - Annex 2. Selected References for Part I*
  - Annex 3. Workshop in Tanzania*
  - Annex 4. Workshop in Bolivia*
  - Annex 5. Consultation of the Dutch research community*

**G**lobalization can be defined as an increase in world-wide interconnectedness. It is a process, the power and momentum of which are derived from growth in market capitalism and technological advances in communication. Most of the debate about globalization concerns the economic dimension of this complex process, but it is clear that the phenomenon also has socio-political, cultural and ecological dimensions. RAWOO, while exploring the need for research on globalization, has given attention to these other aspects from the outset.

There is little doubt that globalization has produced significant gains at the global level. In many quarters, however, unqualified optimism about the benefits of globalization is giving way to a more moderate view which acknowledges that these gains have been concentrated in a few countries, while a large part of the world is left with only the costs.

On a worldwide level, globalization has facilitated the growth of foreign trade. Goods and services, capital, technology and labour all move more freely across borders. This in turn has fostered growth and higher standards of living in the participating economies. Between 1980 and 1997, international trade in goods and services tripled in volume, with exports and imports growing at about an equal rate. At the same time, increased foreign investments, media expansion and Internet connections facilitated the transfer of technology and provided opportunities for reducing differences in productivity. Between 1990 and 1997, the total volume of foreign direct investment doubled.

In addition to economic gains, there have been significant benefits in the areas of culture and governance. Public awareness of issues such as human rights, democracy and gender equality has increased significantly as a result of greater access to newspapers, radio, television, telephones, computers and the Internet. Access to foreign news is no longer a monopoly of the state or a privilege of certain segments of the population.

Countries gain from globalization when they are able to take advantage of the ready access to capital markets, information and technology, and to benefit from the improved competitive environment which enables them to exploit their relative strengths. This leads to improved allocative efficiency for purposes of growth, human development and poverty reduction. Unfortunately, however, experience has shown that the process of globalization produces both winners and losers.

Losers have suffered from the following.

1. The gap between rich and poor countries has increased rapidly in recent years. The difference in income between the 20 per cent of the world population that lives in rich countries and the 20 per cent that lives in the poorest countries was a factor of 30 to 1 in 1960. By 1990 the ratio was 60:1 and by 1997, 74:1. This trend will continue at an ever faster rate as the flow of capital, new technologies, skilled labour and information continues to favour the industrialized world.
2. Within loser countries, differences in income level are rapidly becoming wider. Globalization favours activities in the modern (usually large-scale and capital-intensive) sector which are skill-intensive. Because links between the modern sector and the informal sector are weak, knowledge is not transferred between the two sectors and differences in rates of productivity persist. This in turn perpetuates inequality in earnings. In addition, globalization favours market-oriented sectors and completely passes by the sectors oriented towards subsistence production.
3. The rapid depletion of natural resources and the environment is taking a greater toll in poor countries than elsewhere. Between 1990 and 1995, for instance, deforestation around the world is estimated to have taken place at an average annual rate of approximately 20 square kilometres for every one million inhabitants. For sub-Saharan Africa this figure was 58. Globalization has made it easier for foreign companies working in league with unscrupulous locals to overexploit natural resources in defiance of the law.
4. Countries are losing national control over governance and culture. Globalization clearly has positive effects in this area, and these have been acknowledged. But distinctly negative effects have also emerged. First and foremost in developing countries is the fact that the state has lost its ability to determine and implement policies of its own. The liberalization required by donors aiming to restructure the economy has considerably reduced the means that governments have at their disposal for carrying out their own programmes of law enforcement and development. Corruption and crime - mainly in the form of illicit trading in drugs, women and weapons - have increased. Deterioration in standards of living is making life less secure for many people. This is fostering widespread fundamentalism, which not only increases social tension and insecurity but also has a negative effect on the economy since

solutions to social and economic problems are sought in prayer rather than in work. All of this puts a strain on families as poverty and disease strike all the harder, and as marriages break up and children revolt.

Why are so many developing countries losers in the globalization process and how can they reverse this trend? Instead of looking for answers in the vast literature produced in the North on the subject of globalization, RAWOO decided to explore the debate on this issue taking place in the South. Two workshops, one in Tanzania and one in Bolivia, served as the main sources of information. Civil servants, researchers, and representatives of civil society and the private sector took part in the workshops, discussing how globalization was affecting their countries and what kind of policies they needed in order to benefit from globalization.

Based on their analysis, the workshop participants produced an impressive list of factors and recommendations for dealing with those factors. The report summarizes these in Part II. What we wish to communicate here is the participants' sense of urgency. If developing countries are not to be completely marginalized by globalization, concerted action must take place immediately, they said. They also called for decidedly more pro-active intervention on the part of the various national stakeholders: especially government, but also the private sector, community organizations and NGOs.

Another important conclusion was that the complexities of globalization make it difficult for poor countries even to grasp the process much less to gain any control over it. Workshop participants felt that there is a clear need to develop knowledge and problem-solving capacity that is directly applicable to the local management of globalization in their countries.

In response to this need, RAWOO proposes to develop a long-term programme of capacity-building for research pertaining to a local response

to globalization. We propose to do this initially in two countries: Tanzania and Bolivia. The programme's focus will be on the effects of globalization at the local level, and on what government, civil society and private industry can do at this level to improve local people's access to the benefits of globalization.

At this stage, RAWOO has opted not to select any specific aspects of globalization to be the subjects of research. Instead, three general themes are presented as they emerged from the workshops: (1) Finding a balance between 'global' and 'local' culture; (2) Governance issues; and (3) A general development strategy to be followed by countries in the South. RAWOO expects that as the research programme takes shape in Tanzania and Bolivia, more specific themes will be chosen in a participatory way.

The development of such a research programme will involve researchers from Tanzania and Bolivia as well as policy-makers and representatives of civil society and private industry in those countries. Together they will formulate a research agenda. Researchers from the Netherlands will be involved in ways appropriate to RAWOO's principles. Their efforts must serve the purpose of capacity enhancement and sustainability and take the participatory approach.

On behalf of RAWOO's Globalization Working Group, I would like to thank everyone who has contributed to the preparation of this advisory report. Special thanks are owed to the Research for Poverty Alleviation Programme (REPOA) in Tanzania, to the Tanzanian chapter of the Society for International Development (SID), and to the Centro de Estudios par el Desarrollo Laboral y Agrario (CEDLA) in Bolivia for organizing the workshops on globalization in their countries.

**Prof. J.J. Semboja**  
Chairman of RAWOO's  
Globalization Working Group

## Executive Summary

The Netherlands Development Assistance Research Council (RAWOO) decided to put globalization on its agenda for two reasons. It has become an important phenomenon, and there is cause for concern about the fact that the opportunities associated with globalization are seized mainly by industrialized countries, by a few newly industrialized countries, and by relatively small elites within developing countries, while other countries and groups are feeling only the negative effects of globalization.

RAWOO launched a process of exploration *to assess the need for increasing knowledge and capacities that could help developing countries to better understand the impact that globalization processes are having on them, and that could help them to decide how they can best respond with their own policy and action.*

Three RAWOO principles guided the exploration process:

- Research must respond to the needs of developing countries. Researchers as well as key local stakeholders in government and society-at-large must be drawn into the exploration process.
- The role of research must be enhanced through institutional development that increases research capacities in developing countries.
- Partnerships on an equal footing between researchers in South and North are an important instrument for generating knowledge and building capacity.

An initial RAWOO study revealed a wealth of publications on globalization, but views from southern countries on what globalization means for them are not penetrating widely or deeply into the general debate. Two reviews of publications specifically from the South indicate that globalization has a profound impact on developing countries – positive as well as negative – and that there is indeed deep concern about its negative effects. Not much empirical work has been done, however, on local and sectoral problems resulting from globalization.

In order to take a closer look at globalization as a research topic in countries in the South and to ascertain the need for supporting this research, RAWOO decided to gather first-hand views of researchers and stakeholders through workshops held for this purpose in Tanzania and Bolivia. Civil servants, researchers, and representatives of civil society took part in the workshops, discussing the

effects of globalization on their countries and the need to acquire more knowledge about globalization in order to be able to benefit from it.

### **Part I: Overview of the scientific debate on globalization**

Before proceeding to present the outcomes of the workshops, the report (part I) gives an indication of the state of affairs in the academic debate on globalization. On some issues there is consensus, over other issues there is controversy.

### **Part II: Globalization in Tanzania and Bolivia**

Part II of the report presents the workshop participants' assessment of the implications of globalization in the two countries. They had been asked to consider four dimensions of globalization: economic, socio-political, cultural, and ecological.

#### **The economic, socio-political and cultural dimensions of globalization in the South**

##### *Economic dimension*

The main theme of the discussions on the economic dimension of globalization was the failure of economic liberalization policies to bring economic growth to anyone but a small elite. This, together with reduced opportunities in the public and peasant sectors, has increased unemployment and underemployment. The informal sector has had to absorb this. In Bolivia it was also reported that women and young people working in the informal sector have been forced into the poorest-paying activities.

##### *Socio-political dimension (governance)*

In the discussions on the socio-political dimension of globalization, the dominant theme was the weakness of the state and its inability to influence international decision-making, to manage the economy, and to invest effectively in human and social capital – for example through education and health care. Organizations representing workers, peasants and other large interest groups have also been weakened by liberalization policies.

##### *Cultural dimension*

The discussions on the cultural dimension of globalization revolved around the confusion resulting from all the abrupt changes brought about by globalization. The report from the Bolivian workshop says that 'the knowledge maps that helped us fix horizons and select possible

routes have been destroyed.' Ethnic and religious movements that offer simplistic solutions for societal problems provide an easy escape but carry a high risk of internal conflict.

#### *Ecological dimension*

Attention was drawn to the link between globalization and the increased depletion of natural resources and deterioration of the environment.

#### **Workshop recommendations concerning globalization policies**

The general conclusion of the workshops was that globalization costs Tanzania and Bolivia more than it benefits them. Each of these countries needs to develop strategies for reversing this imbalance which are based on its own broad vision on what globalization means and how the country can best deal with it. Rejecting the current orthodoxy regarding the policies that developing countries should follow may have to be the first step, followed by the design of alternative models of development which imply a phased and controlled integration into global systems.

An important element in any globalization strategy – in the eyes of the workshop participants – is the development of a strong industrial sector based on modern technology, organized along modern lines and capable of competing on global markets. Learning from successful entrepreneurs would be one way to achieve this. At the same time, however, industrial development policies should guarantee proper working conditions.

Participants indicated that the state should no doubt play a strong role in industrial development, much as it has in East Asian countries. The state also has a major role to play in education and training, and it should be strengthened to hold its own in such international forums as the World Trade Organization and the International Monetary Fund.

A stronger state is needed, but it should be a state supported by the people and responsive to the people to a much larger degree than has been the case in recent history. This will require new models of representation which are adapted to local conditions rather than merely following western examples.

According to the workshop participants, efforts should be directed towards achieving more effective cooperation between neighbouring states through regional organizations.

Cultural policies emerged from the workshops as another priority. The challenge put forward by the workshops is how to encourage the development of a society that can cope with globalization but is still based on principles which are supported by the people in accordance with local behavioural patterns, attitudes, beliefs and values. Another challenge is how to promote multiculturalism and cultural integration in order to avoid ethnic conflict.

#### **Workshop recommendations regarding globalization research**

Workshop participants felt that the complexities involved will require a major research effort if sound policies are to be proposed. The research should be multidisciplinary: empirical studies that examine the concrete effects of globalization on different sectors, societal groups and regions. If research is to have relevance for policy-making, it should be based on needs determined in consultation with policy-makers and end users.

The Bolivian workshop assigned priority to the following research areas: small rural and small urban producers, the manufacturing industry (domestic and export), privatized former state-owned industries, and women and youth and their organizations.

It is impossible to understand the effects of globalization at the local level without studying processes at the regional, national and global levels. Research should be directed towards the complete chain of processes.

#### **Workshop recommendations for following up the workshops**

In Tanzania, a working group was formed for the purpose of preparing proposals for a policy-oriented research agenda. In Bolivia, workshop participants resolved to urge their own organizations to incorporate the research agenda formulated at the workshop into their own research programmes. They also decided to explore the possibilities of establishing a Latin American network of research institutions studying globalization.



In the evaluation of the workshops it was pointed out that the gender dimension and the environmental dimension of globalization had not received enough attention. This should be corrected during the follow-up.

Both sets of participants and evaluators concluded that the workshops had been valuable starting points for a highly relevant discussion, which should be continued in both Tanzania and Bolivia. RAWOO was asked to support this process.

### Part III. RAWOO proposal

Part III of the report presents RAWOO's proposal for a programme of research on the local response to globalization in developing countries. The proposal is based on the information presented in part II. RAWOO basically endorses the conclusions of the workshops, although it thinks that globalization could offer even more research opportunities than the workshops have suggested.

Three themes emerged from the discussions in the workshops in Tanzania and Bolivia:

1. How to find a balance between 'global' and 'local' culture: how to achieve – through education and consciousness-raising – a mix of 'global' and 'local' culture which gives people confidence to deal with the rapid changes following globalization.
2. Governance issues: how to increase the capacity of the state without making it the cumbersome machinery, dominated by a few vested interests, that obstructed rather than promoted development in the past. How to make it a state in dialogue with its citizens through the organizations of civil society.
3. Development of alternative economic strategies within the parameters of globalization: how to achieve phased and controlled integration into the world market while at the same time ensuring that peasants and other vulnerable groups are protected.

The themes can serve as a basis for focus during the programme-development phase, when research needs in countries of the South will be defined more specifically.

As far as the research process is concerned, an approach is needed that takes into account the complexity of the problem and the need to involve stakeholders in the agenda-setting process. This approach will have to be needs-based and user-

oriented and contribute to building capacities for research and the formulation of policy.

The proposed programme will target the *stakeholders* at national, regional and local levels who need knowledge in order to respond to globalization. These stakeholders can be found in government, in the private sector and in civil society.<sup>1</sup> In RAWOO's view, the research programme should begin with locally identified needs and ownership, and proceed in the direction of cooperation above the local level. RAWOO envisages a programmatic approach which combines a local agenda-setting process with extension to other levels, including – where appropriate – other countries of the region.

As far as capacity-building is concerned, the programme will support strategic as well as action-oriented research that is conducted by the academic community, government and NGOs, including private sector organizations, local community organizations and women's movements. Capacity will grow through involvement in agenda-setting, research management, and the development of new methods for policy-oriented, participatory research, and through dialogue and cooperation between interest groups.

Input from the Dutch research community will be mobilized where it is relevant. Dutch researchers can help to access knowledge available in the North.

In line with the above proposals and with the request to this effect that resulted from the workshops in Tanzania and Bolivia, RAWOO recommends the following:

The next step should be a one-year programming phase for working out a more detailed research agenda to address the needs in Bolivia and Tanzania.

After an institution is designated to lead the research programme and a network of institutions are identified that will help to formulate the programme, a dialogue should be initiated about strategies for dealing with globalization, and policy studies should be commissioned on a number of themes which merit priority. Further agenda-setting should be based on the outcome of these studies and of the policy dialogue on strategy. The probable result will be a list of priority sectors for intervention and related priority areas for research.

1. The Bolivian workshop recommended working with the following sectors of society: small rural producers, small urban producers, the manufacturing industry, the export manufacturing sector, privatized (formerly state-owned) industries, women and youth and their organizations.



## *Executive Summary*

Such a programming approach will ensure that a research agenda is drafted which is in close harmony with policy developments. RAWOO will take responsibility for this one-year programming phase.

At the end of the programming phase, RAWOO will submit to the Netherlands government a comprehensive proposal for a long-term programme of research under the title 'Local response to globalization in developing countries'.

### Background

In 1997 the Netherlands Development Assistance Research Council (RAWOO) decided to put globalization on its agenda for two reasons. Globalization has become an important phenomenon, and there is cause for concern about the fact that the opportunities associated with it are seized mainly by industrialized and newly industrializing countries, while the rest of the world feels mainly the negative effects of globalization.

RAWOO established a Globalization Working Group from among its members,<sup>2</sup> which was given the task of exploring the issues related to *assessing the need for increasing knowledge and capacities that could help developing countries to better understand the impact that globalization processes are having on them, and then to decide how they can best respond with their own policy and action.*

### Basic principles

A number of basic principles guided RAWOO in its approach to the task. These reflect RAWOO's mandate and the way it views research for development purposes in general. They include the following:

- a. In the view of RAWOO, research on globalization issues must respond to the needs of developing countries if the findings are to be relevant for development purposes. It must be aimed at generating knowledge and insights that can contribute to a better understanding of the effects of globalization processes on developing countries, and to better policy responses and action in the public and private sectors and at national and sub-national levels. This means that the process of developing and applying knowledge is placed in a development-oriented context. It also means that apart from the researchers, key local stakeholders in government and society-at-large must be drawn into the process.
- b. Capacity-building and institutional development in the South must go hand in hand with efforts to enhance the role of research in addressing globalization issues – not only in terms of research training and staff development, but also in terms of institutional mechanisms. Mechanisms are needed for designing and implementing research policies; for establishing networks with the user community in government departments, NGOs and the business community; and for

disseminating and utilizing research findings through effective communication and information channels.

- c. Partnerships between researchers in South and North are an important instrument for generating and sharing knowledge, and for strengthening developing countries' institutional capacities for designing, conducting and managing research. Such partnerships must be on an equal footing and based on mutual trust, the sharing of experience, and a two-way learning process.

### Purpose of the report

The purpose of this report is threefold:

- to examine the need for knowledge and capacity-building relevant for local responses to globalization in developing countries;
- to sketch the broad outline of a long-term, multi-disciplinary programme of international cooperation that will generate and mobilize knowledge in this area;
- to propose a programme-development phase to be conducted under the responsibility of RAWOO.

### Method

Under the guidance of the RAWOO Globalization Working Group, the RAWOO Secretariat first examined the issues related to globalization. This initial study concluded that globalization is a very complex phenomenon, and that a vast number of books and scientific articles have been published on the subject. But most of these publications have been produced in industrialized countries. A number of developing countries publish scientific material on globalization (e.g. India, the Philippines, South Africa, and several countries in Latin America), but this is not readily accessible and for this reason is not often cited in the general scientific literature on globalization.

In order to bring to light more of the debate about globalization in the South, RAWOO commissioned two reviews of scientific publications on globalization that have been produced in countries of the South:

- a review of literature concerning the economic and socio-political dimensions of globalization;
- a review of literature concerning the cultural dimension of globalization.

These reviews involved searching databases of economic, political and social science research.

2. For a list of the members of the Working Group, see Annex 1.

Both reviews revealed that globalization is having a profound impact on developing countries and that there is deep concern about its negative effects. But the reviews did not uncover much empirical work on concrete problems in developing countries. If RAWOO was to gain insight into globalization as a research topic in the South and into the need for supporting this research, it would have to have more firsthand information. This was the reason for the workshops in Tanzania and Bolivia.<sup>3</sup>

The workshop in Tanzania was organized by the Research Project on Poverty Alleviation (REPOA) and the Tanzania Chapter of the Society for International Development (SID). The workshop in Bolivia was organized by the Centro de Estudios para el Desarrollo Laboral y Agrario (CEDLA). Both workshops were sponsored by RAWOO.

The objectives of the workshops were:

- to provide an opportunity for a professional discussion of what globalization means for a particular country;
- to produce a clear indication of what kind of research is needed in order for a country like Tanzania or Bolivia to deal effectively with globalization.

For both workshops, scientists from the country and region in question prepared papers on various dimensions of globalization. These formed the basis for discussion. In Bolivia, a brief survey of how various sectors of society view globalization provided extra input for the workshop.

In line with the RAWOO approach, the aim was to bring together people from different sectors of society to discuss what action should be taken and how research could fortify these efforts.

Participants in the workshop in Tanzania were from various ministries, universities, research centres, businesses and trade unions. Participants in Bolivia were from research centres and organizations of civil society. They were joined by four participants from Chile, Peru, Mexico and Argentina.

Tanzania and Bolivia turned out to be very interesting case studies since both belong to the group of least-developed countries and both are severely affected by structural adjustment policies. The workshops confirmed the urgent need for concerted action to make sure that this type of developing country is not completely marginalized by globalization.

Other sources of information on globalization and developing countries provided additional material for this report. RAWOO staff attended conferences and lectures on globalization in Nijmegen (Third World Centre), The Hague (NEDA/WOTRO Conference), Mexico (Congress of Latin American Rural Sociologists) and Amsterdam (a lecture by Gita Sen on globalization), and scanned relevant publications.

A draft of the report was presented to a meeting of researchers working on globalization in the Netherlands. Participants in this meeting came from diverse fields, including political science, geography, cultural anthropology, economics and sociology. The meeting yielded useful suggestions which have been incorporated into the report.

#### *Structure of the report*

The next part of the report presents, in a nutshell, an overview of the scientific debate on globalization. Its purpose is to give the reader an impression of the state of the scientific debate on globalization, which features consensus on some issues and controversy on other issues. Part II summarizes the outcome of the workshops in Tanzania and Bolivia, the outcome of the congress of rural sociologists in Latin America, which was held in Mexico, the findings of the two reviews of globalization literature produced in the South, and other materials. Part III outlines a framework for a programme of research on the local response to globalization in developing countries and proposes a plan for a one-year period of programme preparation.

3. Tanzania and Bolivia were selected for several reasons. RAWOO members had contacts in those countries that could provide quick access without undue expectations being raised; both countries clearly showed interest in the topic; both were on the list of countries selected by the Dutch Minister for Development Cooperation for purposes of long-term, sector-based collaboration. Consideration was also given to Vietnam, Sri Lanka, the Philippines and India, but prospects for a workshop under these conditions seemed less favourable in those countries.

## Part I. Overview of the scientific debate on globalization<sup>4</sup>

4. This part of the report was prepared by dr J. Nederveen Pieterse of the Institute of Social Studies, The Hague. Selected references for this part are in Annex 2.

### I.1 Consensus and controversy over globalization

“... ‘globalization’ is both an historical fact and a political football” (Stephen Toulmin, 1999).

Now, some 20 years into the sprawling globalization debate, the literature has advanced enough for areas of consensus and controversy to begin to emerge. Among analysts and policy-makers in North and South, there appears to be growing agreement as regards at least four features of globalization. Globalization is driven by technological changes, it involves the reconfiguration of states, it goes together with regionalization, and it is uneven. Another shared understanding is that globalization means time-space compression, a notion vague and general enough not to cause much stir. This means that globalization involves interaction across space which is more intensive and with wider ramifications than ever before, but which at the same time takes place in a shorter time than ever before. In other words, it means the experience of a shrinking world.

There is plenty of controversy as to what some of these features mean, however, so it is not easy to draw a sharp line between what is generally agreed upon and what is still disputed. Thus, while it is clear that globalization involves the reconfiguration of states, there is ample debate on what this entails. On the whole, globalization invites more controversy than consensus and the areas of consensus are narrow compared with the controversies (see Table 1).

Table 1. Consensus and controversy in relation to globalization

#### Issues on which there is consensus

- Globalization is driven by technological change, especially ICT.
- Globalization involves the reconfiguration of states.
- Globalization goes together with regionalization.
- Globalization is uneven.

#### Controversial issues

- Is globalization essentially economic or multidimensional?
- Does globalization exist or is it rhetoric, ‘globaloney’?
- Globalization and neoliberalism
- Cultural implications of globalization

### I.2 Globalization issues on which there is consensus

*Globalization is driven by technological change*  
Accelerated globalization is related to the boom in information and communications technologies. These technologies have shaped the infrastructure of globalization in finance, capital mobility and export-oriented business activity. Since the early 1980s, through such innovations as 24-hour electronic trading, information and microelectronics-based computer and telecommunications technologies have made financial globalization possible. They have also created the conditions for global product information and thus for the *globalization of demand*. Global marketing and attempts to establish global brand names have increased global advertising expenditures from USD 39 billion in 1950 to USD 256 billion in 1990. This is three times faster than the growth in trade. Information technologies make possible the *globalization of supply* by facilitating communications within and between firms. The ever-shorter life cycle of products forces companies to expand their market share in order to recover the growing costs and risks of research and development (R&D). This leads to a *globalization of competition*, to which companies respond through networking, mergers, take-overs and the creation of consortia.

In the process, globalization comes to mean more than simply growth in international trade and a growing role for trans-national companies (TNCs), but also a new system of industrial organization, which is given such names as ‘flexible specialization or accumulation’, ‘lean manufacturing’, and ‘just-in-time capitalism’. The shift from standardized mass production to flexible production systems is often characterized as a shift from Fordism to post-Fordism. This means different principles underlying the way that production, labour and enterprises are organized, and different concepts of location and marketing. While these changes are taking place primarily in the advanced economies, their effects have widespread ramifications and affect the international division of labour. They are related to the trend, evident since the 1980s, towards economic deregulation and liberalization, which in turn has led to informalization.

Technological changes and their ramifications help to create the impression that globalization is inevitable and unstoppable. The reality underlying

this is that globalization is a *macro-economic phenomenon that is driven by micro-economic forces*, i.e. at the level of firms. The opportunities that new technologies provide apply not merely to TNCs but also to small and medium-size firms.

Globalization thus coincides with major changes in the international economic landscape, all of which are intertwined. Accelerated globalization comes in a package together with informatization, flexibilization, and deregulation. The combined effect gives the changes associated with globalization their *dramatic* character. In a way, globalization serves as a convenient cover term for all these changes, but it is actually inadequate. Literally speaking, 'globalization' refers to a process defined in terms of space. It points up the fact that effects (precisely of what is not specified) are felt on a worldwide scale. It can only signal the wider changes that are also involved.

*Globalization involves the reconfiguration of states and goes together with regionalization*

Earlier analyses spoke of the 'retreat' and 'erosion' of states (Strange 1996). In the radical view, globalization means the onset of the borderless world (Ohmae 1992), the end of the nation-state and the formation of the region-state (Ohmae 1995). These arguments have been superseded by more nuanced views (e.g. Boyer and Drache 1996, Mann 1997). Thus states may now be leaner but they are also more active, and in some areas assume greater responsibilities (Griffin and Khan 1992). Probably what consensus exists could be formulated in the twin processes of a general trend towards the pooling of sovereignty at different levels (regional, international, supranational), combined with a shift from government to governance at all levels.

From the sociological point of view, globalization since the 19th century has taken the *form* of a growing predominance of nation-states (Robertson 1992, Featherstone 1990). Between 1840 and 1960, nation-states were the leading form of political organization around the world. Starting in the 1960s, regionalization entered the picture as an increasingly significant dynamic (as in the European Community). Since then state authority has been 'leaking upwards' through an international and supranational pooling of sovereignty, a process that is also referred to as 'the internationalization of states'. State authority has also been 'leaking downwards'. If the latter happens in a controlled fashion it is referred to as

'decentralization' or 'devolution'. If it happens in an uncontrolled fashion, it is termed 'ethnic or regional conflict' and results in fragmentation and possibly state disintegration and collapse. The 'internationalization of the state' refers to the blurring of boundaries between 'international' and 'domestic' politics (producing 'intermestic' politics). A general account of the political implications of globalization is the erosion of boundaries and the growth of cross-border activities, economic and otherwise. If between 1840 and 1960 the political *form* of globalization has been the nation-state, presently the leading form of globalization is regionalization (for a general account see Oman 1994). Regionalization takes different forms, ranging from regional customs unions (such as AFTA), free market zones (such as NAFTA, APEC, Mercosur, SAARC, and many others), and regional security alliances (ASEAN), all the way to the deep institutionalization of the European Union.

According to one view, we are now witnessing the formation of regional trade blocs along with regional neomercantilism, or the 'regionalization of competition' (e.g. Morrison, Ricks and Ross 1991). As a general scenario this does not seem likely, however, since trade, capital flows, marketing and technological interdependence generally cut across regional boundaries. A different perspective is to view regional formations as anchors around which peripheries align – with Japan and China as anchors for East and Southeast Asia; North America as anchor for Latin America; and the EU as anchor for Eastern Europe, the Southern Mediterranean and Africa (Stallings 1995). This is a spatial perspective on regional organization; a temporal perspective is to view regionalism as a stepping-stone towards growing multilateralism and eventually global governance (e.g. Group of Lisbon 1995).

*Globalization is uneven*

Like such earlier notions as internationalization and interdependence, globalization does not refer to a global, level playing field or to symmetric and equal international relations. Contemporary globalization is largely confined to the 'Triad' of North America, Europe and Japan. The distribution of income and wealth remains extremely unequal: 14 per cent of the world's population accounted for 80 per cent of investment flows in the period 1980-91 and for 70 per cent of world trade in 1992 (Hirst and Thompson 1996: 15). This situation is captured under headings such as 'Triadization' or 'truncated

globalization', which is confined to the 'interlinked economies'. During the past few decades the North-South development gap has widened in several respects. At the same time, the development gap between advanced economies and newly industrializing countries has narrowed, but the gap between these and the least developed countries has become wider. Extrapolating from the earlier terminology of uneven development, the present situation may be described as combined and uneven globalization.

### 1.3 Controversial issues

The controversies over globalization concern questions that are both more fundamental – what is globalization and how important is it? – and more 'downstream' – i.e., questions that concern the politics, shape and direction of globalization. Disputes about the fundamentals of globalization are intertwined with the everyday politics of globalization. Another controversy, which is implicit rather than explicit, is related to quantitative versus qualitative perspectives on globalization. While there is a general awareness that globalization is a multidimensional, complex process, many economists view globalization essentially as an economic phenomenon which can be measured statistically. Another dispute concerns the cultural ramifications of globalization.

#### *Is globalization essentially economic or is it multidimensional?*

There is a widespread but also rather vague understanding that globalization refers to complex, multifaceted and multilayered processes. At times attempts are made to distinguish (and combine) different dimensions of and approaches to globalization (Robertson 1992), but usually this happens in an add-on fashion (Waters 1996) that is too casual to significantly change the understanding of what globalization is. Economic, political, cultural and social dynamics are not simply different facets of a single 'globalization', but each of the social sciences has its own conceptualization of globalization (Nederveen Pieterse 1995).

Economic globalization is at times narrowly referred to as 'corporate globalism' while globalization in the sphere of values is termed 'global humanism' (Gurtov 1994). Globalization in politics is viewed as an extension of multilateralism, but also as 'post-international politics', or the entry of non-state actors into international politics (Rosenau 1990). Another

distinction is drawn between globalization 'from above' and 'from below' (Falk 1994, 1999). Others distinguish between globalization as an objective or empirical process of economic and political integration, and globalization as a subjective process unfolding in consciousness, i.e. the collective awareness of growing global interconnectedness (Robertson 1992). None of these terms are particularly precise or necessarily pertinent, but what matters is the general awareness of globalization as a multifaceted, layered process. Globalization understood in this way would resemble a post-cubist painting more strongly than it would resemble either the sets of international trade statistics compiled by economists or the simple, gung-ho accounts published in business management magazines.

Among economists, the dominant way of thinking is to reduce globalization to trade, investment and financial statistics. These constitute 'objective' or 'real' globalization, and all the rest is myth or fantasy (e.g. Krugman 1996, Sachs 1998). This approach can be used either to delimit globalization or to deny its occurrence or importance (Hirst and Thompson 1996). More complex assessments of globalization prevail in the field of international political economy (e.g. Milner 1998).

This is an example of how different disciplines see phenomena differently, with each social science seeing itself as 'owning' globalization and preferring its own disciplinary angle. On the whole, sociological, political and cultural perspectives tend to involve complex understandings of globalization and to be more inclusive than economic perspectives. The various disciplines see globalization taking place in different arenas, with different actors, and on widely varying timescales (see Table 2 on page 16). Their definitions of globalization are of course also profoundly different (see Table 3 on page 17).

This could be expanded with the addition of other perspectives on globalization. In geography, for example, key themes are the relativization of distance and the dialectical relationship between globalization and localization. In philosophy, key themes are planetary ethics, universal morality, and global reflexivity. In ecology, major themes are global risk, 'spaceship earth' and the image of the blue sphere.

Table 2. Globalization according to different social science disciplines

| Disciplines                                | Period   | Agency, domain  | Keywords   |
|--|----------|---|--|
| Economics                                  | 1970s>   | MNCs, banks, technologies                                       | Global corporation, world product, global capitalism                         |
| Cultural studies                           | 1970s>   | Mass media, advertising   | Global village, CNN world, McDonaldization, Jihad vs. McWorld, hybridization |
| Political science, International Relations | 1980s>   | Internationalization of the state. Social movements, INGOs      | Competitor states. Post-international politics. Global civil society.        |
| Sociology                                  | 1800s>   | Modernity   | Capitalism, industrialization, urbanization, nation states, etc.             |
| Political economy, Marxism                 | 1500s>   | Modern capitalism   | World market   |
| History, anthropology                      | 5000 BC> | Cross-cultural trade, technologies, world religions. Evolution. | Global flows, global ecumene. Widening scale of cooperation                  |
| Biology                                    |          | Integration of ecosystems                                       | Global ecology   |

(Adapted from Nederveen Pieterse 1995.)

*Does globalization exist and if so, how can we evaluate it?*

Whether globalization actually exists or is a myth or exaggerated rhetoric is a familiar dispute. Hirst and Thompson (1996) criticize what they call ‘globalization rhetoric’ or ‘globaloney’ on several grounds. Their key argument is that before 1914 the world economy was more internationalized than at present. The period of the new imperialism and *belle époque*, 1870-1914, was shaped by territorial imperialism. At that time western countries controlled as much as 96 percent of the earth’s surface; no wonder that economies at the time seem highly internationalized and open. But this conceals what is distinctive about contemporary globalization: that it is *not* territorial and imperialist (in the classic sense). Hirst and Thompson further argue that the number of genuine TNCs (as opposed to MNCs, which are national

corporations with an international reach) is small. The rejoinder is that these are trend-setters in production. Moreover, although perhaps there are not so many genuine TNCs, foreign direct investment has definitely increased on a spectacular scale. Hirst and Thompson are concerned with economic globalization, but obviously there is much more to globalization – technological, political, social, cultural dimensions and configurations such as global civil society. The entire non-economic literature on globalization is passed over in their argument, even the literature on technology. Both prior to 1914 and since that time there have been major technological changes (from a transportation revolution to a communication revolution) which have made higher levels of economic internationalization both possible and necessary (Henderson 1993).

We can distinguish a broad spectrum of positions on globalization. Table 4 summarizes the views of various authors in terms of analysis, evaluation and policy.

*Globalization and neoliberalism*

Globalization since the 1980s, or accelerated globalization, has coincided with the rise of neoliberalism: that is, open market policies and a minimal role for the state in the economy. The Stabilization and Structural Adjustment Programmes imposed by the IMF and the World Bank as part of the ‘Washington consensus’ have shaped the face of contemporary globalization. The World Trade Organization (WTO) is the most recent new instrument of policies of liberalization and deregulation. How controversial these policies are was demonstrated by the battle of Seattle. The financial crises in Mexico, East and Southeast Asia, Russia and Latin America have also shown the frailty of the global financial system and have cast doubt on the idea that the market alone can do a good job of directing economies. Cracks have been appearing in the ‘Washington consensus’. In the South, globalization has been widely identified with the policies of the Washington consensus, even though this concerns the present *form* and not the wider *trend* of globalization.

*Globalization and culture*

Globalization, or the trend of growing world-wide interconnectedness, is accompanied by several conflicting notions about cultural difference. A growing sensitivity to cultural differences coincides with a perception of the world ‘becoming smaller’ and a notion that cultural differences are



Table 3. Definitions of globalization

| Discipline | Definitions  | Source                    |
|------------|--|---------------------------|
| Economics  | 'similarity of economic conditions and policies across national boundaries ...'  | Gray (1993: 38)           |
|            | 'accelerated movement across national and regional barriers of economic 'goods', i.e. people, products, capital, especially intangible forms of capital (technology, control of assets)' | Oman (1993: 56)           |
| Sociology  | 'Globalization ...refers both to the compression of the world and the intensification of consciousness of the world as a whole.'   | Robertson (1992: 8)       |
|            | 'the intensification of world-wide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa.'    | Giddens (1990: 64)        |
|            | 'A social process in which the constraints of geography on social and cultural arrangements recede and in which people are increasingly aware that they are receding'                    | Waters (1995: 3)          |
| History    | 'Globalization is a long-term historical process of growing world-wide interconnectedness.'  | Nederveen Pieterse (1995) |

religious movements, minority rights, indigenous peoples, identity politics and gender.

The present debate on globalization and culture involves fundamentally different perspectives based on profoundly different premises regarding the meaning of cultural difference. This generates dramatic differences in the way the ramifications of globalization are diagnosed.

According to a familiar argument, we are presently experiencing a 'clash of civilizations' (Huntington 1996). This is matched by pessimistic views of growing ethnic conflict (Moynihan 1993, Kaplan 1996). In this view, cultural difference is regarded as immutable and as generating rivalry and conflict. At the same time there is a widespread understanding that growing global interdependence and interconnectedness can lead to increasing cultural standardization and uniformity, as in the global sweep of consumerism, media and advertising. This vision is summarized in the word 'McDonaldization' (Ritzer 1993) and is an updated version of the 1970s idea of 'Coca Colonization'. A third position, altogether different from both these models of intercultural relations, is the view that what is taking place is a process of cultural mixing or hybridization across locations and identities (Appadurai 1996). These views involve three perspectives on cultural difference: cultural differentialism or lasting difference, cultural convergence or growing sameness, and cultural hybridization or ongoing mixing.

Each paradigm views globalization from a particular angle. 1. According to cultural differentialism, globalization is only a superficial phenomenon. The real dynamic is regionalization, or the formation of regional blocs which tend to correspond with 'civilizational' clusters. In this view the future of globalization is interregional rivalry. 2. According to the convergence approach, contemporary globalization is westernization or Americanization writ large, a fulfillment in installments of the classical imperial thesis and the modernization-convergence thesis. 3. According to the mixing approach, the outcome of globalization processes is open-ended, and current globalization is as much a process of easternization as of westernization, as well as of many supranational influences and processes.

Table 4. Positions on globalization

| Analysis        | Evaluation | Policy                                  | Sources                       |
|-----------------|------------|---|-------------------------------|
| Does not exist  |            | National politics, regionalism          | Hirst and Thompson            |
| Powerful trend  | Positive   | Borderless world                        | Ohmae                         |
| Powerful trend  | Negative   | New protectionism, localism             | Hines, IFG                    |
| Powerful trend  | Negative   | Silicon imperialism: control capitalism | Sivanandan, S Amin, McMichael |
| Powerful system | Both       | Golden Arches                           | Thomas Friedman               |
| Dialectical     | Both       | Strategic, flexible                     | Griffin and Khan              |

disappearing. The growing awareness of cultural differences is part of the general cultural trend towards greater self-awareness that characterizes the modern era. It is interesting to note how the notion of cultural difference itself has changed. It used to focus on national differences, as in the familiar discussions of national character. Now differences along other lines have come to the foreground as discussion has shifted to ethnic and

These different views find adherents in each setting and the dispute is echoed in each arena. Arguably, cultural self-understanding and empirical evidence confirm the third perspective more than the others. In Asia, ideas of fusion (e.g. western technology with eastern values) are a dominant motif (cf. Rashid 1997). In Latin America and the Caribbean, creolization and métissage are familiar self-understandings. In Africa, recombinations of local and foreign practices are common (e.g. Gurnah 1997). But the imprint of other paradigms runs deep, disputes over identity and meaning are ubiquitous, and there is disagreement over the meaning and dynamics of hybridity.

5. For reports of the workshops, see Annexes 3 and 4 of this document. The workshops' proceedings are being prepared by the organizers of the workshops for publication in Tanzania and Bolivia.

RAWOO gathered information in several ways. In order to gain insight into the debate about globalization in the South and find out what the main issues are, RAWOO sponsored workshops on globalization in Tanzania and Bolivia.<sup>5</sup> Earlier, RAWOO had commissioned two reviews of scientific publications on globalization produced in countries of the South. The RAWOO Secretariat participated in a congress of rural sociologists from all over Latin America in Mexico and collected further material from Southern scientists through various sources. The information thus gathered is presented in the sections that follow.

### II.1 The economic, socio-political and cultural dimensions of globalization in the South

#### *The economic dimension*

Both Tanzania and Bolivia opened up their economies in the mid-1980s in the hope that this would attract foreign trade and investment, which in turn would stimulate indigenous growth. But in the more than ten years since the economies opened up, only the sectors which have clear potential on global markets (mining, natural gas, certain export crops) or offer quick benefits have attracted foreign investment. Moreover, it turns out that the activities of the few foreign firms which have established themselves in Tanzania and Bolivia have not had any catalytic effect. Indigenous growth is also disappointing.

In the discussions, a number of possible explanations were given for this state of affairs:

#### *Internal factors:*

- High transaction costs resulting from factors such as poor infrastructure, erratic availability of power and water, unstable and inconsistent government policies, insecurity of contracts, bureaucratic procedures, and corruption. These make investment unattractive.
- Large enterprises operate at a level of technology different from that of medium-sized, small and micro-size enterprises. This impedes their ability to benefit from each other.
- Lack of entrepreneurial capacity and no desire to modernize.
- Shortage of skilled labour in combination with problems of brain-drain.
- Lack of business skills for meeting the requirements of export markets in terms of marketing, packaging, changing tastes, etc.

- In the case of Tanzania, the country's knowledge base is actually deteriorating, with school enrolment going down, and schools and universities starved of funding.

#### *External factors:*

- The continued existence of trade barriers which keep Southern products off of Northern markets.
- Debt makes Tanzania and Bolivia very dependent on foreign creditors. They are therefore not free to decide their own economic policies.
- Barriers to the free flow of labour to Northern countries. More émigrés would mean more remittances, a substantial source of income for many countries even now.
- Because Southern countries lack negotiating power, regulations decided by such multilateral institutions as the World Trade Organization are not favourable to them.

Workshop participants concluded that both of their countries continue to rely mainly on the export of primary goods. These exports are growing at a much slower rate than the general average for global exports. This, combined with deteriorating terms of trade for primary products, means that their share of global trade is becoming increasingly insignificant. With a growing trade deficit and low rates of savings and internal revenue, both Bolivia and Tanzania are forced to rely heavily on aid. Participants in Bolivia pointed out that a two-speed economy is becoming entrenched. A small, foreign-dominated, modern economy operates alongside the locally owned economy in which the vast majority of the population lives and works. In terms of their ability to negotiate global economic terms, there is a huge difference between these sectors. The tiny modern sector benefits from globalization, while the rest of the economy is in stagnation.

The workshop in Bolivia and in particular the congress in Mexico discussed the alarming rate at which peasant agriculture is becoming more and more difficult to maintain. This is a result of the structural adjustment policies. All kinds of services which the government once provided for the peasant sector (government price controls, extension services, subsidized credit) have been withdrawn and special land tenure arrangements for peasants have been abolished. Without this support, many peasants cannot subsist and they are migrating to the cities temporarily or permanently in search of income.

As a consequence of the constraints described above, the Tanzanian and Bolivian economies are not capable of generating sufficient employment, which means there is considerable unemployment and underemployment.

In Bolivia, a lack of employment in combination with the liberalization of the labour market (from 1985) has caused labour conditions to deteriorate. Wages have fallen or stood still; there is more casual labour; working days are longer; and more work is subcontracted or done at home without social benefits. Liberalization of the labour market was intended as a way of reducing labour costs and making Bolivian industry more profitable. But it has not led to the growth in productive investment which was expected.<sup>6</sup>

With so much underemployment and unemployment, many people try their luck as micro-entrepreneurs in the informal sector. In Tanzania, according to workshop participants, there have been positive developments in this area, with many successful micro-entrepreneurs setting examples for others to follow. The workshop concluded that in Bolivia, however, productivity in the informal sector has not kept pace with the growing numbers, with the effect that per capita incomes have gone down. This implies overexploitation of the labour force in the informal sector, with women and young people being forced into the lowest-paying activities.

Underemployment and unemployment have prompted many Bolivians to emigrate to Brazil, Argentina and the USA. In both Bolivia and Tanzania, the emigration of highly educated people ('brain-drain') is seen as a serious problem.

The workshops concluded that the gap between rich and poor in society is widening. A large majority of Tanzanians and Bolivians do not benefit at all from their country's integration into the global economy. Access to land and capital, to regular employment, and to social security, education, health care and housing has been reduced instead of increased. According to the workshop participants, this leads to persistent poverty and the exclusion of large numbers of people. Participants in the Congress of Rural Sociologists in Mexico feared that in the case of Latin America, there might soon be starvation in the countryside. In many areas, resistance movements have emerged, such as the Zapatistas in

Mexico and the Movement of Workers without Land in Brazil.

The RAWOO survey revealed that the economic and political literature on globalization produced by 'Southern' scientists similarly sees globalization as leading towards more inequity and polarization, and as destructive to the social and political fabric.

Both workshops examined the option of regional cooperation (with neighbouring countries). This brings at least two advantages: larger markets and the possibility of joining together to bargain with other blocs and with organizations such as the World Trade Organization and the European Union. Workshop participants in Tanzania agreed that Tanzania should join the Southern African Development Community (SADC). Bolivia is already a member of the Andean Community (CAN, with Peru, Ecuador, Venezuela and Colombia) and an associate of Mercosur (with Brazil, Argentina, Paraguay and Uruguay). At the same time, participants in both workshops expressed doubt about the ability of their entrepreneurs to compete with counterparts in such neighbouring countries as Kenya and Uganda and Brazil and Argentina, where the business sectors are much more developed.

*The socio-political (governance) dimension*  
From a socio-political point of view, both workshops gave ample attention to the situation of the state in a globalizing world. Economic liberalization is seen as an important phenomenon connected with globalization. As part of the liberalization process, both Bolivia and Tanzania have been following structural adjustment policies since the mid-1980s. The result is that '[a] degree of macroeconomic balance has been achieved, but at the cost of restricting government expenditures below levels needed to maintain government capacity and basic infrastructure.'<sup>7</sup> Participants in the workshop in Bolivia indicated that because of foreign debt<sup>8</sup> and dependence on external resources,<sup>9</sup> the state has lost some of its capacity for strategic management and development. In line with the policies of lender agencies, the state is concentrating on controlling wages and making the labour market more flexible. Trade union activity is suppressed to this end. Achieving economic growth is the sole objective.

Organizations which were once capable of collective action and interaction with the state are weak because their area of competence has lost

6. Silvia Escóbar de Pabón, paper written for the Bolivia workshop, section 3.1

7. Brian Van Arkadie, paper written for the Tanzania workshop, p. 22.

8. Debt repayment stands at 20% of the annual budget.

9. Aid is Bolivia's largest source of foreign currency at 12% of total earnings.

significance. For example, liberalization of the labour market has eroded the power of trade unions. Peasant organizations have lost power because the government has rescinded special measures for the peasant sector, as mentioned above.

In Tanzania, one of the problems mentioned in the context of restricted government expenditure is the fact that the salaries of government employees have not been adjusted for inflation. This means that government employees can no longer live on their salaries and have to look for additional income. As a result, corruption has increased sharply. Many of the most talented civil servants are leaving public service for work with donor agencies or abroad.

Health care and education have been starved of government funding and have subsequently deteriorated. A drop in educational quality has had many far-reaching consequences. In Tanzania, parents send their children abroad for education, for example, which must be paid for in foreign currency. Another implication is that with fewer children educated properly, Tanzania and Bolivia are even less prepared for the greater dependence on knowledge which globalization is requiring of their economies.

In Bolivia the criminal economy – trade in coca – is a growing problem. On a smaller scale, the same is true in Tanzania, where precious stones are mined illegally and protected animals are exploited commercially. In both countries, the state is unable to enforce the law properly. Traders in these products are also finding it easier and easier to gain access to global markets.

#### *The cultural dimension*

In Tanzania workshop participants spoke of what they called ‘cultural confusion’, which is seen as a consequence of abrupt changes in society that are related to globalization. In this confusion, many people seek refuge either in movements which promise better times when resources will not have to be shared with other ethnic groups, or in the fundamentalist branches of global religions, with their promise of salvation for true believers.<sup>10</sup> This trend is reinforced by activities of Christian religious organizations in the West and Muslim religious organizations in the Middle East which are making good use of the new opportunities created by satellite media and less government control in order to spread their message. Ethnic and religious conflict lies around the corner.

At the workshop in Bolivia, it was said that ‘the knowledge maps that helped us fix horizons and select possible routes have been destroyed.’<sup>11</sup>

In the rapidly growing cities of Bolivia and other countries of Latin America, many social problems are resulting in high rates of crime and violence, including domestic violence. These problems are largely due to the uncertainties of life in the informal sector. Migration has broken down many mechanisms of social cohesion which operated in the closely-knit communities from which the people came. This is exacerbated by the need for indigenous people to give up part of their cultural heritage in order to adapt to new circumstances in the urban centres.

The state’s shrinking role in cultural development has both positive and negative effects. A positive effect in the case of the indigenous peoples of Latin America is that they now have more possibilities for maintaining their own culture. In Bolivia, for example, radio stations have emerged which broadcast in Aymara, Quechua and other indigenous languages. But at the same time, participants in the Tanzanian workshop pointed out that the nation-building policy of bringing together children of different ethnic groups in state boarding schools is no longer affordable. This policy had been one of the cornerstones of Tanzania’s successful attempts at ethnic integration.

Both the literature and the Tanzanian workshop denounced the fact that because of Africa’s history of foreign domination – in the period of slavery, the colonial period, and the Cold War period – African reality has always been interpreted in foreign terms. The ‘developmentalist model’ has given undue emphasis to aspects of the modern state and has neglected indigenous processes of absorbing, ‘creolizing’ or rejecting what comes from outside. There is a danger that with all the rapid and profound changes caused by globalization, the rich cultural heritage of Africa is again not being tapped for solutions. Resources for autonomous African intellectual work – academic, philosophical and artistic – are very limited.

A project in Kenya, which examines traditional ways of dealing with conflict between ethnic groups, provides an example of how innovative solutions for problems caused by globalization can be derived from traditional African culture. The project is aimed at enhancing local people’s interest in their own peace-making traditions.

10. Penina Mlana, ‘Local Perspectives of Globalization: The Cultural Domain of Globalization’, paper written for the Tanzania workshop.

11. ‘The Effects of Globalization in Bolivia’, Report on the International Workshop, Santa Cruz de la Sierra, 29-30 September 1999, p. 7 (Annex 4).

*The ecological dimension*

Although the workshops did not specifically discuss the impact of globalization on the environment, a paper on this subject prepared in Tanzania after the workshop<sup>12</sup> draws attention to the link between globalization and the rapid depletion of natural resources and deterioration of the environment. The paper sees globalization also as the cause of the growing involvement of criminals in new forms of 'natural resources management'. It is most likely due to liberalization that deforestation in Tanzania is taking place at six times the average global rate. Grazing land is deteriorating rapidly. The mining sector is causing considerable environmental degradation and the largely uncontrolled trade in timber and exotic animals is a threat to biodiversity. In urban areas, the problems of water pollution and solid waste disposal are being addressed in an unsatisfactory way.

**II.2 Globalization opportunities for the South: what the workshops recommend**

**II.2.1 Workshop recommendations concerning globalization policies**

There was consensus in the workshops that despite the imbalance it creates, globalization is here to stay. Countries like Tanzania and Bolivia will simply have to develop strategies for correcting the imbalance. Such strategies need to be based on a broad vision of what globalization means and how each country can deal with it. A new 'mind set' is needed which does not merely accept the current orthodoxy regarding the policies that developing countries must follow, but rather takes up the challenge to forge an alternative economic and social model. This would be a model of phased and controlled integration, in contrast to the current unconditional opening-up to the globalization process, which creates more victims than countries like Tanzania and Bolivia can afford. Both workshops concluded that there is a need to discuss the relationship between globalization and (neoliberal) structural adjustment policies. Workshop participants in Bolivia concluded that market forces cannot be trusted to bring about the economic transformation that would make the Bolivian economy competitive in world markets. They were of the opinion that the neo-liberal policies adopted by the government should be modified. Similar voices were heard in Tanzania.

Both workshops discussed the industrial policies

required in this era of globalization. In Tanzania, participants maintained that Tanzania should develop its own strong industrial sector. Other participants expressed their doubts about the feasibility of such a drive in view of the fact that Tanzania at present is not in a position to give a nascent industrial sector any state protection. In Bolivia participants pointed out that technological and organizational innovations related to production are necessary to make local industry capable of competing in the global market. The state should play a role in helping Bolivian industry to introduce these innovations.

In both workshops participants recommended taking a closer look at sectors and individual entrepreneurs that have been successful in the global marketplace, and analyzing the factors which have contributed to their success. Bolivian participants said that these models could help to create the conditions needed not only for competitiveness and participation in international markets, but also for proper jobs and the improved development of human resources.

Participants in both workshops were aware that any success competing in the global market requires upgrading the skills of the workforce.

The workshops called on the various national stakeholders – especially government, but also the private sector and NGOs – to intervene more proactively in the process of dealing with globalization.

Participants in the workshop in Bolivia concluded that the Bolivian state is not weak when it comes to protecting the interests of industry or controlling the labour market. 'It can therefore be inferred that there is space for formulating and managing public policies based on national agendas.'<sup>13</sup>

The consensus among participants in both workshops was that the state should definitely play a role similar to the role of the state in East Asian countries, which has been a prominent factor in the rapid development of these countries.

Participants indicated that the state should be made more competent to:

- conduct better negotiations with international organizations such as the WTO and with multinational corporations;
- create a market environment conducive to the right kind of investment. This means, among

12. Idris S Kikula & Aida Kiangi, 'Local Perspectives On Globalization: The Natural Resources Domain in Tanzania', paper prepared in the context of the workshop in Tanzania.

13. 'The Effects of Globalization in Bolivia', Report on the International Workshop, Santa Cruz de la Sierra, 29-30 September 1999, p. 8 (Annex 4).

other things, an adequate tax structure, good infrastructure, and consultancy services for nascent national industries.

There was consensus in Tanzania that the state should invest heavily in education and training. Creating an adequate incentive structure should stop brain-drain. Ways should be found to make use of talented Tanzanians living overseas.

The workshops identified a need to rethink the role of the state as a public body. The state should be supported by the people and responsive to the people, and strive to eliminate corruption. The Bolivian workshop concluded that the state's public roles require a different 'institutionality': modifications in the structure of state institutions and in the mechanisms for cooperating with society. This is necessary if the state is to develop policies that respond to the community's needs and contribute to good governance.

As mentioned above, both workshops saw a need for more regional cooperation (with neighbouring countries) in order to create larger markets and facilitate collective bargaining with other blocs and with organizations such as the World Trade Organization and the European Union. Specifically, Tanzania should join forces with the Southern African Development Community (SADC), and Bolivia with the Andean Community (CAN, with Peru, Ecuador, Venezuela and Colombia) and/or Mercosur (with Brazil, Argentina, Paraguay and Uruguay).

The challenge put forward by the workshops will be to encourage the formation of a society that can cope with globalization but is still based on principles which are supported by local people in accordance with their own behavioural patterns, attitudes, beliefs and values. This would imply the promotion of welcome aspects of both 'modernity' and 'tradition'. Institutions with a potential role in this area should be strengthened: e.g., schools, mass media, religious organizations, and the art sector.

Another challenge is to encourage the multiculturalism and cultural integration that will help to avoid ethnic strife. Through the education system, among other things, the state clearly has a role to play in general cultural policy as well as in promoting cultural integration.

## II.2.2 Workshop recommendations concerning globalization research

As regards appropriate ways of applying research to globalization policies, the workshops recommended the following.

It is essential to adopt multidisciplinary approaches because of the multifaceted nature of globalization, in which economic and political factors interact with cultural and social factors.

Empirical work is indispensable for exploring the concrete effects of globalization on different sectors, societal groups and regions. A combination of fundamental and applied research is required if new understanding and practical solutions are to be found. There should be a link between theoretical orientations and long-term strategic choices.

In order to be relevant for policy-making, research will have to be done in consultation with end-users and policy-makers. It will have to contribute 'to public awareness, to the formulation of public agendas and to the debate between social actors and policy-makers.'<sup>14</sup> Research should also have relevance to development at the local, regional and national levels.

The workshop in Bolivia named a number of actors as meriting priority for research on the local response to globalization: small rural producers, small urban producers, the manufacturing industry, the export manufacturing sector, privatized (formerly state-owned) industries, and women and youth and their organizations. In the view of the Bolivians, research on these actors will yield insight into 'what possibilities and constraints both the backward sectors and the dynamic sectors have for linking up with the globalization process, taking the economic and political dimensions into account.'<sup>15</sup>

For a proper understanding of the effects of globalization in Bolivia and Tanzania, research on local processes cannot ignore the interaction between processes at all levels: local, provincial, national, regional (Sub-Saharan Africa and Latin America) and global. Researchers in the South 'should gain access to approaches and concepts of interpretation produced within the framework of other realities.'<sup>16</sup> They should acquire understanding of the changes taking place around the world, and not just consider how these affect their own countries. They need to know how the mechanisms for making policy decisions function

14. 'The Effects of Globalization in Bolivia', Report on the International Workshop, Santa Cruz de la Sierra, 29-30 September 1999, p. 11 (Annex 4).

15. *Ibidem*

16. 'The Effects of Globalization in Bolivia', Report on the International Workshop, Santa Cruz de la Sierra, 29-30 September 1999, p. 9 (Annex 4).

17. Brian Van Arkadie, 'Globalisation and the East African Economies: an Overall Perspective', paper prepared for the workshop in Tanzania, p. 27.

18. Report on the Workshop 'Local Perspectives on Globalization', Dar es Salaam, Tanzania, 10-11 September 1998, p. 8 (Annex 3) and 'The Effects of Globalization in Bolivia', Report on the International Workshop, Santa Cruz de la Sierra, 29-30 September 1999, p. 12 (Annex 4).

in the US and Europe, and not just in their own countries. 'Successful participation in the global economy requires some understanding of its working and of the successes and failures of strategies adopted by other nations.'<sup>17</sup>

### II.2.3 Workshop recommendations for follow-up

The participants made a number of recommendations for following up the workshops.

A strong sense of ownership and the expression of a need for capacity development prompted the workshop participants to urge that the dialogue started by the RAWOO-sponsored workshops be continued. In both Tanzania and Bolivia concrete steps have already been taken in this direction.

In Tanzania the workshop led to the establishment of a national working group on globalization which will design a strategy for linking a research agenda to the process of national strategy development. Activities to be undertaken by central government, NGOs and other bodies were recommended for consideration as well.

In Bolivia a similar proposal was made, emphasizing the need for partnerships between NGOs and the academic community. Workshop participants were encouraged to have the research agenda formulated by the workshop incorporated into the agendas of the research centres which they represented. CEDLA, the organizer of the workshop, was advised to continue to hold similar events based on the analysis of concrete problems. It was also suggested that a survey be conducted of the institutions working on the issue of globalization in Latin America. These could be brought together in a network once a research programme has taken shape. The possibilities offered by the new electronic media will greatly facilitate this kind of cooperation.

In the evaluation of the workshops it was pointed out that the gender dimension and the environmental dimension of globalization had not yet received enough attention. This should be corrected in the follow-up.<sup>18</sup>

Both workshops asked RAWOO to help ensure that the reflection on globalization which had been set in motion in Tanzania and Bolivia can be continued. The participants had found it highly relevant.



### III.1 Towards a programme of research on the local response to globalization in developing countries

The workshops in Tanzania and Bolivia as well as the congress in Mexico and the 'Southern' scientific literature all point out that there are very fundamental problems to be addressed in connection with globalization. Tanzania and Bolivia, like other countries, have opened themselves up to globalization by adopting open-border policies and by restricting government intervention. But, as the workshops conclude (see II.1 above), this is generally bringing more costs than gains. For the large majority of people, options have been drastically reduced. Very few people are benefiting from opportunities created by globalization.

In the discussions there was a consensus that globalization is here to stay in spite of the imbalance it creates. Strategies must therefore be developed to correct the imbalance.<sup>19</sup>

Globalization is a process which the workshop participants see as shaping the present and future of Bolivia and Tanzania without Bolivians or Tanzanians being able to make any conscious, collective decisions about it. The participants want to see the various national stakeholders – especially government, but also the private sector and NGOs – intervene more proactively in the globalization process.

Due to the complexities involved, however, workshop participants feel that a major research effort is needed to support this intervention.

RAWOO basically endorses the conclusions of the workshops, although it thinks globalization could offer more opportunities than the workshops seem to imply. West Africa, for example, has a number of globalization success stories in both economic<sup>20</sup> and cultural areas. RAWOO acknowledges that there is a need for research which can help developing countries to cope with globalization.

Below is the outline of a research programme in support of policy-making aimed at achieving the best possible local response to globalization. Section III.1.1 discusses options for focusing the programme on certain topics, while section III.1.2 discusses the methodological and organizational requirements for a programme that is based on the needs of developing countries. Section III.2 describes the steps to be taken during the

programme-development phase that will precede the programme.

#### III.1.1 Focus: synthesizing themes

Three synthesizing themes emerged from the discussions in the workshops in Tanzania and Bolivia. These were discussed first at a meeting with Dutch scholars working on globalization issues<sup>21</sup> and subsequently within the RAWOO Council. The themes can serve as a basis for focus during the programme-development phase, when research needs in countries of the South will be defined more specifically.

##### *Finding a balance between 'global' and 'local' culture*

The first theme is the cultural dimension of globalization and what developing countries can do about it.

In the case of sub-Saharan Africa, there is cultural<sup>22</sup> confusion caused by the combination of globalization and centuries of foreign domination. It is often said that the continent must first extract itself from this and then find its own identity. The call for an 'African Renaissance' by South African president Thabo Mbeki follows this line of reasoning, to which a number of African and African-American thinkers have contributed. These include the Senegalese historian Cheikh Anta Diop, who says, 'He who has no confidence cannot make progress.' The main question for Africa is therefore how to encourage the formation of a society that can cope with globalization but is still based on principles which are supported by local people in accordance with their own behavioural patterns, attitudes, beliefs and values.

The challenge for people in developing countries is to construct cultures which give new meaning to their existence and make it possible for them to develop new alliances and connections with other actors and to engage in new transactions. To do this they have to incorporate elements from other cultures or invent or reinvent their own cultural elements. An example from Bolivia is the way that people who migrate to urban areas must adapt their culture to an urban environment that includes indigenous and non-indigenous people with different cultural backgrounds.

This raises the following more general questions:

- What mix of 'global' and 'local' culture will give people the confidence they need to deal with globalization in the best possible way? The mix

19. There were also a few participants who recommended steering a course that defies globalization. (In Tanzania one participant gave the example of Cuba. In Mexico there were supporters of the Zapatista movement and the Movement of Workers without Land in Brazil, which actually follow such a course.) This option was not discussed further, however.

20. The case was cited of the Maurids of Senegal, who have developed trade networks all over Europe and North America without even speaking European languages.

21. For the report of this consultation, which took place on 26 January 2000, see Annex 5.

22. 'Culture' here does not refer to 'art', but to the complex of ideas, practices and beliefs which give meaning to what people experience as biological and social beings. To a certain extent these ideas have an existence detached from the phenomena to which they refer. In that sense, they can be used or misused to mobilize people for a certain course of action (persuasion, propaganda).

will have to be such that people do not feel overwhelmed by cultural influences which they consider as foreign while at the same time they avoid resorting to defensive, chauvinist ethnic identities which might deny women's rights, for example, or cause strife with people of other ethnic backgrounds. What role can traditions play in models that prove useful for dealing with globalization? (The many examples of ethnic groups or communities that have succeeded in conserving a major portion of their old culture can be drawn upon here.)

- The next question is how can this mix of new and traditional cultural elements be achieved, and who should play a role in the process. The state as provider of education will be one actor. Other actors could include the press, artists, universities, religious organizations, or organizations representing ethnic groups or other groups in society. How can these actors become involved and how can their capacity for reflecting on culture be increased?<sup>23</sup> Such an effort should take into account (and therefore study) the opposition which can be expected from those who benefit from the status quo.

#### *Governance issues*

A whole range of suggestions was made for what 'Tanzania' or 'Bolivia' should do. In fact most of these suggestions imply tasks for the state, or for the state in collaboration with the private sector and/or civil society:

- to negotiate more effectively with multilateral agencies;
- to create a system of incentives which keeps educated people in the country;
- to create an enabling environment for local businesses in the formal and informal sectors and to encourage the creation of employment;
- to promote the integration of large, medium-sized and small industries;
- to stimulate education;
- to redress inequality and alleviate poverty.

One of the consequences of globalization, however, is that the state has a reduced capacity for action. This theme thus deals with what can be done to strengthen and redefine the state and its new roles without making the state a cumbersome machine dominated by a few vested interests which obstruct rather than foster development.

This raises the question of how local, provincial and national levels of government can be strengthened in balance with the organizations of

civil society, using local models of popular participation.

As reported in 2.1 above, the Bolivians formulated it this way: 'the state's public roles require a different 'institutionality': modifications in the structure of state institutions and in the mechanisms for cooperating with society. This is necessary if the state is to develop policies that respond to the community's needs and contribute to good governance.'<sup>24</sup>

Research is needed that can help the state to formulate policy in a way that is directly related to civil society, and that incorporates local (or 'traditional') models of popular participation.

More specific questions under this theme would be:

- How can the organizational capacity, efficiency and accountability of the institutions of the state be enhanced?
- How can the organizational capacity, efficiency and accountability of civil society (including the private sector) be enhanced, and how can this be built up from below?
- How can social capital best be used: that is, the organizational capacity that exists in groups in society?
- How can commitment to the nation be restored among people of different ethnic groups? In other words, how can a new national project be realized which respects and builds on the plural nature of national societies and which is aimed not at bringing all subjects of the state under a single national culture, but rather at emphasizing the various ethnic groups' shared interest in maintaining the state as an organization of people living within a certain territory?
- In the context of a developing country, what is the best mix of state and private enterprise for education and health care, and how can more resources for these sectors be generated?
- What can the state, the private sector and civil society do to make education, health care and other services available to everyone?
- How can citizenship rights and duties best be defined?

#### *General development strategy to be followed by countries in the South*

The third theme which emerged from the workshops and other Southern sources concerns the current orthodoxy regarding the policies to be followed by developing countries. The workshops pledged not to accept this orthodoxy but rather to take up the challenge of forging an alternative

23. Dr. Rijk van Dijk, one of the participants in RAWOO's meeting with researchers in the Netherlands who are working on globalization and countries in the South, pointed out that considerable resources are being invested in a discussion of Africa's cultural past. Perhaps a discussion of the cultural future can be added to that discussion.

24. 'The Effects of Globalization in Bolivia', Report on the International Workshop, Santa Cruz de la Sierra, 29-30 September 1999, p. 8 (Annex 4).

economic and social model. This means – in the economic sphere – careful, selective, strategic integration into the global economy as the first and best policy. As regards the cultural dimension of globalization, the same approach is advocated: to adopt what is needed in order to benefit from globalization and to keep what is needed in order to maintain a sense of belonging and well-being.

It is clear that lessons can be drawn here from the successful development models of Southeast Asian countries.

The following specific questions fall under the third theme:

- How much liberalization must be accepted in order for developing countries to have access to the benefits of globalization while minimizing the costs?
- To what extent can countries achieve phased and controlled integration into world markets while at the same time protecting peasants and other vulnerable sectors of society and seizing new opportunities for acquiring the resources and expertise needed for development?
- How can countries like Tanzania and Bolivia and certain sectors of Southern societies (e.g., women, business and industry, peasants, and indigenous groups) make their voices heard in international forums such as the World Trade Organization? What role can be played by regional cooperation and by international coalitions of NGOs, for example?
- Have good examples been set of institutional and individual practices that reduce the costs and enhance the benefits of globalization, and/or that redistribute these costs and benefits in a societally more acceptable way?
- What is the potential of such ongoing processes as the growth of the informal sector, the comeback of Asians in East Africa, and the creation of new sources of income for peasants through organic agriculture and handicrafts, for example? How can these contribute to sustainable development?
- What options exist for stopping the brain-drain and finding resources for investing in the generation of local knowledge?

*Dilemmas in connection with the synthesizing themes*

During RAWOO's consultation with Dutch scholars working on globalization themes,<sup>25</sup> the following dilemmas were highlighted in connection with the synthesizing themes just described.

1. Globalization is a 'container' concept. The three synthesizing themes do not provide sufficient focus for a research programme. It would be better to focus research cooperation right from the beginning on a number of more clearly identified themes or issues.
2. The three synthesizing themes do not sufficiently disentangle the factors involved in globalization. This should be done before the programme starts.

With respect to the first dilemma, RAWOO decided that the identification of specific research needs should be done as part of a thorough agenda-setting process. This is in keeping with RAWOO's usual approach, which is based on dialogue among the stakeholders involved. Research needs are identified in the context of locally perceived problems, and the need to increase the research capacities of institutions is taken into account. This serves to increase the feeling of ownership of the research agenda among all the parties involved in the process.

As regards the second dilemma, this criticism mainly addresses the fact that globalization is too narrowly identified with liberalization. It is true that the workshops in Tanzania and Bolivia and the congress of rural sociologists in Mexico tended to identify their governments' free market policies – for the most part determined by structural adjustment programmes agreed with the International Monetary Fund – as a manifestation of the process of globalization.<sup>26</sup> This is quite common in much of globalization literature (see section I.2 above<sup>27</sup>). But in a concrete research programme such as the one RAWOO is proposing, theories based on this view could turn out to be inadequate. RAWOO is confident that if this is the case, these theories will quickly make way for better ones.

**III.1.2. Research for empowerment**

On the basis of its findings, RAWOO concludes that an approach to research is needed that takes into account the complexity of the problem and the necessity of involving stakeholders in the agenda-setting process.

This approach will have to be needs-based and user-oriented and contribute to capacity-building for research and policy formulation.

25. For the report of this consultation which took place on 26 January 2000, see Annex 5.

26. See, for example, 'Globalization, Liberalization and Fiscal Squeeze' in S.M. Wangwe and F.M. Musonda, paper written for the Tanzania workshop, p. 13-14.; also 'Globalización diferenciadora' in Xavier Albó, paper written for the Bolivia workshop, p. 5.

27. In the view of Jan Aart Scholte, this was the prevailing orthodoxy in globalization literature in the 1980s and 1990s. See his 'Globalization: a Critical Introduction', Basingstoke, Macmillan, forthcoming, chapter 2, p. 2.

*Needs-based and user-oriented: involving stakeholders*

Whereas most research programmes are driven either by the research community, donors or government, the RAWOO process and its results are driven by the needs of stakeholders. If results are to be achieved that have practical relevance, stakeholders from outside the research community need to be involved in agenda-setting and research processes. As a result, much greater use will be made of the knowledge generated, which is expected to be of direct and tangible benefit to the people it concerns. The proposed programme will target *stakeholders* involved in processes of strategy and policy development who – as a response to globalization – need knowledge which can be effectively applied to meeting pressing local needs. In the case of globalization, stakeholders can be found at national, regional and local levels of government, in the private sector and in civil society.<sup>28</sup> In RAWOO's view, the research programme should focus on local responses to globalization, which implies that the identification of stakeholders' needs starts at the grassroots level. Where necessary from this perspective, the programme will trace regional, national and international linkages. This calls for the careful and deliberate planning of a programme which will develop from locally identified needs and ownership and lead to cooperation above the local level when this is needed. The council envisages a programmatic approach which combines a local agenda-setting process with extension to other levels, including countries of the region where needed.

*Capacity development*

Local research is limited by a serious lack of research capacity. The RAWOO initiative aims to address this problem and bridge the gap between the various players, to develop communication, dialogue and cooperation between them, and to enhance their capacity to generate, use and disseminate relevant knowledge.

Support will have to be provided for both strategic and action-oriented research carried out by researchers representing the academic community, government and NGOs, including business associations, local community organizations and women's movements.

Local actors and policy-makers can benefit from the process as well as the outcome of the research programme. They will benefit from the lessons

learned and insights gained at the local/national levels as a result of the highly participatory and inclusive character of the process. Both will also benefit from the comparative analysis of local and national experiences.

The activities undertaken for purposes of agenda-setting and research management are as important as the process and the outcome of the research. An agenda-setting process which is inclusive and builds trust between agencies with different perspectives is difficult and time-consuming but at the same time contributes to capacity enhancement. An effective methodology for agenda-setting could be useful also outside the specific location in which it was developed and first applied.

The proposed programme will pay ample attention to methodology development specifically suited to the policy questions related to globalization. The core of the programme's method will be to facilitate a dialogue and cooperation between the principal stakeholders at various levels.

A very important aspect of capacity-building will have to consist of improving access to existing knowledge. One of the means to achieve this is South-South and South-North cooperation.

The programme will have to address the problem that developing countries lose research capacity through brain-drain. Making use of researchers who have emigrated from their own countries is one option.

Where relevant, the expertise and input of Dutch researchers with experience in globalization issues will be mobilized. From a development-cooperation perspective, the participation of Dutch researchers could contribute in several ways.

- It could make it easier for Southern researchers to gain access to knowledge in the North.
- It could enable Southern researchers to study best practices in the North.
- It could stimulate researchers in the South to work in this field for a sustained period of time.
- If programmed in accordance with institutional needs in the South and implemented on the basis of principles like ownership, relevance and equity, it could help to strengthen and build up research capacity on a sustained institutional basis.

28. The Bolivian workshop recommended working with the following sectors of society: small rural producers, small urban producers, manufacturing industry, export manufacturing sector, privatized (former state-owned) industries, women and youth and their organizations.

### III.2. Programme-development phase

RAWOO proposes the development of a needs-based, long-term multi-disciplinary programme of international cooperation that will generate and mobilize knowledge on the subject of globalization for the purpose of developing strategies for producing adequate local responses to globalization.

Before this programme can begin, a one-year programming phase is needed in order to:

- further specify the research agendas;
- develop the most appropriate organizational structure; and
- develop and test a methodology which is suited to national and local institutional needs.

RAWOO proposes to take responsibility for this phase and to start programming activities in Tanzania and Bolivia. Tanzania and Bolivia have been selected as the pilot countries for the RAWOO initiative because they are among the developing countries which are benefiting least from globalization.<sup>29</sup>

The objective of this programme-development phase will be to work out in more detail the needs for research – taking into account the outcomes of the workshops – and to formulate one or more research programmes to cover those needs.

A first task will be to identify institutions from which a partner can be chosen to take the lead in the programming exercise. This partner will have to be a research institution which is acceptable to all the relevant stakeholders, including government.

The next step will be to jointly identify the network of institutions which will cooperate in the formulation and implementation of the research programme(s). These will include government as well as institutions of civil society (NGOs) involved in initiating research and coordinating the use of its results. They will also include institutions that actually conduct research: universities and research centres.

A dialogue will be initiated within this network about strategies for dealing with globalization. Policy studies at local level will be commissioned on a number of relevant themes. Further agenda-setting will be based on the outcomes of these studies and the policy dialogue on strategies. The most likely result of all this will be the identification of priority sectors for intervention

and related priority areas for research and capacity-building.

Although a number of important topics for research have already been identified during the workshops in Tanzania and Bolivia, a process of prioritization and concrete agenda-setting now needs to take place. The methodology chosen will involve extensive consultations with stakeholders at local and national levels. It may also involve input from and exchanges of knowledge and experience with other persons from the broader region (neighbouring countries) and from the Netherlands. The methodology will be regularly evaluated according to procedures agreed to by all involved. Corrections, modifications and even important changes can thus be decided upon and implemented in the course of the one-year programming phase as well as during the research programme itself.

At the end of this one-year process, RAWOO will present a comprehensive proposal for a long-term programme of activities in the chosen countries. This proposal could include research initiatives in the chosen regions as well as locally appropriate organizational and management structures and methodologies for carrying out the research programmes. Care will be taken to set up the programmes in such a way as to ensure the continuing involvement of not only the academic research communities but also the grassroots NGOs, local government, women and other actors. In addition, the proposal will provide an understanding of institutional needs for capacity enhancement and will propose activities to respond to these needs.

#### *The role of RAWOO*

It is RAWOO's task to programme innovative research as envisioned here, which aims to build bridges between the needs of societies and the development of scientific knowledge.

RAWOO will take responsibility for the one-year phase of programme-development in close cooperation with overseas partners. The RAWOO Secretariat will take responsibility for the financial administration of the project and will provide support for the Working Group and for the partners in Bolivia and Tanzania.

At the end of the one-year programming phase, RAWOO will submit a comprehensive proposal to the Netherlands government for a long-term research programme, as discussed earlier in this

29. The idea of selecting Bolivia and Tanzania because they are countries that benefit least from globalization was strongly supported by a number of the Dutch scholars who were consulted on this initiative.



### *III. RAWOO proposal*

section. This means that at this stage, besides seeking the government's financial support for the programming phase, RAWOO is also seeking the government's long-term commitment to the research programme itself. Embarkation on the one-year programming phase will inevitably and justifiably create expectations of funding for the substantive programme which is to follow from that phase.

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*Members:*

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ir M.L.E. Jansen (until June 1999)

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Prof. dr E.J. Ruitenber

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**Workshop in Tanzania**

Annex 3

**Report on the workshop 'Local Perspectives on Globalization',  
Dar es Salaam, Tanzania, 10-11 September 1998**



Research on Poverty Alleviation – REPOA



Society for International Development – SID (Tanzania Chapter)



Netherlands Development Assistance Research Council (RAWOO)

## Contents

- Preface 3
- 1. Introduction 4
- 2. Workshop Preparations 4
- 3. The Workshop 4
- 4. Synthesis of presentation and discussions: 5
  - 4.1 What is globalization 5
  - 4.2 What is Africa's/Tanzania's position vis-à-vis globalization 5
  - 4.3 What should Tanzania do to benefit from globalization 7
  - 4.4 Suggestions for further research 7
- 5. Follow Up of the Workshop 8
- 7. A Partial Review of the Workshop 8

### *Papers presented at the Tanzania workshop:*

|                                  |  |
|----------------------------------|--|
| T. Ademola Oyejide               | <i>Globalisation and its Economic Impact: an African Perspective</i>                 |
| Brian van Arkadie                | <i>Globalisation and the East African Economies: an Overall Perspective</i>          |
| S.M. Wangwe &<br>F.M. Musonda    | <i>Local Perspectives on Globalisation: the Economic Domain</i>                      |
| Idris S. Kikula &<br>Aida Kiangi | <i>Local Perspectives on Globalization: the Natural Resources Domain in Tanzania</i> |
| Jenerali Ulimwengu               | <i>Local Perspectives on Globalisation: the Governance Domain</i>                    |
| Issa G. Shivji                   | <i>Globalisation and Civil Society</i>   |
| Penina Mlama                     | <i>Local Perspectives of Globalisation: the Cultural Domain of Globalisation</i>     |

### **Preface**

RAWOO is exploring the need for research on globalization as seen from the perspective of developing countries. This document reports on a workshop which was held in this context. Three surveys of literature on globalization available in libraries in The Netherlands, undertaken by RAWOO, showed that views on globalization from countries of the South are not well represented in the abundance of scientific material on the subject produced since it became popular at the beginning of the 1990s. It was therefore decided to gather first hand views from the South by way of a workshop in Tanzania. The one-country approach, with some participants from other African countries, would provide an opportunity for a professional discussion on what globalization means for a particular country and a clear indication of what kind of research is needed in order for a country like Tanzania to deal effectively with globalization.

Prof. Semboja accepted the request of RAWOO to organize the workshop and found the Tanzanian Chapter of the Society for International Development (SID) prepared to share that task with him and his team at the Research on Poverty Alleviation project. They brought together an outstanding group of participants from many sectors of Tanzanian society. It is perhaps useful to point out that the aim of this workshop was not to involve stakeholders in the discussion. It was to be a meeting for people who have experience with the various aspects of globalization during their professional work.

As you will read in the report, a five-member committee has been formed at the end of the workshop to formulate a Tanzanian research agenda for 'local perspectives on globalization', elaborating on what has been discussed during the workshop. This committee will work independently, but RAWOO has offered its support if this is needed. It is hoped that the outcome of the work of the committee will be a research agenda involving Tanzanian resources as well as possibilities for partnerships with the international scientific community.

The papers prepared for the workshop will be published at a later stage, together with the interventions of the discussants of all the papers. An additional paper on the environmental effects of globalization for Tanzania will be added to this publication.

On behalf of the Council, I would like to thank the organizers and participants of the workshop in Tanzania for their efforts to make this a successful workshop. I do hope those efforts will be rewarded by the kind of follow-up that was envisaged during the workshop. Without the energy of the REPOA team the workshop could not have been so successful.

**Ed Maan**  
Secretary, RAWOO

## 1. Introduction

The intention to pursue further research on local perspectives on globalization was formulated during the first plenary meeting of RAWOO on February 17-18, 1997. The idea was pursued and developed further during the second and third plenary meetings of RAWOO which took place on June 5-6, 1997 and October 14-15, 1997, respectively. During these meetings the following decisions were made:

- On the basis of three surveys of literature made at the request of RAWOO<sup>30</sup> and on discussions, the Council made decisions on the concept of globalization that may be used; that the focus of research/discussions be on local responses to globalization; and the dimension/elements of globalization.
- The Council concluded that literature on globalization lacked input from the South.
- The Council decided that a workshop be held in the South to fill in the gap. Partly due to logistical convenience, Tanzania was chosen to be host for the workshop.

## 2. Workshop Preparations

The workshop was jointly organized by Research on Poverty Alleviation (REPOA) and the Society for International Development (SID) – Tanzania Chapter. The following terms of reference (TOR) were jointly prepared between the Tanzanian partners and RAWOO:

- The purpose of the workshop, i.e. to explore the need for research in the field of globalization, in particular its impact at the local level
- It was expected that at the end of the workshop clear statements would be made in the following: what aspects of globalization are most relevant in the economic, governance, cultural and human security domains? how do globalization processes in these domains affect the social dynamics of local communities? how can new forms of organization that are developing at the local level in reaction to globalization be promoted? the need and significance of policy relevant research on globalization.

On the basis of the TOR the Call for Papers was prepared. Two approaches were used to identify and commission papers for the workshop. In the first place, the Call was published in two prominent daily newspapers. This approach was intended to attract any individual or group from the general public to submit a concept paper on any of the specified domains. On the basis of the quality of the concept paper the decision would be made

whether or not the author would be requested to develop a full paper for the workshop.

Unfortunately this approach produced very little response, five to be precise, and even these came from inexperienced researchers. Therefore, the decision was made to approach and request experienced researchers to contribute papers. Finally, six papers were written in the following areas:

- economic (3)
- governance (1)
- socio-cultural (1)
- civil society (1)

Forty people were invited to participate in a two days workshop. This included fifteen invitees from outside the country. Foreign participation would bring in perspectives from other countries.

## 3. The Workshop

The two days workshop on 'Local Perspectives on Globalization' was held on September 10-11, 1998 at the White Sands Hotel (Dar es Salaam) as planned. Day one was attended by 33 participants, of which seven were from outside Tanzania; in day two 30 participants attended,

of which seven came from outside Tanzania. Three papers were presented and discussed in each of the two days as follows:

### *Day One:*

- Globalization and its Economic Impact: An African Perspective, by T. Ademola Oyejide  
- Main discussant: Benno Ndulu
- Globalization and the East African Economies: An Overall Perspective, by Brian Van Arkadie  
- Main discussant: Samuel Wangwe
- Local Perspectives on Globalization: The Economic Domain, by S.M. Wangwe and F.M. Musonda  
- Main discussant: Arthur Mwakapugi

### *Day Two:*

- Local Perspectives on Globalization: The Governance Domain, by Jenerali Ulimwengu  
- Main discussant: Chris Maina Peter
- Local Perspectives of Globalization: The Cultural Domain, by Penina Mlama  
- Main discussant: Mwantumu Malale
- Globalization and Civil Society, by Issa G. Shivji  
- Main discussant: Haroub Othman

30. Richters, Annemiek and Mineke Schipper (bibliography by Andrea Lion), 'The Cultural Dimension of Globalisation and Research for Development', RAWOO, February 1998 (survey of literature from the South; not published).

Krahl, Andrés, ' "Southern" Perspectives On Globalisation: A Foray into the Socio-Economic And Socio-Political Literature', RAWOO, February 1998 (survey of literature from the South; not published).

Jansen, Eduard, 'A Sketch of Globalisation Issues and of Globalisation Studies in the Netherlands', RAWOO, October 1997 (survey of globalisation literature; not published).

31. This definition is based on the one given by John Tomlinson in his paper 'Cultural Globalization: Placing and Displacing the West', p. 22-23. In: Kay, C. (ed.), *The European Journal of Development Research*, vol. 8, nr. 2, December 1996.

32) However, even in those board rooms, the economy cannot be controlled completely, since it has its own logic. Even multinational corporations in the USA cannot avoid being affected by the East Asian and Russian economic crisis.

Before the presentations were made on day one, three introductory remarks were made as follows:

- a. Welcome Note by J.V. Mwapachu, on behalf of the organizers which concluded that the objective of the workshop was to 'identify the central thrusts of globalization in its multi-faceted character and zero in on those areas which demand urgent in-depth policy analytic research'. That the 'workshop marks the beginning of the serious research effort whose end product should hopefully influence policy making from a better informed basis'.
- b. The opening speech by M.L. Luhanga, Vice-Chancellor, University of Dar es Salaam emphasized the importance of brainpower in the globalization process. In this context he brought in the role of higher education and research. He also reminded the meeting the obvious 'one cannot talk about globalization and sustainable development without talking about environmental concerns and climate change issues'.
- c. Introductory remarks by Ed Maan, Secretary, RAWOO, gave the background for RAWOO's involvement in the issue of globalization and the reason for sponsoring the workshop. He emphasized that the RAWOO members and Secretariat attended as listeners.

Each of the substantive presentations were followed by detailed comments from the discussants who were prepared for that purpose. During the afternoon participants made comments and contributions around (but not necessarily limited to) the issues which were raised by the substantive presentations and their discussants of the day. And the sessions concluded by going through a list of potential research topics.

#### **4. Synthesis of presentation and discussions**

The following is a synthesis of the presentations and the subsequent discussions, and decisions/recommendations regarding possible research issues in the area of globalization.

##### **4.1 What is globalization?**

Although no attempt was made in the workshop to come up with a formal definition, participants appeared to agree with the terms of reference which defined globalization as 'the rapidly increasing complex interactions between societies,

cultures, institutions and individuals world-wide; it involves a compression of time and space and is a process which 'stretches' social relations, removing relationships from local contexts to 'distanced' global ones'.<sup>31</sup>

There was general awareness among the participants of the workshop that globalization means massive changes world-wide. Because of technological change in communications and transport and of economic liberalisation, the world has become one economic unit. Decisions about world affairs are now being taken in the board rooms of multinational corporations and of international organisations such as the International Monetary Fund and the World Trade Organisation.<sup>32</sup>

Workshop participants agreed that globalization brings opportunities for development as well as risks and new challenges. Globalization improves the allocative efficiency of the economy (by relying on the market as the 'invisible hand' that governs it) and hence increases the economy's potential for growth and employment creation. On the other hand it causes great inequality as some groups in some countries benefit while other groups and entire countries are not capable of benefiting. All agreed that it is not possible to escape being involved in globalization. A crucial factor which determines whether people or countries benefit from globalization is knowledge ('brain power'). Correct state policies for creating a favourable economic environment are another crucial factor. (Both factors mentioned in the workshop will be discussed in more detail below).

Globalization's total preoccupation with growth causes it to neglect ecological deterioration.

Globalization causes cultural confusion, which gives people the feeling that they are losing their grip on their lives. This may lead to a backlash, with people wanting to go back to 'old' values that they trust more than the new ones.

##### **4.2 What is Africa's/Tanzania's position vis-à-vis globalization?**

One of the papers presented to the workshop argues that Africa has been dominated economically and culturally by outside interests in the periods of slavery, colonialism and post-colonial cold war manoeuvring. This domination has eroded Africa's power for self-determination. The result is: fragmented and fragile economic structures that have given Africa the now seemingly irreversible

character of poverty. It has given rise to anomalies ranging from dictatorships, military regimes, pseudo-multiparty democracies to sheer anarchy.

The paper argues that globalization gives even less opportunity to formulate an African vision. It is leading to rapid changes of behaviour and attitudes, cultural confusion, stagnation in culture, the rise of global religions, particularly the fundamentalist branches of them.

In the course of the workshop, a number of external factors which restrict Africa's and Tanzania's abilities to benefit from globalization were mentioned:

- Low prices for primary commodities which are the bulk of African countries' exports; continued existence of trade barriers for products from southern countries on northern markets (tariff barriers and barriers in the form of quality requirements, etc); existing trade preferences for the benefit of southern countries (e.g. the Lomé Convention with the European Union) may disappear as a result of the new rules of the WTO; formation of EU and NAFTA and other blocks, which limit access to their markets for non-member countries.
- Large payments on external debt which has brought dependence on the IMF with its structural adjustment programmes. These SAPs have implied a dramatic decline in investment in education and health services, and the suspension of state support to the poor. Because of Tanzania's foreign debt, it is very dependent on its creditors and is not free to decide its own economic policies.
- Barriers for the free flow of labour. If there were more migration to industrial countries, this would mean more remittances to developing countries of money earned in the rich countries. For many countries, those remittances are a substantial source of income.
- UN institutions with a role in the world economy such as World Bank, WTO and IMF are dominated by the USA and other rich countries; regulations formulated by those organisations are not to the benefit of developing countries

The workshop also discussed internal factors which restrict Africa's and Tanzania's abilities to benefit from globalization:

- Government policies that are inimical to capital and skilled labour and thus drive away potential for growth and prosperity

- High 'transaction costs' for investors, arising from among others, lack of good infrastructure, erratic availability of power and water, unstable and inconsistent government policies, insecurity of contracts, bureaucratic procedures and corruption.
- Governments which are not well prepared to negotiate in organisations such as the World Bank, IMF, WTO; this includes a lack of adequate institutions to prepare negotiations as well as lack of adequately prepared and motivated government officials to conduct negotiations.
- Lack of skills in business to deal with the requirements of export markets, such as marketing, packaging, changing tastes, etc. This is partly due to the fact that Tanzania has been a closed economy until fairly recently so that businesses have no experience in these things.
- Instead of improving, the knowledge base of the country is actually deteriorating, with school enrolment going down, and schools and universities starved of funding.
- Economic problems have eroded the attitude that hard work leads to success in life; opportunism is not a good basis for development
- Democratic institutions are still infant and weak.
- Lack of a national development vision to guide the country in matters of globalization.

As a result of these negative factors, there is very little foreign direct investment in Tanzania, and most of what does come is of a predatory nature: investment in sectors which require little capital and give quick results. Gains in employment in the private sector have not been able to offset losses in the state sector where government enterprises have been forced to close under liberalisation (SAP) policies. There is a brain drain to countries of the north.

Most participants in the workshop were rather pessimistic about Africa's and Tanzania's chances to benefit from globalization. Some, however, warned that a negative mindset may become a self-fulfilling prophecy.

In any case, it was pointed out that not all countries of Africa are in the same position. This position is determined by, among other things, their natural endowment, level of industrialisation, volume of trade, degree of diversification, market access in developed markets, terms of trade for their products. South Africa, Mauritius, Uganda are examples of African countries which are doing

relatively well under globalization. Within countries, different sectors may be affected in a different way: in the past, the peasant export crop sector in Tanzania had a much more positive development than the plantation sector, for example.

There were some voices in the workshop saying that the present world financial crisis may be an opportunity for countries like Tanzania, just as the Great Depression of the 1930s helped South American countries to build up their own industries at a time when there was little competition from northern countries whose economies were in crisis.

#### **4.3 What should Tanzania do to benefit from globalization?**

A broad Tanzanian vision on what globalization means and how the country can deal with it should be developed as the basis for action. A new 'mind set' is needed.

There should be phased and controlled integration because a big bang into the globalization process would lead to more victims than the developing countries like Tanzania can afford.

Participants agreed that Tanzania should join forces with other countries in the region, e.g. the Southern African Development Community (SADC). The advantages are that in that way a larger market can be created for Tanzanian products and these other countries may also be a source for investment. In addition, regional groupings may bargain collectively and thus more effectively with organisations such as the WTO and the EU.

Several participants maintained that Tanzania should develop its own strong industrial sector. Other participants expressed their doubts about the feasibility of such a drive in view of the fact that Tanzania at present is not in a position to give a nascent industrial sector any state protection.

The consensus among the participants was that the state should definitely play a role similar to the role of the state in East Asian countries which has been a prominent factor in their rapid development. It should be a state supported by the people and responsive to the people, a state which strives to eliminate corruption.

Participants indicated that the state should be made more competent to:

- conduct better negotiations with international organisations such as the WTO and with multinational corporations
- create a market environment conducive to the right kind of investment, including an adequate tax structure, good infrastructure, consultancy services for nascent national industries.

There was consensus that Tanzania should invest heavily in education and training. Brain drain should be stopped by creating an adequate incentive structure. Ways should be found to make use of talented Tanzanians living overseas.

#### **4.4 Suggestions for further research**

The workshop yielded several suggestions for further research:

- The experience of other countries such as those in East Asia, and the more successful countries in Africa; the experience of the Asians in East Africa (studied perhaps against the background of the role of the Chinese in East Asia) as well as the factors that have generated a rapid growth of small industries in Tanzania in the last few years.
- The impact of globalization on the key sectors of the economy.
- How different sectors of Tanzanian society cope with globalization. For instance, the Ngorongoro Maasai have decades of fighting for their traditional land rights behind them. Groups of women have resisted the creation of large state farms in their home region. The role of organizations such as trade unions, cooperatives, religious organizations, local self-help organizations. Concepts developed in the north ('civil society') may not be adequate for the study of social movements in Africa/Tanzania; a home-grown approach is necessary.
- Utilization of human capital, brainpower, prevention of brain drain and the process of globalization
- The role of multinational corporations, foreign direct investments, national capital as well as the capacity of the state in the creation of an enabling business environment.
- The compatibility between national and international legal regimes in the globalization process
- The place of regional integration in the facilitation of production and trade



### 5. Follow up of the Workshop

At the end of the second day participants discussed future activities. The participants agreed that two important activities be undertaken as soon as possible:

- publication of the workshop proceedings,
- formulation of a research agenda on the 'local perspectives on globalization'.

The participants agreed that the responsibility to prepare and publish the workshop proceedings be given to the workshop organizers, i.e. Society for International Development (SID) – Tanzania Chapter and REPOA.

A working group of five members was appointed from among the participants to formulate proposals for how the research agenda should be developed. This working group is composed of Issa Shivji, Samuel Wangwe, Juma Mwapachu, Amandina Lihamba, and Joseph Semboja.

At the end of the workshop it was clear that research in many fields (and often interdisciplinary in nature) was necessary. This implies that research should be done in close collaboration with all the stakeholders and that this research should also encompass international comparison. Participants further emphasised the use of appropriate theoretical frameworks in undertaking policy oriented research.

### 6. A Partial Review of the Workshop

Unfortunately the participants were not asked to evaluate the workshop. Therefore, we do not have views from independent reviewers. Nevertheless, it is still useful to review performance, even if from the organizers' point of view.

In general the preparations went smoothly, thanks to the e-mail facility which has made life easy and cheaper. However some invited paper writers and participants could not be easily reached. As a result some of the known experts could not participate.

The six papers that were planned were submitted on time. The quality of the papers was also good, judging from the participants mood and level and amount of discussions generated.

Workshop attendance was good, the composition of the group of participants brought a wide variety of points of view. It was interesting to notice the full participation of some very senior individuals during both days. On the other hand may be observed that for various reasons relatively few women participated and that in spite of our effort to put it on the agenda, the cultural dimension of globalization was not as widely debated as we had hoped.

A clear oversight, arising from the beginning of the preparations is the conspicuous absence of a paper on environment. This oversight was noted by the organizers during the final preparation days, when it was already too late to do anything substantive. Nevertheless, issues related to environment were raised in the workshop and plans are underway to commission a paper in this area, to fill in this gap.

**The Effects of Globalization in Bolivia  
Report on the International Workshop  
Santa Cruz de la Sierra, 29-30 September 1999**



Netherlands Development Assistance  
Research Council (RAWOO)



Centro de Estudios para el Desarrollo  
Laboral y Agrario (CEDLA)

La Paz, November 1999

## Contents

- **Presentation** 3
- **1. Background** 4
- **2. Organisation** 4
- **3. Workshop development** 5
- **4. Summary of presentations and debate** 5
  - 4.1 Bolivia's situation in the globalisation scenario 6
  - 4.2 The meaning of globalisation 6
  - 4.3 The economic and productive dimension 7
  - 4.4 The political and institutional dimension 8
  - 4.5 The cultural dimension 8
  - 4.6 The social dimension 9
  - 4.7 Future approaches 9
- **5. Recommendations for a research agenda** 9
  - 5.1 Research topics and problems 9
  - 5.2 Priority actors 11
  - 5.3 Methodological approach for implementing the research agenda 11
- **6. Follow-up on recommendations** 11
- **7. Evaluation of the workshop** 11

### *Papers presented at the workshop in Bolivia:*

|                         |   |
|-------------------------|---|
| Horst Grebe López       | <i>Efectos económicos de la globalización</i>   |
| Silvia Escóbar de Pabón | <i>Efectos sociales de la globalización</i>   |
| Xavier Albó             | <i>Efectos culturales de la globalización</i>   |
| Manuel Suárez           | <i>Efectos político-institucionales de la globalización</i>   |
| UNDP Bolivia            | <i>Desafíos frente a la Globalización en Bolivia y la Región</i>  |
| Roberto Vilar           | <i>Efectos de la globalización: aproximaciones a la visión de las organizaciones sociales: Síntesis de un sondeo de opinión</i> |

### **Presentation**

The International Workshop on ‘The Effects of Globalisation in Bolivia’ was held in Santa Cruz de la Sierra on 29-30 September 1999, within the framework of a cooperation agreement between the Centro de Estudios para el Desarrollo Laboral y Agrario (Labour and Agricultural Development Studies Centre – CEDLA) and the Netherlands Research for Development Advisory Council (RAWOO).

This document contains the final report on the workshop’s activities. The first part includes the background, a summary of the discussions and the main conclusions and recommendations. The second part is made up of 6 appendices which include the papers presented by the Bolivian participants and the comments made by invited specialists from other Latin American countries.

Appendix 6 presents the results of an opinion survey that was carried out with representatives of society’s different actors. The purpose of the survey was to gather first hand information about the ways in which these actors perceive the effects of globalisation on their day-to-day activities.

CEDLA and RAWOO would like to thank everyone who contributed to the analysis and debate on this issue that is currently of such pressing concern and influencing all areas of life in society. As a result, we have been able to arrive at suggestions for a future agenda for high priority and relevant research that will contribute to the discussion around policies aimed at addressing globalisation under better conditions.

In particular, we would like to acknowledge the support provided by the Agencia Española de Cooperación Internacional (Spanish International Cooperation Agency – AECI) which enabled the event to take place in Santa Cruz de la Sierra.

In fulfilling their commitment to publish and disseminate the material and results achieved in this first workshop, the organisers are confident that it will further encourage the common determination to continue contributing critical knowledge to the debate, within the framework of new national initiatives and cooperation with RAWOO.

**Javier Gómez Aguilar**  
CEDLA Director

## 1. Background

With the objective of exploring new needs for scientific research within the framework of North-South cooperation, the Netherlands Research for Development Advisory Council (RAWOO) incorporated the subject of globalisation as part of its working agenda. In 1997 RAWOO started a process of reviewing the literature on the subject, looking at it overall and focusing on its economic and cultural aspects. The review found an abundance of scientific material but scarce evidence that the views of the countries of the South were being reflected.

In the light of these results, RAWOO decided to approach the South's thinking and views directly, by organising workshops in selected countries. The idea was to hold discussions with representatives of different sectors of society on the meaning of globalisation and the type of research needed to meet its challenges effectively.

A first workshop was held in Tanzania in September 1998 and included participants from other African countries. This workshop made important contributions to the debate on the subject as well as suggestions for building a research agenda aimed at achieving a greater understanding of the meaning of globalisation and its effects, using a critical and forward-looking approach.

With similar objectives in mind, the Council decided to hold a second workshop in a Latin American country. In May 1999, the Labour and Agricultural Development Studies Centre (CEDLA) took up the RAWOO Secretariat's suggestion of jointly organising this second workshop in Bolivia. CEDLA decided to join in this initiative since it falls within the framework of its own institutional mission and objectives, which are aimed at carrying out applied research to contribute to development. As well as the presence of Bolivian participants with the skills and experience needed to address the different dimensions of globalisation, it was agreed to invite specialists from other Latin American countries in order to enrich the discussion that would be based on the particular experience of the Bolivian case.

The International Workshop on 'The Effects of Globalisation in Bolivia' was held in the city of Santa Cruz de la Sierra on 29-30 September 1999.

## 2. Organisation

Overall coordination of the workshop was the responsibility of the RAWOO Secretariat, represented by Eduard Jansen, and CEDLA's Executive Director, Javier Gómez Aguilar. Silvia Escóbar de Pabón, a CEDLA researcher, was in charge of thematic and operational coordination.

The workshop's objective was aimed at identifying needs for scientific research on the globalisation process, in order to contribute to decision-making for policies and action on those aspects with greatest relevance for taking advantage of opportunities and/or facing up to threats, bearing in mind the socio-economic, cultural and political effects of globalisation in Bolivia and the region as a whole.

The methodology adopted enabled an appropriate balance to be struck between presentations, comments and debate on the effects of the globalisation process from a national and regional point of view. It also enabled different social actors to present their views on the effects of globalisation with regard to current economic, social, political and cultural processes. Finally, there was a space for group work that aimed to enrich the analysis and the discussion about a research needs agenda. All this contributed to ensure that the proposed objectives were achieved.

In order to outline the workshop's scope, its expected results were defined and suggested central themes were brought together in the terms of reference for presenters and commentators. It was proposed to participants that they should arrive at a situation synopsis on the following topics:

- The aspects of globalisation with greatest relevance to national development, taking into account its economic, social, cultural and political-institutional dimensions.
- The ways in which the globalisation process in these areas affects social behaviours in local communities.
- The forms of citizen organisation and action that are present in the new scenario and their prospects with regard to the new roles demanded by the globalisation process.
- The nation state's degree of autonomy in defining policies and the new roles required to combat globalisation's tendency to be unequal and excluding.

The criteria adopted for the selection of participants aimed to encourage an exchange of many different views using a multidisciplinary approach. This was done by inviting representatives from different sectors of civil society, the academic community, NGOs and policy-makers.

To achieve a regional overview in the discussion and definition of the research agenda, well-known social science researchers from four Latin American countries were also invited.

### 3. Workshop development

The workshop was opened by Javier Gómez, CEDLA's Executive Director, and Eduard Jansen, RAWOO Secretariat member. Both these representatives of the organisers stressed how important this event was for making progress in the analysis of globalisation and its effects, as well as for identifying high priority research topics to take advantage of globalisation's opportunities and face up to its threats.

Javier Gómez emphasised the effort that had been made to include the results of an opinion survey in the discussion. This survey asked representatives of business, social and labour organisations to describe the effects of globalisation on their day-to-day activities and identify both its areas of potential and the threats it poses. Mr Gómez invited participants to unravel the meaning of globalisation by bringing together analyses from Bolivia and other countries in the region, in order to identify central issues and arrive at an agenda for scientific research that will have an influence on public policies.

Eduard Jansen explained that RAWOO's mandate is to give advice on how the cooperation resources allocated to research for development in the Netherlands should best be used. It seeks new forms of cooperation to encourage research practices in countries in the South, stronger links with those who will use the knowledge and closer connections between disciplines.

Mr Jansen went on to describe the process followed by the workshop held in Tanzania, and outlined its main conclusions and recommendations. He urged participants to contribute to the analysis and discussion, bearing in mind that globalisation is currently an important issue for Bolivia and Latin America. Furthermore, he recommended that they identify relevant themes to meet the challenges

posed by globalisation. These will be used as inputs for a recommendations paper to be drawn up by RAWOO for the Development Cooperation Ministry in the Netherlands.

The workshop's activities then began, with the following agenda:

#### *The economic effects of globalisation*

Presenter: Horst Grebe L. – Bolivia

Commentator: Enrique de la Garza – Mexico

Questions and debate

#### *The social effects of globalisation*

Presenter: Silvia Escóbar de Pabón – Bolivia

Commentator: Héctor Béjar – Peru

Questions and debate

#### *The cultural effects of globalisation*

Presenter: Xavier Albó – Bolivia

Commentator: María Cristina Mata – Argentina

Questions and debate

#### *The political and institutional effects of globalisation*

Presenter: Manuel Suárez – Bolivia

Commentator: Juan Enrique Vega – Chile

Questions and debate

#### *The challenges posed by globalisation in Bolivia and the region*

Commentator: Armando Ortuño

Questions and debate

#### *The effects of globalisation: an approach to the views of social organisations*

Presenter: Roberto Vilar – Synthesis of an opinion survey

Questions and debate

#### *Group work*

#### *Plenary session: presentation of conclusions and recommendations by working groups*

#### *Closure of the workshop*

Fernando Prado – Bolivia

### 4. Summary of presentations and debate

This section summarises the main aspects of the discussion during the workshop with regard to the four dimensions taken into account in the analysis of the globalisation process and its effects, both in the case of Bolivia and in the region as a whole.

The synthesis places an emphasis on those aspects that are directly linked to the analysis of the situation in Bolivia and the themes and problems suggested by participants for building a research agenda. The summary therefore aims to present the arguments underlying the analysis.

#### 4.1 Bolivia's situation in the globalisation scenario

In the participant's view, the situation in Bolivia features the persistence of economic and social structures that are characterised by inequality and need to be changed. This aspect is no longer the object of critical analysis. Instead, it has given way to the globalising discourse that seeks only to inquire into what should be done in production and trade to make the country competitive.

The main internal factors mentioned in the presentations and the debate show that the new scenario being created by globalisation poses more threats than opportunities, and that these are negatively reinforced by external factors associated with the new international scenario.

##### *i. Internal factors*

- Weak economic dynamism and absence of conditions that would make growth rates sustainable.
- Growth benefits only the monopolies and oligopolies; the most profitable companies do not contribute significantly to the country, either in terms of taxes or employment.
- Consolidation of raw materials in foreign trade, low level of dynamism in exports and serious accumulated deterioration in the terms of trade.
- Tendency towards increase in the balance of trade deficit.
- High degree of dependence on the transfer of external resources to cover the savings deficit, the balance of payments deficit and the demand for foreign exchange.
- Absence of guidance for national capital to modernise; heterogeneity in technology and productivity; absence of linkages between sectors and industries; greater concentration of economic activity in certain areas of the country.
- The capitalisation of strategic state enterprises has not had positive repercussions in terms of productive link-ups or technology transfer; FDI has led only to the transfer of assets to foreign capital.
- Dominant presence of foreign capital that enjoys preferential treatment in comparison with national investment; tendency towards

consolidation of a two-speed economy, with negative repercussions on economic growth, participation in external markets and improvements in the quality of employment.

- Huge inequalities in the negotiating power of the different sectors of economic activity.
- Weak capacity to generate productive employment, deterioration in the quality of employment and increasing under-employment.
- Denial of rights of access to productive resources (land, capital, knowledge) for the vast majority of the population.
- Internal colonialism, persistence of cultural domination structures in inter-ethnic relations.
- Indigenous communities relegated to the most isolated regions with few links to the market.
- Weakening of the social movement.
- Persistence of an elitist, anti-public state; weakening of the state's guiding role in the life of society.
- Loss of the state's autonomy and capacity for strategic management to guide development.
- Weak democratic institutions.
- Crisis in the elite; absence of entrepreneurial culture.
- Widening of social disparities, as evidenced by the persistence of poverty and the enormous inequalities in income distribution.
- Presence of phenomena such as urban violence, crime and domestic violence, as an effect of the erosion of community ties and the loss of identities and sense of belonging.
- New forms of exclusion directed against women, youth and indigenous peoples.

##### *ii. External factors*

- External debt servicing still accounts for about 20% of the national budget each year, thereby limiting governments' room for manoeuvre.
- Conditionality imposed by multilateral institutions; the policies that determine the directions taken by the country are the result of negotiations with international creditors (IMF, World Bank, IDB).
- Long-term depression in the world economy with negative effects on Bolivian exports.
- Economic agents are pushing globalisation forward in accordance with their own interests, which tends to marginalise certain regions and certain countries within regions.

#### 4.2 The meaning of globalisation

There is a widespread sense that we are involved in processes whose guiding forces and direction we do not know, or do not manage to perceive. For

some, these apparently invisible, disembodied, faceless forces, with no nationality or identity, are driving us in a direction that is unknown, far less consciously and collectively chosen by members of society. For others, although there does not seem to be a conspiracy in globalisation, the process is more complex: external forces are becoming entangled with internal ones. It is not a neutral tendency, and does not have a multilateral agent as is the case with neoliberal policies. It has agents that are promoting it in accordance with their own interests and their own policies: transnational companies, the financial system, the mass media conglomerates, etc.

This is why it is important to be aware of the changes that are taking place around the world, and not just how they affect us here. We need to know how policy decision-making mechanisms function in the US and Europe, and not just in our own countries.

Another aspect of the debate poses the question about the extent to which we are moving towards a global society: to what extent are the trends towards globalisation minimising national and local structures, subjects and inter-relationships? If we accept the hypothesis that global phenomena are becoming localised, the forces of mediation will define the way in which we participate in globalisation. Discovering what these forces of mediation are, using a multidisciplinary approach, seems to be one of the key ways of making progress in this discussion.

Meanwhile, there is broad agreement that the following can be highlighted as some of the most visible effects of the new world scenario:

- It simultaneously exacerbates the imbalances in participation in the new world order and widens the distances that exist within each society. A greater concentration of wealth and a relative and absolute increase in poverty are its most visible manifestations.
- It speeds up the modernisation of societies to such a degree of differentiation and complexity that the state finds it increasingly difficult to represent and regulate the diversity of social processes. In this sense, globalisation ends up proposing the fall of politics and the hegemony of the market.
- It provokes changes of such magnitude and speed that the codes used to interpret reality have shifted. We are therefore without a compass with which to guide ourselves in an increasingly

complex world. The knowledge maps that helped us to fix horizons and select possible routes have been destroyed.

- It introduces into the ideological discourse of power the illusory idea that cultural gaps can be closed and exclusion eliminated by information technology: an illusion of equal opportunities.

### 4.3 The economic and productive dimension

- One aspect considered to be relevant for integration into the globalisation process is to change the conditions of competitiveness by means of technological and organisational innovations in the conditions of production.
- There is a need to identify the forms adopted by the productive transformation processes in our countries and the hitherto unexploited local strengths and traditions of different models of production, on the basis of which leaps forward can be taken. The parameters to be considered should be not just the contribution these models can make to creating the conditions for competitiveness and participation in international markets, but also their capacity to create proper jobs and greater human resources development.
- All the evidence in the case of Bolivia, as well as those studies available in Latin America, indicate a tendency to establish two socio-technical configurations in the restructuring of production. The first, which is currently the dominant one, is a conservative restructuring limited to improvements in machinery and equipment (partial renovation), without organisational changes. The second is a flexible restructuring based on new ways of organising work and the application of certain aspects of total quality. In any case, the data support the polarisation hypothesis. At one extreme, transformations are taking place in just a few sectors and a few companies within sectors. The other extreme is the majority, made up largely of medium, small and micro-businesses, where no changes are taking place in the conditions of production and which interact in a framework of further increases in heterogeneity.
- The state has not been totally absent from the restructuring of production, although its intervention is now very different to what it was during the import substitution era. The state's intervention has taken the form of wage policies that have tended to keep wages at a level lower than inflation, and support for the flexibilisation of labour markets which has generally implied the submission of the trade unions. Despite the



advantages this represents for capital, transformations in the organisation of production and work processes have not been widespread in the region's economies.

- With regard to the profile of the workforce, there seems to have been no tendency toward a changeover based on the possibilities offered by technological and organisational innovations or flexible specialisation. Upgrading the skills of the workforce may well be one of the most neglected aspects in today's restructuring process. Employers have preferred to stick with a Taylorist work strategy while implementing only certain aspects of the new technologies or ways of organising.
- How is the business community organising its modernisation processes? Are we looking at a deficit of entrepreneurial culture or rather a deficit of political culture with regard to the economy? It would seem that the crisis in the state's guiding role in society is compounded by a crisis in the elite, which is preventing the modernisation of national capital.
- One characteristic of globalisation is the entry of transnational capital in national economies. However, one little known aspect is the way in which this movement of capital is beginning to stimulate changes in the pattern of production and technological linkages or innovations in other sectors of these economies. As far we know, foreign capital's aim is to recover its investments in the shortest possible time, and it hardly ever introduces the best practices used in its head offices.
- In the light of these current trends in Latin America, changes in this area will not be possible while market forces remain inert. There is a need for the state to take forward strategies to develop a new pattern of production and widespread growth in productivity. Likewise, the state needs to take advantage of the sub-regional integration agreements with clear and transparent policies based on the potential of the local economy.

#### **4.4 The political and institutional dimension**

- The state in Latin American countries has experienced a loss of sovereignty when faced with global pressures. The high level of indebtedness and dependency on external resources have been factors exerting formal and informal pressure. Little is known, however, about the new form the state is adopting.

- The state is not weak when it comes to actions to protect large global capital and internationalised national capital. Neither is it weak when it comes to disciplining the labour market. It can therefore be inferred that there is a space for formulating and managing public policies based on national agendas.
- There is a need to rethink the role of the state as a public body. Is it possible for society to exist outside the borders of the nation state? The ideology that seeks to impose the pure rationality of the market needs to be counteracted by the debate about the state: we need to recover the hope that it can develop in other ways and contribute to determining what those ways will be.
- The state's public roles require a different institutionality, modifications in the structure of state institutions and in the mechanisms for cooperating with society, in order to develop policies that respond to the community's needs and contribute to governability.
- One unavoidable challenge is therefore to forge an alternative economic and social model. This is not just because of the empirical evidence of the results of neoliberal policies but also because its theoretical foundations are weak. A society subordinated to the market is not viable: there are power problems that go beyond the market.

#### **4.5 The cultural dimension**

- Globalisation is pushing us to modify and dilute previous identities. There is a tension between two alternatives: dilute our identities to avoid being marginalised, thereby giving rise to hybrid cultures, or strengthen native identities. The tension is resolved mainly by opting for the first alternative, whether the community is marginalised from globalisation's economic structures or from access to education and information, and it almost always costs the community the loss of its previous identity.
- In the new context of the information society, the self-representation systems constructed by marginalised communities about their own situation are not known. Under what conditions is culture being built? What are the new imaginary constructs in the context of globalisation? At the moment there is a perceptible common movement towards cultural globalisation or the predominant effect of it: illusions of equal access and levelling up are being constructed, but they run parallel to increasingly unequal and fragmented living conditions.

- Different ways of life tend to be punished by discrimination and inequality.
- There is a need to promote knowledge so that we can work towards the recomposition of effectively diverse and integrated societies. The data that reveal diversity, exclusion and conflicts need to be linked up with their meanings which, being felt data, constitute what is real.
- The state has a role to play in promoting cultural integration policies. Multiculturalism should be constructed by the education system itself.

#### 4.6 The social dimension

- Within the framework of globalisation, the gaps in the distribution of wealth between the developed countries and the rest of the world are widening.
- The maintenance of unequal economic, social and political structures is generating greater polarisation of wealth, inequality and growing social exclusion.
- We are witnessing new ways for social inequality and exclusion to manifest themselves. They are expressed in a growing individualisation of work (and the explosion of the informal sector), the super-exploitation of labour and the difficulty of gaining access to jobs that provide a regular source of income.
- Tolerated discrimination against women, children and other categories of workers is a new form of exclusion. It is accentuated by the processes of rural-urban migration and is spreading to the cultural sphere.
- Lower levels of social protection and limited access to education, health and housing systems is another of inequality's visible faces. This is reinforced by the absence of effective mechanisms for participating in taking decisions that affect social groups and citizens.
- As a result of the limits on effective participation, the consolidation of local organisations as a forum for collective action and interaction with the political decision-making system is poor. We are witnessing a weakening of traditional social movements and the gradual emergence of new actors. These centre their discourse around concrete needs and concentrate less on strategic needs aimed at contributing to the construction of a social project.

#### 4.7 Future approaches

- The debate during the workshop has emphasised the need to discuss the relationship between

globalisation and neoliberal structural adjustment policies.

- Future research on the subject needs to construct its own frameworks for interpretation based on an analysis of problems that will serve to guide theoretical reflection.
- It is essential to adopt multidisciplinary approaches because of the multifaceted nature of globalisation and the interaction of economic and political factors with cultural and social ones.
- From a regional perspective (Latin America), it will be relevant to undertake research of a comparative and inter-institutional nature. In the immediate future, there is thought to be a need to carry out a survey of those institutions working on the issue of globalisation in Latin America from different perspectives. At a time of global networks, working as a network could produce fruitful results for a discussion in global forums on the impact of the new supranational world scenario.

#### 5 Recommendations for a research agenda

Organised into working groups, the workshop's participants contributed a series of research topics and problems with a view to constructing an agenda for knowledge about Bolivia's involvement in the globalised world.

The general hypothesis that guided the formulation of the agenda affirms that we in the South should gain access to approaches and concepts of interpretation produced within the framework of other realities. Readings and interpretations of how our countries participate in the globalisation context therefore require the production of thinking of our own, based on an analysis of reality that will serve to guide theoretical reflection, in order to reach an understanding of the extent to which our countries are in a condition to link up with this process.

The problems identified were prioritised by taking into account their relevance to development and their contribution to decision-making for policies and actions by the different sectors of society.

#### 5.1 Research topics and problems

##### *The state and society*

There are conditions in the international globalisation scenario that affect the state's actions and provoke greater tensions that prevent social cohesion. We should seek to generate knowledge

and reflection by linking national and regional aspects (Latin America) with global aspects in the political arena.

- State
  - The state's scope for designing and managing public policies; the possibilities for drawing up our own development agendas (navigation charts).
  - Redefinition of the state and its new roles to achieve social cohesion and good quality government.
  - The implications of the state's new roles for institutionality at the national, regional and local levels and for external management.
  - Global political actors and global governability.
- Society
  - Social actors, their roles and relationships; the potential for improving the quality of the social fabric.
  - Socio-economic transformations and the possibilities cultural change offers for the adoption of new models of social organisation and cohesion in response to globalisation (trade union organisation and action, business organisations, women's movements, ethnic movements).
- Relations between the state and society
  - Political changes and the possibility of new forms and levels of democratic representation.
  - Decentralisation and local power.
  - Experiences of cooperation between the state and civil society.

#### *The economy and labour*

Globalisation proposes that we should adopt new models of production that promote linkages between and within sectors and a systemic increase in productivity, as a condition for achieving levels of social integration and competitiveness compatible with the demands of a globalised economy. Research in this area should aim to discover local forms of mediation that can be recovered to improve involvement in the international economy, and the incentive systems needed to strengthen them.

- New forms of organising production and work, and local strengths that can be used to improve competitiveness.
- Productive linking scenarios and the potential for systemic improvements in competitiveness.

- Reconfiguration of urban and rural labour markets, employment and working conditions, from the perspectives of gender and age.
- The impact of foreign direct investment on productive linkages, employment and the configuration of new production organisation models (direct and indirect impact).
- Entrepreneurial strategies (large, medium and small businesses) to deal with a globalised economy.
- Elites and entrepreneurial culture.
- The coca economy and its impact on national income.

#### *Economic integration and participation in the international economy*

Globalisation maintains and aggravates a double polarisation: between countries and between regions within countries. There is a need to know what advantages and disadvantages regional integration has for improving the general conditions of participation in the international economy, and to identify new mechanisms for symbolic integration in order to reinforce national identity.

- Integration in regional blocks and their potential for dealing with globalisation (neighbours as an opportunity).
- Differences in regional involvement in globalisation, strategic patterns and implications for harmonising national development.
- Conditions for symbolic national integration (the sense of belonging) and how it relates to participation in the international economy.

#### *Culture and communication*

To counter the widespread idea of a global culture that can be used locally, there is clearly a need to identify and understand the devices that mark out culture in each reality, when culture is understood to be a process involving the collective construction of meanings. We also need to identify and understand the changes that cultures are undergoing as a result of globalisation's trends in information and technology.

- The mechanisms by which globalisation is transmitted at the national level (production, technology and information networks).
- Communication and its role in the construction of identities and the empowerment of social actors.
- The media and local power, as a possible way to achieve symbolic linkages.

- Ethnic groups and their response to the globalisation process.

#### *Social disparities and inequalities*

Globalisation gives rise to inequalities and increased polarisation in the distribution of wealth; in the process, exclusion manifests itself in new ways. Who is being affected by this process and in what ways? That is the question ordering the topics identified in this field.

- New inequalities in access to the education and knowledge needed for integration in an information society.
- New inequalities in access to productive resources and markets.
- New exclusion mechanisms preventing the exercise of citizenship.

### **5.2 Priority actors**

The marking out of research problems was accompanied by the identification of priority sectors. We need to know what possibilities and constraints both the backward sectors and the dynamic sectors have for linking up with the globalisation process, taking the economic and political dimensions into account. The workshop therefore marked out the following productive actors in order to find out their dynamism and potential for making links to build up the productive matrix, interacting in the processes of analysis and debate with the whole range of actors in society:

- Small rural producers
- Small urban producers
- Manufacturing industry
- The manufactures export sector (large, medium and small businesses)
- Privatised and capitalised enterprises (services)

### **5.3 Methodological approach for implementing the research agenda**

The workshop brought together representatives of different sectors of civil society, the state and the academic community: research centres, NGOs, labour and business organisations, universities, and state policy-makers.

The debate during the workshop was complemented by the perceptions and views of other sectors of civil society about the globalisation process and its effects. In this sense, it can be stated that the proposed agenda for research topics was built by taking into account the demand and strategic needs for knowledge.

The methodological criteria that should guide research are as follows:

- Relevance to development at the local, regional and national levels.
- Links with end-users (organisations in the priority sectors), taking advantage of and creating new public spaces for debating research results.
- Contribution to public awareness, the formulation of public agendas and the debate between social actors and policy-makers.
- Quality and multidisciplinary; links between macro, meso and micro viewpoints.
- Gender focus from the formulation of research problems onwards.

### **6. Follow-up on recommendations**

Bearing in mind the weak development of research linking current processes with the globalisation phenomenon, the workshop's participants stressed the relevance of making this issue a particular object of study from a national and regional perspective. It is therefore proposed that a systematic effort be made to understand the conditions emerging from the new international scenario, its consequences for our countries in the economic, social, political and cultural arenas, and the challenges posed to the state and social actors.

Within this framework, the following recommendations were made:

- Take the research agenda on board so that it can be implemented as part of the research centres' agendas.
- Make progress in identifying other similar efforts that are being made in other Latin American countries, in order to initiate a dialogue through the electronic media that will make future inter-institutional cooperation possible.
- Continue to hold similar events based on the analysis of concrete problems and their expression in immediate research agendas.
- Request RAWOO to support the implementation of the agenda.
- CEDLA was appointed to systematise the workshop's results and recommendations so that they can be presented to RAWOO, distributed amongst the participants and circulated in the form of a published document.

### **7. Evaluation of the workshop**

From the organisers' point of view, it is important to stress that the workshop was one of the first spaces to be organised to analyse, problematise and

debate the issues arising from globalisation, its trends, effects and challenges. It was also a pioneering effort to link the local view with references to other countries in the region. For these reasons, it was introductory and exploratory in nature, both in terms of finding out what progress is being made in discussion of the issues and the ways in which economic, social, political and cultural processes in the South are linked with globalisation's trends.

Both the national presentations and the comments, which also took the form of presentations from the particular viewpoints of other countries in the region, enabled the issue to be problematised and provided guidelines for the identification of central aspects for a research agenda. Because the workshop emphasised these aspects, although theoretical and conceptual approaches were included in the presentations, they had less weight in the debate. Participants expressed the need to construct theoretical and methodological reference frameworks that will be enriched by research results in the process.

The debate was wide-ranging and stimulating, within the limits imposed by a short workshop. The group work and its conclusions faithfully sum up the main areas of the discussion and add others which, in the opinion of the participants, should form part of future discussion and research agendas.

The conclusions and recommendations for building a research agenda were a product of the discussion. This is because, with few exceptions, the presenters and commentators took this aspect of the terms of reference on board when drafting their papers.

27 people took part in the workshop, including representatives from different sectors of civil society and policy-makers from Bolivia and 4 specialists from other countries in the region: Chile, Peru, Argentina and Mexico. All of them brought knowledge and experiences that contributed to achieving the objectives of the event. The number of participants from the business community and the state was less than envisaged.

In the opinion of the participants, the workshop was highly enriching and encouraged expectations and interest in giving continuity to the discussion on this subject. The presentations and comments were rated as good and five participants judged them to be very good or excellent.

The debate and the degree of participation in it was considered to be wide-ranging and good, although four people expressed the opinion that it was insufficient and that more time should have been allocated to discussion.

When asked about relevant issues or aspects that were not covered in the presentations and comments, the participants highlighted the following:

- the regional and local perspective in globalisation
- the territorial and spatial dimension; the changes taking place in urban spaces
- regional identities, characteristics and imaginary constructs in Latin America
- the agrarian question
- elites and social communication
- gender and environmental dimensions

It was also pointed out that there is a need for in-depth reflection on the situation of certain sectors of society such as small urban and rural producers, the export sector, women, young people and their organisations, as well as the role of the state in achieving social cohesion. Indirectly, this is an indication of the sectors who should be considered as priority subjects in future research initiatives.

In general the participants were in agreement in stating that the workshop's objectives were fulfilled adequately and as planned. They also stressed the relevance of the proposed research agenda, with the exception of 3 participants who considered it to be relevant but still too general. Several participants suggested including the need to develop a theoretical and methodological framework in order to continue with the discussion. One participant suggested making progress with this effort on the basis of research processes and using research results to consolidate the construction of our own interpretation approaches.

Participants were asked to rate the proposed research topics and prioritise them in accordance with a systematic effort to build scientific knowledge. The results of this gave similar priority ratings to all five of the proposed thematic areas. A slightly higher priority rating was given to those aspects relating to the role of the state and social actors within the framework of the changes and effects produced by globalisation.

*Report of the consultation of the Dutch research community on the draft advisory report 'The need for research concerning the local response to globalization in developing countries', Utrecht, The Netherlands, 26 January 2000*

#### 1. Purpose of the meeting

The consultation meeting was organized by RAWOO as part of the preparations of an advisory report on the need for research on the impact of and the local response to globalization processes in developing countries. The purpose of the meeting was to inform interested researchers in the Netherlands on the Council's initiative in this field, the approach taken and the methods used, and to solicit the researchers' views on a draft document presenting the outcome of the preparatory activities so far.

The meeting was chaired by Professor Hans Opschoor, vice chairman of the Council and member of the Council Committee that prepared the draft report. A list of participants is attached.

The meeting started off with two short presentations by the RAWOO, followed by a round of questions and clarifications on the part of the Council, and thereafter comments and general discussion.

#### 2. Major issues brought forward by the participants

##### *Country choice*

What were the reasons for choosing Tanzania and Bolivia? What criteria were used? Are these countries typical or atypical when it comes to the impact of globalization processes on developing countries? Both Tanzania and Bolivia belong to the group of least-developed countries and both are heavily affected by structural adjustment policies.

In a way, the outcome is predetermined by the choice of the two countries: Tanzania and Bolivia. The question is whether it is possible to generalize on the basis of these two specific cases. On the other hand, it was emphasized that bringing in the Southern perspective on globalization issues through the case approach is a strong point and adds a special dimension to the debate. It is also what the present report has to offer in terms of added value.

The question was raised whether the implementation of the research programme would

be restricted to Tanzania and Bolivia, or whether other countries could be included as well. If this would be the case, it was suggested to include countries where globalization is not only experienced as a problem or a threat but also as an opportunity. In other words, to look at countries doing relatively well in terms of coping with globalization. Such a comparative perspective could be valuable and fruitful from the viewpoint of learning from experiences and South – South exchange.

##### *Disentangling the effects of globalization from other factors affecting development processes*

Some participants wondered where globalization comes in. The report assumes that the poverty and development issues which these countries are facing are related to globalization, but there are other, internal factors impinging on development processes as well.

Others brought forward that the people at the local level are confronted with the effects of production processes being globalized. In a sense, they are the 'recipients' of globalization processes, which they cannot influence. The question is where the power behind these processes lies.

A few participants found that the picture is too general and perhaps too gloomy as well. General concepts, like 'the South' and 'the State', should be clarified and made more specific. The 'South' as a concept is too general, more differentiation is needed by countries, sectors and social groups. After all, there are winners and losers of globalization.

Other participants observed that the report's focus is on policies and strategies. But that presupposes that the problems, the cause and effect relationships, are known, which is not the case. There is a need to better understand the problems first before jumping to conclusions and policy responses. It was felt that too little empirical research has been done on the effects of globalization on developing countries. Such research must disaggregate and show the impact of globalization on various countries, sectors, societal groups and regions (urban – rural disparities).

Suggestions: (1) disentangle the impact of globalization from other, internal factors impinging on development processes; (2) show more clearly how the actual problems in Tanzania and Bolivia are related to globalization. As such information is

33. The structure of this report was modified following the comments presented in this paragraph as well as comments by RAWOO members. The chapter numbers mentioned here do not correspond with numbers in the present report.

contained in the workshop documents, it was suggested to better incorporate this into the advisory report; (3) put more emphasis on the need for empirical research on the effects of globalization on developing countries, particularly on the way it affects various countries, sectors, social groups and regions.

#### *Regional perspective*

What about a regional perspective? Has that been discussed at the workshops? Although both workshops focused on the national and sub-national level some attention was paid to the regional level. The issue was brought up, and the workshop participants in both countries seemed in favour of more regional cooperation, but it was not discussed at length. The regional perspective could also be relevant from the viewpoint of research cooperation, taking into account that there are already several active regional research networks, both in Africa (Codesria, Osrea) and Latin America (Clacso). The African Economic Research Consortium, AERC, was mentioned as an example of a relatively successful regional network.

#### *Other points*

- there are not only losers but also winners, i.e. groups benefiting from globalization (global networks of people living outside their country of origin, but still strongly related to these countries through long-distance nationalism);
- there is a shift from production to consumption, a fascination with Western life-styles by elites and middle classes;
- the role of the World Trade Organization (WTO). Its policies, for example in agriculture, the service sector and intellectual property rights, have an enormous impact on developing countries, while some of these countries are not even represented. There is an activist perspective on WTO policies, but not so much research. Such an international research perspective could complement the country perspective;
- the so-called informal sector is often connected to the global system through illegal activities, criminality and mining. These illegal activities should be distinguished from other income-generating activities in the informal sector;
- the focus on strategy development and the role of the state therein coincides with the current orthodoxy in World Bank and bilateral donor policies, which emphasizes sector wide approaches, local ownership, and policy dialogue with the actors and stakeholders concerned in

civil society. How does this fit into the research agenda?

#### *Structure of the report<sup>33)</sup>*

There were some comments regarding the structure of the report. It was felt that the balance and the coherence among the different parts of the document could be enhanced. This refers, for example, to the link between the analytical and the concluding part, and to the relative weight given to chapters 2 and 3 (chapter 2 is relatively long in comparison with chapter 3, which is contradictory to the starting points and approach outlined in the introductory part).

#### *The role of the state*

Some participants observed that the report puts much emphasis on the role of the state, and less on the role of civil society at large, including the business sector. Others felt that the emphasis on the state is right and in line with present development thinking in the donor community. The RAWOO secretariat brings in here that the Council initially focused on local responses to globalization, but that the workshop participants in Tanzania particularly stressed the role of the state.

#### *Cultural equilibrium*

It is not clear what is meant with the phrase 'cultural equilibrium' as used in the draft report; as if cultures are static. The theme is meant to pinpoint the present debate on cultural identity. The notion of counterbalance is in the text, which the participants found positive. Other participants questioned whether it is necessary to have a specific theme dealing with globalization and culture. In their view, culture is part of the other themes.

#### *A methodological suggestion: chain analysis*

Some participants suggested to follow chains of products, information and migrants on a global level, and to bring the various actors involved herein together. Such analysis should focus on the social groups that are most affected by globalization, such as women, children and the elderly. The chain concept could perhaps bridge the gap between a global and a context-driven approach

#### *The role of Dutch researchers*

The observation was made that the role of the Dutch research community, or broader the North, in the proposed research programme is rather vague. It would perhaps be better to explicitly state the

interests of the Northern researchers, in stead of hiding them. The chair clarified this point by saying that in the documents presented and the approach followed the voice of researchers from the South was prominent, if not exclusively listened to. The reason for conducting this meeting was to enable the Dutch researchers to give their views on the needs for research as expressed in the South, and to match these needs with the knowledge and research expertise available in the Netherlands. The RAWOO puts the needs in the South first, but Northern researchers still have a role to play when it comes to cooperation.

### **3. Closing remarks**

In his closing remarks the chair emphasized that RAWOO appreciated the meeting very much. There was a good atmosphere, and a lively and rich debate. The comments and remarks made were critical but constructive. They could enrich and enhance the Council's final report, and lead to a better phrasing. He believed that the meeting had opened up avenues for cooperation with Dutch research groups, when it would come to a research programme.



*List of participants in the consultation of the Dutch research community on the draft advisory report 'The Need for Research Concerning the Local Responses to Globalization', Utrecht, 26 January 2000*

| <b>Name</b>                           | <b>Institution</b>                          |
|---------------------------------------|---|
| <i>Netherlands Research Community</i> |   |
| Menno Vellinga                        | Utrecht University                          |
| Oda van Cranenburgh                   | Leiden University                           |
| Margriet Poppema                      | Amsterdam University                        |
| Jan Nederveen Pieterse                | Institute of Social Studies                 |
| Ruerd Ruben                           | Wageningen University                       |
| Alberto Arce                          | Wageningen University                       |
| Joseph Francois                       | Erasmus University Rotterdam                |
| Rijk van Dijk                         | African Studies Centre                      |
| Cora Govers                           | NWO/WOTRO                                   |
| Ton Waarts                            | NCDO  |
| Wim Pelupessy                         | Tilburg University                          |
| Catherine Hodgkin                     | Royal Tropical Institute – KIT              |
| <i>Ministry of Foreign Affairs</i>    |   |
| Hannie Loermans                       | DGIS/DCO/OZ                                 |
| <i>RAWOO</i>                          |   |
| Hans Opschoor                         | Institute of Social Studies (Chair meeting) |
| Meghna Guhathakurta                   | Dhaka University                            |
| Annemiek Richters                     | Leiden University                           |
| Ed Maan                               | RAWOO Secretariat                           |
| Marijke Veldhuis                      | RAWOO Secretariat                           |
| Paul Smits                            | RAWOO Secretariat                           |
| Eduard Jansen                         | RAWOO Secretariat                           |

## List of RAWOO publications

The Need for Research Concerning the Local Response to Globalization in Developing Countries, Publication no. 20. September 2000.

Mobilizing Knowledge for Post-Conflict Management and Development at the Local Level. Publication no. 19. May 2000.

Building bridges in research for development. Review of 1997 and 1998. May 1999.

Information & Communication Technology and Development. RAWOO lectures and seminar. Publication no. 18. August 1998.

Framework for a Philippine-Dutch Programme of Biodiversity Research for Development. Publication no. 17. March 1998.

Developing a Ghanaian-Dutch programme of health research for development. Results of a questionnaire to identify relevant expertise in the Netherlands and willingness to cooperate with Ghana. Publication no. 16. February 1998.

Framework for a Ghanaian-Dutch Programme of Health Research for Development. Publication no. 15. March 1998.

Internal conflicts, security and development. RAWOO lectures and seminar. Edited by Bas de Gaay Fortman and Marijke Veldhuis. Publication no. 14. May 1997.

Towards a European Science and Technology policy for development. Publication no. 13. November 1996.

Agenda 21. RAWOO/RMNO lectures on sustainable development. Edited by Frans Duijnhouwer and Marijke Veldhuis. Publication no. 12. July 1996.

Research capacity for sustainable development. Report of a field study in Ghana, Kenya and Kerala (India) conducted for RAWOO by Wesley Monroe Shrum, Jr. Publication no. 11. April 1996.

Supporting capacity building for research in the South. Recommendations for Dutch policy. Publication no. 10. December 1995.

Building up and strengthening research capacity in Southern countries. A study prepared for the RAWOO by Frits Wils. Publication no. 9. August 1995.

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