Amal Saeed

Roger Rouse, Ph.D.

PS0550 Introduction to Global Studies

14 December 2016

Prompt 2

During the past few decades, people across the world have become more rapidly interconnected through technologies such as the World Wide Web and social media (Steger 2013: 14). However, links between people in different nations have existed through trade far prior to this. These relationships have become more complicated since the 1970s with the growing dominance of neoliberal capitalism, an ideology which champions “free markets,” with governments minimizing trade barriers to ensure economic efficiency (Steger 2013: 108). Specifically, the growing dominance of this neoliberal project has increased economic and political divisions throughout the world along class and geographic lines. The decentralization of commodity chains used to process goods has highlighted these divisions while resulting in greater economic and ecological interdependence of individuals globally, acknowledged through increased securitization. Recent events such as the 2008 global financial crisis (GFC) have brought greater attention to these issues, bringing more people across the world together to challenge neoliberalism and try to solve these issues of inequity.

 Firstly, statistics from prior to the 1970s until today show that since the 1970’s, the neoliberal project has increased economic inequity globally (Hickel 2014). While neoliberals state that their policies have halved world poverty and hunger from the year 2000 in accordance with the United Nations Millennium Development Goals (MDGs), an analysis of these statistics shows that the number of people in hunger and poverty has in fact increased; only the proportion of people in hunger and poverty in developing countries has been halved, and even that is only when comparing statistics from the 1990s onwards, which accounts for non-neoliberal economic policies that China enforced at that time (Hickel 2014:2) (Hickel 2015: 1). The metrics for these proportions also do not account for the global realities that individuals face, as the international poverty line is not how individual nations assess poverty (Hickel 2015: 2). Caloric measures for hunger are also based on a sedentary lifestyle, inaccurate to the labor-intensive lives that many of the world’s poor live (Hickel 2015: 3). When analyzing the distribution of wealth across classes, the top 1% wealthiest individuals control 40% of the world’s wealth, while the bottom 50% control only 1% (Hickel 2012: 9). When analyzing the distribution of wealth globally, the 1/3 richest nations have rising average incomes while the lower and middle 1/3 nations have stagnating incomes, also showing geographic economic inequality (Hickel 2012: 10).

 These inequities have also resulted in stark political divisions, with wealthier individuals and corporations having a greater say in national economic policies, and nations in the global North having a greater say in international economic policies. While neoliberals argue that their version of free trade empowers middle classes, claiming that trade barriers correlate with less political and civil freedom (Griswold 2007: 3-5), the opposite can be claimed since states actively promote profitable corporate interests, often by ignoring middle and lower classes. In her piece on neoliberal capitalism’s impact on Indian economic policies, Arundhati Roy mentions instances of military violence against people protesting the seizure of their land for Special Economic Zones (SEZs), used by transnational corporations (TNCs) for so-called economic development (Roy 2012: 3-4). The shift from world capitalism, run by nation-states, to neoliberal capitalism, run by the wealthy transnational capitalist class (TCC) which runs TNCs has thus ushered in a new form of feudalism where individuals are forced to work for corporations after losing their land (Robinson 2004: 5-8). These relations can be seen through the lens of imperialism as well, as international economic institutions such as the International Monetary Fund (IMF) and World Bank are led by the United States (Roger Rouse: September 26 2016). The World Bank, which directs financial policies in developing nations, has been run since 1946 by presidents from the Council of Foreign Relations (CFR), formed by the corporate-based Rockefeller and Carnegie foundations (Roy 2012: 10). Similar foundations have historically funded education and research in support of neoliberal policies, showing the influence of the TCC on policy outcomes (Roy 2012: 12-15). As we discussed in class previously, shifts in political power cannot be discussed without referencing shifts in economic power as seen through the TCC; the two are inextricably linked (Roger Rouse: October 12 2016).

 The rise of neoliberalism has also resulted in the rise of a decentralized materials economy, defined by commodity chains where raw material extraction, manufacturing, distribution, marketing, consumption, and disposal of goods happen in different locations; by analyzing differences across these chains, economic and political divisions caused by neoliberal capitalism become more evident (Leonard 2007) (Roger Rouse: September 1 2016). Many of these divisions are evident when looking at the shift of clothing manufacturing to the global South (Leslie 2012: 65). As the 2013 Rana Plaza building collapse in Bangladesh showed, clothing manufacturing workers abroad often suffer in poor working conditions with little legal enforcement of safety standards (Appelbaum and Lichtenstein 2014: 61). Workers like Parul Begum are often forced into working in factories once their rural land is lost, in her case to flooding, where they work for long hours with minimal income to support not only themselves, but their families as well (Majumder 2013: 3-4). While workers in the United States have obtained high safety standards are higher wages by unionizing, attempts to do the same in the global South have been put down by corporations, shown by the refusal of retailers like Gap and Walmart to sign the May 2013 Accord on Fire and Building Safety, which would have guaranteed labor organizing rights in Bangladesh (Appelbaum and Lichtenstein 2014: 63-64). Just a 1.8% increase in clothing retail price would result in a doubled wage for sweatshop workers, who receive only 1% of the retail price, showing how inequitable division of profit has become through today’s commodity chain, which seeks economic advantages through exploitation of cheap labor (Hickel 2011: 2) (Roger Rouse: September 7 2016).

 Decentralization of the commodity chain thanks to neoliberal capitalism has also resulted in greater exploitation of migrant manufacturing workers, as demand for labor increases with greater demand for goods. In an interview with a migrant worker named Ling in Guangzhou, a region designated as a SEZ in China, Hsiao Hung Pai learned that workers in Guangzhou have few labor rights due to manufacturers’ legal protections (Pai 2012: 3-4). They are also denied local registration of marriage or childbirth via “hukou registration” (Pai 2012: 3-4) (Leslie 2012: 67-68). China claims that incomes in Guangzhou have risen to $10,000 per year, but this does not account for the low incomes of the countless migrant workers who make 1/3 of the world’s shoes, textiles, and toys there (Pai 2012: 3-4). If migrant workers want to flee from overwork and overcrowded apartments, they often have to do so without pay since they are only paid when official resignations are approved by supervisors (Pai 2012: 7-8). These conditions would be grounds for legal action in the United States, showing how drastically different labor rights are throughout transnational commodity chains. While neoliberal Paul Krugman argues that these divisions should not matter since employment for these laborers is better than unemployment, his lack of concern for labor rights is clear when he states that employers not “in business for workers’ health,” as they seek to pay “as little as possible” (Krugman 2005 [1997]: 205).

Some of these inequities are shared by individuals in the global North as well, as well, particularly for female and migrant workers. Even in the global North, immigrants contribute significantly along commodity chains (Leslie 2012: 70). With increasing amounts of female workers, Deborah Leslie uses feminist commodity chain analysis to see parallels in resulting cultural changes in the global North and global South (Roger Rouse: September 6 2016). Administration in both fashion design and manufacturing tends to be predominantly male, while laborers are predominantly female, resulting in high risks for sexual harassment and/or gender discrimination (Leslie 2012: 70). Due to the recent rise of fast fashion, where designers and manufacturers have to keep up with consumers’ rapidly shifting style demands, employment has become more insecure for workers on both levels, as income is determined by unpredictable aesthetic demands (Leslie 2012: 70) (Roger Rouse: September 6, 2016). As work becomes more time-consuming, women’s ability to simultaneously manage their home and work lives has become more difficult, as female designers have little money to spend on childcare and little time to spend with their partners (Leslie 2012: 74-76). Female manufacturing workers, on the other hand, are preferred by employers when single, and may be forced to take pregnancy tests by their employers to ensure that their work is not affected by their personal lives (Leslie 2012: 76).

The commodity chain chain’s decentralization has also resulted in economic interdependence throughout the world, as demand for goods in different nations creates jobs in other nations; thus, consumption and entrepreneurship have been encouraged to sustain the world’s economy. To keep demand up, a culture of consumerism has been created to sustain growing economies; in the past 50 years, U.S. consumption has already doubled (Leonard 2007). Planned obsolescence, the design of goods meant for disposal, such as plastics, and perceived obsolescence, the design of goods that lose value, such as clothing which goes out of fashion, contribute to this culture (Leonard 2007). Entrepreneurship has also been encouraged by neoliberals to ensure a continual influx of new goods and/or greater sales of corporate goods. In the United States, entrepreneurship has been paralleled with the American Dream, with “prophets of capitalism” like Oprah convincing people of the cultural superiority of neoliberalism in allowing people to be “self-made” (Aschoff 2015a: 10) (Aschoff 2015b: 3-4). Entrepreneurship is even championed in the media, with the movie Pirates of the Caribbean essentially being the story of how Jack Sparrow learns to become the ideal individualistic, charismatic, well-networked businessman (Roger Rouse: November 11 2016). In countries like Bangladesh, the poor are encouraged to become entrepreneurs by selling corporate goods, with their profits being used as proof of the benefits of neoliberalism by the TCC (Dolan 2012: 1-2).

Changes in commodity chains since the 1970’s have required transnational management, achieved through a “logistics revolution,”; resulting economic interdependence has caused TNCs to demand greater securitization of commodity chains (Roger Rouse: October 19 2016). Commodity chains are now linked using “logistics,” or supply chain management (SCM) techniques (Bonacich and Wilson 2005: 68). Data on consumer demand is continuously collected using information from bar codes, allowing “flexible production” to fuel just-in-time (JIT) retailing, which matches commodity supply with demand (Bonacich and Wilson 2005: 69). To maximize profits, retailers like Wal-Mart externalize labor costs by exploiting labor abroad, using containers on land, air, and sea to transport goods to their point of retail; as a result, retailers’ influence stretches into manufacturing abroad (Bonacich and Wilson 2005: 69-70, 72) (Roger Rouse: October 19 2016). While these practices ensure low prices for consumers and maximum profits for retailers, they stress manufacturing workers with time pressures (Roger Rouse: October 19 2016). Logistics networks connect not only people, but economies worldwide, making supply chains vulnerable to disruptions in the form of attacks, strikes, blockades, and/or occupation (Cowen 2014: 3). Disruptions can also have major political consequences, shown by the strike of Suez Canal workers in Egypt contributing to Hosni Mubarak’s downfall in the Arab Spring (Cowen 2014: 6). Piracy and workers strikes are now treated as security threats by governments due to their impact on commodity chains; as a result, ships which transport goods through the Suez Canal are accompanied by navy ships, and police are involved in stopping protests like one at a Wal-Mart distribution center in Elwood, Illinois, where workers and allies protested unfair labor practices (Roger Rouse: October 19 2016). While deregulated “free trade” seems to be a threat to national security, its role in economic stability has made it worth protecting for governments (Roger Rouse: October 19 2016).

The decentralization of the commodity chain has also revealed how ecologically connected individuals are globally, with unequal contributions to environmental destruction resulting in dire consequences for all. While the United States only contains five to six percent of the world’s population, it produces the most carbon dioxide emissions and uses 30-40% of the world’s natural resources (Roger Rouse: November 14 2016). Due to increased greenhouse gas (e.g. carbon dioxide) emissions, the earth’s temperature has increased to 1.2°C since the 1970s via global warming; if it continues to occur at today’s rate, climate volatility will leave individuals in coastal areas and the global South vulnerable, increasing the number of “climate refugees” (Roger Rouse: November 14 2016). Increased commodity transport has resulted in more greenhouse gas emissions, speeding global warming (Shiva 2000: 115). Resource exploitation has also increased; 80% of the world’s forests have been destroyed thus far, and access to clean water continues to be an issue in the global South as huge amounts are used in manufacturing (Leonard 2007) (Roger Rouse: November 16 2016). Manufacturing practices have increased pollution as well, contributing to environmental damage and global warming; due to legal limits on pollution in the global North, factories have been moved to the global South, keeping toxic byproducts in the global South (Leonard 2007) (Shiva 2000: 116). Increased amounts of trash along the commodity chain has become increasingly difficult to dispose, as incineration contributes to climate change while landfills pollute land and water (Leonard 2007).

Since the mid-1990s, crises including the 2008 Global Financial Crisis (GFC) and climate change have caused people worldwide to see inequities in today’s commodity chains and re-evaluate neoliberalism (Roger Rouse: November 28 2016). The global justice movement has increased in traction, stating that neoliberalism is the cause of these crises since it only pursues wealth for the TCC, and that another world is possible if people join together (Roger Rouse: September 14 2016). Governments’ continual support of corporations’ rights has increased discontent among laborers worldwide, giving an opportunity for laborers at all stages of commodity chains to demand better treatment through coalitions (Roger Rouse: November 7 2016). Economic inequality along commodity chains is systemic and cannot be solved by personal choices as neoliberalism teaches; while Deborah Leslie spoke of fashion designers working in Toronto to have more relaxed working conditions, manufacturing workers like Parul Begum have no such option (Leslie 2012: 74). There is still potential for globalization to promote global equal opportunity; new technologies and transnational social spaces can allow opposition movements to rise against transnational corporate practices (Sklair 529, 532-533). The internet and social media have provided the ideal platform for social revolutions to grow in the past few decades as well (Mason 2013: 6).

Coalitions have thus formed since the 1990s at an increasing rate on national and transnational levels to challenge neoliberalism and try to solve issues of inequity. Non-governmental organizations (NGOs) including Human Rights Watch and the Worker Rights Consortium have fought against transnational corporations in the global South when trade unions cannot be formed (Appelbaum and Lichtenstein 2014: 60). United Students Against Sweatshops (USAS), which has a chapter at the University of Pittsburgh, encourages universities to source products from factories monitored for labor rights (Appelbaum and Lichtenstein 2014: 61). Typically on a national level, cooperatives have been formed among consumers, producers, purchasers, and workers to keep organizations accountable through collective ownership (Marjorie 2013: 3-4). In the case of clothing manufacturing, Deborah Leslie gives the example of a Toronto fashion designers retail collective which resulted in more relaxed working conditions (Leslie 2012: 75). A new form of “labor environmentalism” has also emerged among coalitions, which advocates for labor rights and better environmental policy simultaneously as both are considered to be caused by neoliberalism (Barca 2016: 10-11). These various kinds of coalitions have connected people of different classes and occupations throughout the world; Beverly Silver makes a case that the new and old working classes have been brought together in desires to make gains again, and that they have been connected to surplus populations trying to secure basic incomes (Roger Rouse: December 5 2016). Jackie Smith also makes a case that experienced activist groups from the early 2000s have now been joined by newcomers since the GFC, making opposition more fervent in desiring global change (Roger Rouse: December 5 2016).

 As people have become more directly interconnected in recent times, divisions existing since the 1960’s embrace of neoliberalism have become more evident, particularly when looking at shifts in commodity chains such as that of clothing. As a result of economic and ecological crises, however, people have become more interconnected since the 1990’s through mutual struggles, and they have now joined together in transnational coalitions to try to achieve equal opportunity throughout the world.

Bibliography

Applebaum, Rich and Nelson Lichtenstein

 2014 An Accident in History. New Labor Forum 23 (3): 58-65.

Aschoff, Nicole

2015a Introduction: Storytelling. *In* The New Prophets of Capital. London: Verso, 1-15.

2015b Oprah Winfrey: One of World's Best Capitalist Thinkers. The Guardian, Saturday 9 May

2015. Accessed on December 24, 2015 at <http://www.theguardian.com/tv-and-radio/2015/may/09/oprah-winfrey-neoliberal-capitalist-thinkers>

Barca, Stefania

2016 Labor in the Age of Climate Change. Jacobin Magazine. March 18, 2016. Accessed on August 17, 2016 at <https://www.jacobinmag.com/2016/03/climate-labor-just-transition-green-jobs/>

Bhagwati, Jagdish

2013a Don’t Blame the Brands. Prospect Magazine, April 2, 2013. Accessed on August 17, 2016 at <http://www.prospectmagazine.co.uk/author/jagdish-bhagwati>

Bonacich, Edna and Jake B. Wilson

2005 Hoisted by Its Own Petard: Organizing Wal-Mart's Logistics Workers. New Labor Forum 14 (2): 67-75.

Cowen, Deborah

2014 Disrupting Distribution: Subversion, the Social Factory, and the “State” of Supply Chains. Viewpoint Magazine 4. Accessed on December 24, 2015 at <http://viewpointmag.com/2014/10/29/disrupting-distribution-subversion-the-social-factory-and-the-state-of-supply-chains/>

Dolan, Catherine

2012 The New Face of Development: The ‘Bottom of the Pyramid’ Entrepreneurs. Anthropology Today 28 (4): 3-7.

Griswold, Daniel

2007 Trade, Democracy, and Peace: The Virtuous Cycle. **Speech presented at the “Peace Through Trade” Conference, World Trade Centers Association, Oslo, Norway.** The Cato Institute. Accessed on January 4, 2014, at <http://www.cato.org/publications/speeches/trade-democracy-peace-virtuous-cycle>

Hickel, Jason

2015 The Hunger Numbers: Are We Counting Right? The Guardian, Friday 17 July 2015. Accessed on August 17, 2016 at <https://www.theguardian.com/global-development-professionals-network/2015/jul/17/the-hunger-numbers-are-we-counting-right>

2014 Exposing the Great 'Poverty Reduction' Lie. Al Jazeera 21 August, 2014. Accessed on December 24, 2015 at <http://www.aljazeera.com/indepth/opinion/2014/08/exposing-great-poverty-reductio-201481211590729809.html>

2012 A Short History of Neoliberalism (And How We Can Fix It). New Left Project, 22 October, 2012. Accessed on December 24, 2015 at <http://www.newleftproject.org/index.php/site/article_comments/a_short_history_of_neoliberalism_and_how_we_can_fix_it>

2011 Rethinking Sweatshop Economics. Foreign Policy in Focus, July 1, 2011. Accessed on December 24, 2015 at <http://fpif.org/rethinking_sweatshop_economics/>

Kelly, Marjorie

2013 The Economy: Under New Ownership. Yes! Magazine. Spring 2013. Accessed on January 3, 2015 at <http://www.yesmagazine.org/issues/how-cooperatives-are-driving-the-new-economy/the-economy-under-new-ownership>

Krugman, Paul

2005 [1997] In Praise of Cheap Labor: Bad Jobs at Bad Wages are Better than No Jobs at All. *In*

Thomas Oatley ed., The Global Economy: Contemporary Debates. New York: Pearson Longman, 204-207.

Leslie, Deborah

2012 Gender, Commodity Chains and Everyday Life. *In* Barney Warf ed., Encounters and Engagements between Economic and Cultural Geography. Dordrecht: Springer, 65-78.

Majumder, Azad

2013 Day in the Life: A Bangladesh Garment Worker. Thomson Reuters Foundation. 13 Aug, 2013. Accessed on January 3, 2015 at <http://www.trust.org/item/20130813111935-9ao2j/>

Mason, Paul

2013 Why It’s Still Kicking Off Everywhere. Soundings 53. Accessed on January 4, 2014, at <http://www.newleftproject.org/index.php/site/article_comments/why_its_still_kicking_off_everywhere>

Norberg, Johan

2007 [2003] In Defense of Global Capitalism. *In* J. Timmons Roberts and Amy Bellone

Hite eds., The Globalization and Development Reader. Malden, MA: Blackwell, 263-276.

Pai, Hsiao Hung

2012 Factory of the World: Scenes from Guangdong. Places Journal, October 2012. Accessed on August 17, 2016 at <https://placesjournal.org/article/factory-of-the-world-scenes-from-guangdong/>

Robinson, William I.

2004 Globalization as Epochal Change in World Capitalism. *In* A Theory of Global Capitalism. Baltimore, The Johns Hopkins University Press, 1-22.

Roy, Arundhati

 2012 Capitalism: A Ghost Story. Outlook.com. Accessed on August 17, 2016 at

<http://www.outlookindia.com/article.aspx?280234>

Shiva, Vandana

2000 The World on Edge. *In* Will Hutton and Anthony Giddens eds., Global Capitalism. New York: The New Press, 112-129.

Sklair, Leslie

2009 The Emancipatory Potential of Generic Globalization. Globalizations 6 (4): 525-539.

Steger, Manfred B.

2013 Globalization: A Very Short Introduction. Third Edition. Oxford: Oxford University Press.