Village life in the global economy

Peattie L.

in

Camarda D. (ed.), Grassini L. (ed.).
Local resources and global trades: Environments and agriculture in the Mediterranean region

Bari : CIHEAM
Options Méditerranéennes : Série A. Séminaires Méditerranéens; n. 57

2003
pages 135-139

VILLAGE LIFE IN THE GLOBAL ECONOMY

Lisa Peattie
Massachusetts Instutute of Technology, Cambridge, USA.

ABSTRACT

It is the nature of social movements to discover their goals incrementally via action and coalition-building. The so-called "anti-globalization" movement is at an early stage of this process. Its context is such and its constituents so diverse that it is likely to call into question not only current institutions but current ways of thinking. Eighteenth century linkages between continents via the trade in slaves, sugar and cod show that globalization itself is not new and has long had the capacity to transform culture at the most local scale. Already present at that time were the basic elements: reciprocal trade, military force, and legitimating ideas. In our time the states and corporations have collaborated in the development of a set of transnational institutions to manage the global economy. These are at once a means of power over local practices and interests and a target around which the most varied groups may join in opposition. As these heterogeneous coalitions struggle together one outcome is likely to be a questioning of the very concept of "the economy" and of "economic interests" as separable from and prior to those interests that we think of as cultural or social.

If I identify the topic of this paper as the "anti-globalization" movement, I am pointing to those demonstrators in Seattle, in Quebec and in Genoa and their supporters. But to wave at a phenomenon is not to define it. What is this movement about? What do the posters, the slogans, the giant puppets and turtle costumes, intend to say? What do these people really want? You will see that I cannot give good answers to these questions. Indeed, I believe that only history can bring us answers. I know–indeed, I think that by now we all know–that it is not globalization in itself that is the problem, but rather the forms that globalization takes. But beyond that obvious statement, what more can we say?

In the most general sense, globalization is not a recent phenomenon. For thousands of years people have been trading over great distances, and the trade and the trading posts have changed the cultures and communities along the way. In the Second Century trade along the Silk Road across Asia created the largest city in the world, Xian, in what is now China.

Moving forward in time to the l8th Century, a period about which I know a little more, we see in the Caribbean a perfect example of globalized economics and the capacity of such arrangements to transform life on the ground. Every American schoolchild learns about the three-way trade in sugar, rum, and slaves that linked three continents with the slaves growing the sugar that made into rum could be exchanged for more slaves. The story is usually told as geopolitics and the moral responsibility for slavery. It could serve also as an example of how trade can change the very details of daily life into the future. In Africa the trade shaped kingdoms. In London it paid for grand houses. But there were other changes. In Europe, as sugar became not an unusual luxury but a staple, there were new social forms involving tea sets, cakes and the celebration of weddings. In the Caribbean societies formed via slavery I will mention a particular relic of that economy that lingers still. This is the frequency with which, to this day, one can find dried codfish for sale in the village store. Is it not strange that on an island, surrounded by ocean fish, village shopke5epers should be selling cod from the cold waters of the northern Atlantic? Dried cod represents the intersection of two important globalized industries of the time, sugar and slavery. Codfish was a third globalized industry, and an important one. People in northern Europe and North America had been making fortunes in codfish. As sugar growing with slave labor became the big money-maker in the Caribbean, some gentlemen in Massachusetts found that there was a new and very profitable specialized market in providing a particularly poor grade of dried cod as salty protein for the slaves. Indeed, so important was cod in the slave dietary that when the British embargoed American goods during the War of Independence hundreds of slaves in the Caribbean died of starvation. Why did the slaves and their owners not turn to other sources of food? They could not import because the British government, supported by the British navy, prevented buying elsewhere, and they did not have local sources of food–gardens, chickens, and the like–because the slave owners were determined to keep their labor force dependent on them. (In support of this point, I shall mention here that when slavery was abolished,

on some islands the whites cut down all the fruit trees in an attempt to keep the blacks still working away for them). If you want a stable economic system, it is not enough to pass regulations; it is also necessary to shape the system of incentives to support the economic power relations.

Let us note that the industries were not only complex economic institutions; they also had important political connections. The sugar and slaves complex in the Caribbean was a major piece of the stakes in the rivalry between France and Britain and slaves starved to death because the British navy did not permit goods to be shipped in from America.

We may also note at this point the role of ideas. Everybody in those days believed that it would be impossible to produce sugar without slave labor and, as the business was conducted, it seemed to require a supply of slaves continually replenished to make up for those who were used up. Slaves and the slaving industry were thus understood as economic necessity. Back in the United States, one of our favorite founding fathers, Thomas Jefferson, a highly articulate opponent of slavery (although he found slavery personally necessary to support his gracious living and passion for house renovation) looking at the Caribbean plantations could only offer the suggestion that cane sugar could be substituted by maple sugar from the American Northeast. After all, he said, the beauty of maple sugar tapping is that children can do the work.

This is real globalization. The division of labor is international. National states provide military force to back the arrangements. On the ground, at the village level, everything must adapt including the choice of food for dinner. And let us note that at that time, as in our own day, the theory of what is possible follows the actual practice.

The basic elements in the globalization of the present are prefigured in the 18th Century linkages of state power, international trade, theory, and the practice of daily life. But today these have evolved jointly so as to make the scene appear quite novel. The modern technology of communications, replacing the sailing ship and horse-drawn carriage by the airplane, the telephone, and the internet have made possible a transformed set of political and economic institutions. Giant corporations serve to transfer capital across the globe, to establish sites of production wherever appears most profitable, and to develop advertising and product recognition on a global scale. The national state, however dwarfed by these corporate entities, has failed to disappear, but the l8th century national rivalries have been replaced by the dominance of the American super-state, surrounded still by a swarm of smaller states, many of them armed to the teeth against each other. Meanwhile, the states and the corporations have collaborated in the development of a set of transnational institutions, most notably the World Bank and WTO to manage the global economy. As befits the grand scale and the managerial style of these institutions the theory springing from and rationalizing these arrangements has also taken a grander and more elegant form. If we read Adam Smith, the preeminent thinker of the early stage, we see described a world of economic actors: landowners, businessmen, and so on constituting an economy understood as a social system made up of real groups of people with their own interests and powers. Today, economics has become a much more abstract and theoretically developed science, rendered often in mathematical formulae. Of even greater consequence for us here it the fact that “the economy” has come to be understood as a set of arrangements with the sole proper purpose of maximizing the efficient production and distribution of goods and services.

This purpose is assumed to be universal. Whatever individuals want in addition, and however, culturally or idiosyncratically, they wish to deploy the resources provided them by “the economy,” economic efficiency and economic growth are thought to be bound to represent the general good and to be superordinate to all other goals. Other purposes–family stability, community life, the arts–might well be important, but not to get in the way of “the functioning of the economy.” Actually, it is thought to be “the economy” that makes pursuit of these other purposes possible.

I will now sketch the emergence of what I believe are pieces of a movement that threatens the comfortable inter=locking of corporate business, national government and social theory into the system of globalization.

One element has been the appearance of local movements to retain control of resources locally and to assert the importance of local cultures, landscapes and tastes.

It was once thought that world commerce and communication would bring about a world of cultural unanimity, if not uniformity. Ireland, Scotland and Wales had become parts of Great Britain” and in the United States ideas of “the melting pot” ruled. Today Gaelic and Welsh are being spoken in Britain and

sub-national, tribal and religious identities seem to be growing in importance. In Spain, there is Basque separatism and a lively Catalan theatre asserts the reality of Catalonia. In Paris, a man is going to jail for attacking McDonalds in defense of locally-produced food and cuisine.

Meanwhile, the communications technology that makes possible businesses on a global scale also makes possible global-scale institutions to monitor and to check what they do. The growth of the environmental movement has made available a sense of mission that is world-wide in scope and that links the findings of science to the experience of peoples around the world. There now exist thousands of international institutions, some small and specialized, some large and well-financed, positioned to make demands on the WTO machinery. Thus the Uruguay Round of GATT brought "an unusual alliance of consumer, civic religious farm and environmental groups around the world….These activists worked both nationally and internationally. They forged an alliance that not only transcended traditional concepts of left and right, nationalism and internationalism, and freer trade and protectionism and it also changed how trade policy was made" (Aaronson, 2001).

Local issues and transnational institutions are not separate categories. To make a broad issue visible—"pollution," "endangered species"— examples are necessary. Thus, a local group struggling with the paper mill that is poisoning their river and the local government that permits this will look for outsiders who can give them visibility and political leverage. Hence, we should not be surprised, or disapproving either, if we find the classic figure of the "outsider agitator" at work in these situations. As the local struggle becomes part of bigger issues that themselves change their form over the decades the meaning of the local issue seems to shift accordingly. A good example is the continuing struggle in northern India over the forests. This first became notable during the Colonial period when the British cut huge numbers of trees to make sleepers for the Indian Railway. Then the defense of local forests was part of the struggle against colonialism. As young Gandhian organizers entered the picture, the defense of the community forests became part of Gandhi's "positive programme" for village development. More recently Indian feminists have re-conceived the struggle to save the forests as a women's issue; it is women who use the vegetation to feed their animals and it is women who must haul water from springs which, if the forests no longer anchor the soil, are further and further away. To save the existing mixed forests, rather than replacing them with the more commercially adaptable eucalyptus, becomes a causewhich pits local culture and community against economic growth and women against men. The communications technology that makes possible the transnational corporation also makes possible transnational citizen organization. A report on an Alliance of slum dwellers in Mumbai, India tells us that when the phones ring in the central office, the call is as likely to come from Phnom Penh or Cape Town as from a site in India (Appadurai, October 2001).

The very attempt to regulate economic practice globally via institutions such as the World Trade Organization has paradoxically constituted a new set of assaults on local culture as well as a new channel for locally-based protest. For example, international agreements for the protection of "intellectual property rights" have made it possible for giant U.S-based corporations to patent basmati rice, a traditional variety in India, and to prohibit farmers from saving and exchanging seed. This has brought passionate protest and a demand for the defense of indigenous knowledge and culture and heritage. (Shiva, 2001). The intention was, of course, the reverse; regulation from the commanding heights of the great capitalist institutions under the banner of free trade was to bring the practice of the real world closer to "the economy" of theory. But it was the broad sweep of regulation and the attempt to bring more and more of the various real-world practices under them that rendered the global regulators themselves a target for such a very mixed bag of protestors. In the streets outside the WTO meetings in Seattle even the protest organizers were astonished to see the amiable collaboration between the Turtles and the Teamsters–the environmentalists and the union activists. The very arrangement of the meetings served to dramatize the exclusion of a great sweep of issues and organizations from the rule-setting process. At the trade meeting in Quebec protestors marched in the lower city where a chain link fence dramatized their exclusion from the deliberations going on in the conference hall up above. Some carried the banner: CHEZ NOUS, SANS NOUS, INSOPPORTABLE. In real life "the economy" seems unable to sustain the logic it had on the printed page. Again, it has been the very sweep of the new global regulations that has put on the table arrangements that might have been thought to be outside the realm of "the economy." It was now proposed to regulate not merely prices and tariffs but "non-trade barriers" and these could be anything from worker benefits to the banning of tuna caught in ways that endanger dolphins or the attempt in Ireland to have the village post office dispense social benefit payments. Labor organizations, the advocates for endangered species, community planners –there seems to be no limit to the groups who may feel the need to defend their interests and lacking the means to do so as insiders to the process, may take to the streets.

Some of these groups coordinate their efforts; some are programs of advocacy carried on in parallel. The targets of protest are diverse; the participants speak different languages and come from different traditions. The demands are quite general, not to say fuzzy. There is no central coordinating committee, and no single program. Yet all this I think is a social movement. A social movement may include organizations–as this one does–but it is not itself an organization. It is more a loose network struggling to evolve a common framework of analysis and a common set of goals. For this process, the mass protests are important. The mass protests give the demands and the ideas visibility and if things work well attract more groups and more local issues next time. The actions also have an intellectual function; a coalition is a set of groups with diverse but related interests, struggling together under the most intense pressure to find some general common goal without losing the particulars of their own constituencies. Theory and practice are fused with an inclusiveness and an intensity that one would never find in a university.

But the ideas that appear in passionate politics are bound to come gradually into the world of theory. Just as the practice of corporate dominance supported the theory of the free trade economy, the emergence of protests arising from on-the-ground issues has generated proposals for different kinds of economic theory. Most of this is still very much outside the world of academic economics. True, Amartya Sen got a Nobel prize after arguing with his fellow-economists that they had neglected issues of distribution in their focus on production. As evidence he brought in data on five famines, including the great Bengal Famine in which three million people died, to show that in no case was there a problem of productive inadequacy; there was enough food for all, but when hoarding began, and prices began to rise, the landless laborers had no way of claiming their share. Democracy is the best insurance against famine (Sen, 1987).

People who have the charge of developing real-world programs find it hard to operate with “the economy” of theory, and they patch on various supplementary concepts. Programs of housing for those in need of subsidy, for example, generally make use of a concept of “market failure”. The Peruvian De Soto has done much to popularize the concept of an “informal sector” of enterprises too small and too crushed by their lack of legal standing and political clout to operate according to the economic laws proposed for normal practice. But for the most part, recent Nobels have gone for work on issues such as information and expectation affecting the individual choices that are the theory's more usual focus rather than the issues of power and constraint that are the center of the WTO protests.

But as a result of the environmental movement Nature is beginning to enter theory as something more than a stock of raw materials. In Daly's “The Steady-State Economy” (Daly, 1996) it is argued that an economy's efficiency should be measured not in the transformation of raw materials into goods into waste but in the capacity to use efficiently materials at hand. A group of Indian thinkers inspired by the movement to defend village forests, propose to think of an economy as having three sectors: a monetized one, a non-monetized one (as in peasant production for use or housework) and nature itself, which produces oaks out of acorns and fish out of the oceans (Bandyopadhyah and Shiva, 1988). In this scheme when nature's resources are manufactured into something we are not so much adding as we are moving resources from one sector to another, and since different groups of people are variously dependent on each of these sectors, we must be responsible for their particular needs.

I should like to propose here that an even more radical revision of economic theory is possible. We could think of those activities that we call economic as, at bottom, ways of producing our cultures or ways of living. Some years ago a young economist made this point in a study of the Cuban economy. He concluded his study by saying that after all, the Cuban economy had not done very well so far as its production of goods and services was concerned. But, he says, the Cuban economy has done very well on the production of equality, and “Egalitarianism may be considered a nonmaterial output of the Cuban production system alongside more familiar material outputs such as butter and barbering” (Bernardo, 1971). Or we could go back to the argument that John Ruskin made in l862 that the economy of a state or its citizens “consists simply in the production, preservation and distribution at fittest time and place of useful or pleasurable things” whereas money represents a claim to power over others and therefore a system of arrangements to which criteria of justice are best applied (Ruskin, 1985). This may seem like a daffy idea to you, but it did not seem so to Gandhi who said, after reading Ruskin on one of those long Indian train rides, that “it captured me and made me transform my life.” Certainly if we were to haul Ruskin out of his Victorian obscurity the ideas would require a bit of work. But we might do worse than to try.

When skeptics ask of the “anti-globalization” protestors “what do they want? Do they even know what they want?” They are asking for answers that do not yet exist. Perhaps we may never have a final, a definite answer. But I believe that the tumult in the streets and in the offices and meeting halls will

continue, and that only this untidy process can move us towards the political institutions of the new global economy. As we go to our meeting we can bear in mind that even the terms we use, the framing of our questions, is part of a great movement of human history.

REFERENCES

Aaronson S.A. (2001), *Taking Trade to the Streets: the Lost History of Public Efforts to Shape Globalization*, Ann Arbor, University of Michigan Press.

Appadurai A. (October 2001), "Deep Democracy: Urban Governmentality and the Horizon of Politics," *Environment and Urbanization*, 13 (2), pp. 23-ff.

Bandyopadhyay J. and Shiva V. (1988), "Political Economy of Ecological Movements", *Economic and Political Weekly,* 23 (24), pp. 26-ff.

Bernardo R.M. (1971), *The Theory of Moral Incentives in Cuba*, University of Alabama Press.

Daly H.E. (1996), *Beyond Growth: the Economics of Sustainable Development*, Boston, Beacon Press.

Mintz S.W. (1985), *Sweetness and Power: The Place of Sugar in Modern History*, London, Penguin Books.

Ruskin J. (1985), *Unto This Last*, London, Penguin Books.

Sen, A.K. (1987), *Hunger and Entitlements*, World Institute for Development Economics.

Shiva V. (2001), *Protect or Plunder Understanding Intellectual Property Rights*, London, Zed Books.