

Human Settlements Planning

Lecture 12

Globalization

We will start with Globalization. Globalization is a process of interaction and integration among the people, companies and governments of different nations. A process driven by international trade and investment; and aided by information technology. The international Monetary Fund (IMF) identified four basic aspects of globalization: Trade and transactions; capital and investment movements; migration and movement of people; dissemination of knowledge. Globalisation is the new buzzword that has come to dominate the world since the nineties of the last century; with the end of the cold war and the breakup of Soviet Union. The term implies worldly integration or amalgamation of various cultures, styles, economic policies, ideas, etc. It must not be confused with “making things common around the world”. This is an integration; not a simulation. Globalization is a consequence of increased trade across nations. Anthony Giddens, 1990 describes globalization as “the intensifications of worldwide social relations which link distinct localities in such a way, that local happenings are shaped by events occurring miles away. Globalisation is affected; as well as affects the following factors: Culture, society, politics, economy, and the environment. So they are both the cause, as well as effects of Globalization. Globalisation refers to rapid increase in the share of economic activity taking place across national borders. It goes beyond the international trade includes the way in which goods or services are being produced or created; delivered & sold as well as movement of capital. Why is it referred to as Globalisation? “Increasing dominance of the so-called world cities of New York, Tokyo, and London”; and the impact on the spatial planning system, especially with respect to the increasing demand to suitable services and infrastructure and the formation of a new social structure within global cities. The advancements in transportation, communication and technology have had a profound effect on the geographic distance and connectivity at a new level of human interaction.

We will look into the History of Globalisation. Globalization, even though, the term is new, the process is definitely not new. For thousands of years, people- as well as later, corporations- have been buying from and selling to each other in the lands of greatest distances, such as through the famous silk route across Central Asia that connected china and Europe during the middle ages. Likewise, for centuries, people and corporations have invested in enterprises in other countries. In fact, many of the features of the current wave of globalization are similar to those prevailing before the outbreak of the First World War in 1914. Thomas L. Friedman divides the history of globalization into three periods. The first phase occurred between 1492 & 1800 –this was globalization of countries; the second phase occurred between 1800 to the year 2000- globalization of companies; and the third phase of globalization, the beginning of millennium, that is 2000 to the present, is Globalization of Individuals. An early form of globalized economics and culture, known as archaic globalization, existed during the Hellenistic Age. All of this comes under the first phase of globalization; when Commercialized urban centres were focused around the axis

of Greek Culture over a wide range that stretched from India to Spain, with such cities such as - Alexandria, Athens, and Antioch at its Centre. Trade was widespread during that period, and it is the first time the idea of a cosmopolitan culture emerged. The Islamic Golden age was also an important early stage of globalization, when Jewish and Muslim traders and explorers established a sustained economy across the old world resulting in a globalization of crops, trade, knowledge and technology. Globally significant crops such as sugar and cotton became widely cultivated across the Muslim world in this period. While the necessity of learning Arabic and completing the Hajj Created a cosmopolitan culture.

So, the globalization was representative of both culture as well as trade. In the years since the Second World War, many governments have adopted free-market economic systems, vastly increasing their own productive potential and creating new opportunities for international trade and investment. Governments also have negotiated dramatic reductions in barriers to commerce and have established international agreements to promote trade in goods, services, and investment. Taking advantages of new opportunities in foreign markets, corporations have built foreign factories and established production and marketing arrangements with foreign partners. A defining feature of globalization, therefore, is an international industrial and financial business structure. So, it's both manufacturing service sector that is an international background. The economics and culture are also part of this structure.

So what are the different threats and opportunities? Globalization can be a force for good. It has the potential to generate wealth and improved living standards. But, it's currently not doing that very well at the moment. The benefits from increased trade, investment, and technological innovation are not fairly distributed. The experience of the international trade union movement suggests that the reality for majority of the world's population is that things are getting worse. Poorer people are getting poorer; and the richer people are packing their pockets further. Globalization as we know it is increasing the gap between the rich and the poor. This is because the policies that drive the globalization process are largely focused on the needs of business. The key players, the main stakeholders are - multinational firms which carry out business across national borders. The world trade organization (WTO) through which international trade agreements are negotiated & enforced. The World Bank & International monetary fund i.e., IMF are means to assist Government, in achieving development aims through the provision of loans, technical assistance. Stages in Globalization, the first step you have is domestic companies link with the dealers and the distributor. Then the Company does the activities on its own. Company, then begins to carry out its own manufacturing, marketing and sales in the foreign markets. The company starts full-fledged operations including business systems and R&D. At this stage the managers are expected to perform the tasks which they were doing in domestic markets to replicate them in foreign markets. The main causes or reasons for globalization. Firms operate internationally for a number of reasons: They may be seeking to secure better sources of raw materials & energy; they may want to obtain access to low cost factors of production such as labour. They may be attracted to certain countries because of subsidies those countries provide. They may be seeking new markets for their

products. Domestic markets may no longer be able to absorb production at minimum efficiency scale. They may be motivated by lifestyle factors. Domestic markets become saturated. As they mature, firms look abroad for newer and better opportunities. They also, may be seeking opportunities for better economies of scope and for learning.

Now, we will discuss the pros and cons of Globalization. The Negative side- the proponents of global free trade say that it promotes global economic growth, creates jobs, makes companies more competitive and lower prices for consumers. It also provides poor countries, through infusions of foreign capital and technology with the chance to develop economically, and by spreading prosperity creating the conditions in which democracy and respect for human rights may flourish. According to libertarians, globalization will help us to raise the global economy only when the involved power blocks have mutual trust and respect for each other's opinion. Globalization and democracy should go hand-in-hand. It should be pure business with no colonialist designs, i.e. you should not want to invade another country or take advantage of another country. Now, there is a worldwide market for companies and consumers to access products from different countries. There is a world power that is being created gradually, instead of compartmentalized power sectors. Politics are merging and decisions that are being made are actually beneficial for people all over the world. Anti-globalists also claim that globalization is not working for the majority of the world. During the most recent period of rapid growth in global trade and investment, i.e. from 1960 to the year, 1998, inequality has worsened both internationally and within individual countries. The UN development program reports that the richest 20 percent of the world's population consumes 86 percent of the world's resources, while the poorest 80 percent consume a meagre 14 percent. So, there is not only poorer getting poorer; and the richer getting rich adage! But also the resources available to the rich versus the poor is increasing besides just marginally. Some experts think that globalization is also leading to the incursion of communicable diseases. Deadly diseases like HIV/ AIDS are spread by travellers to the remotest corners of the globe. Globalization has led to the exploitation of labour. Prisoners and child workers are used to work inhumane conditions. Safety standards are being ignored to produce cheaper goods. There is also an increase in human trafficking. . And that is the beginning of outsourcing jobs. Because the labour is expensive in America, they are outsourced to the countries, like India, china & Indonesia. Where they pretty much run sweatshops, while labour is cheaper, they are paid in cents for a couple of hours of work and they are treated very badly and made to work in inhumane conditions. And because people want a better life, they actually get trapped in a human trafficking trade. They want to move on to a better country, but instead they are stuck doing slave like work, literally. Social welfare schemes or "safety nets" are under great pressure because of this, in especially developed countries because of the deficits and other economic ramifications of globalization.

Now, looking on to the Positive side of it- Globalization, not only promotes the economy of the world but also individual countries which are impacted by this process or phenomenon. It not only affects the developed countries, but also influences and

stimulates the growth in the developing countries as well as third world nations. So, now besides the global economy, it really plays well into the hands of transferring knowledge, education and culture; culture in the form of Music, dance, arts and crafts to a new level. Because you are exposed to a new forms which helps people all over the world understand and appreciate culture across the globe and removes the blinders that exist in most people. Now, there is also a worldwide market for companies and consumers to access products from different counties. There is a world power that is being created gradually, instead of compartmentalised power sectors. Politics are merging and decisions that are being made are actually beneficial for people all over the world. So what actually happens is, when we see politics playing an important role in another country, as the globalization process is increased, we are aware of what is happening in all other countries; and the mistakes, that an other countries planners make or economist make, we are aware of them and we are actually given a chance to learn from them. The 'we' could be the third world nations, the developing countries, anybody. So, it's our chance now to learn from the developed countries, and the mistakes that they do make. There is more of an influx of information between two countries. There is a cultural intermingling. Each country is learning more about other cultures in other countries. Since we share financial interests, Corporations and governments are trying to sort out ecological problems for each other. No more is it looking at air pollution, soil pollution, noise pollution as an individualised problem. These are considered more global problems. Like global warming all of that, even though it could affect one particular country more than the other, they do realize that it is something that is happening entirely across the globe. And researchers across the globe help particular countries that are being affected more by this process. Socially we have become more open and tolerant towards each other, and people who live in the other parts of the world are not considered aliens. So, that's one of the important things that helps us gradually changing. You can't say it's obviously changed even now; because even now the acceptance of a foreigner, in other than majorly cosmopolitan cities across the globe, is still frowned upon or looked upon. But now, even then, we have become more tolerant, now if you have Indians living in all sorts of countries across the globe. You have similarly; other kinds of foreigners living over here for different reasons- let it be education, health or even economics of work. So, whatever the reason, now travelling to another country is no more an alien prospect. It is actually; look forward for, something that everyone looks forward towards. Most people see speedy travel, mass communications and quick dissemination of information through the internet as benefits of globalization.

Impacts of Globalization

Now we move on to the general Impacts. Cities now compete with one another on a global scale to attract financial investment and well- educated and mobile workforces. They have become centres for socio-economic development as well as sites for promoting global commerce. The impact of globalization on urban planning is also related to the change in the realm of politics. So now once the country is considered open to globalization, different cities want to compete to become the next globalized seat in that country. It could be the competition between the Bangalore and Chennai, Hyderabad, Mumbai, Delhi; Kolkata.

They all want to attract investors in different ways, by state policies and other such infrastructural developments. So obviously it is related to the change in the realm of politics, and depends upon who is in power at that point of time. Urbanization is one of the negative impacts of the globalization and integration of economies. Globalization leads to urbanisation. According to the United Nations centre for Human settlements, there were only four cities with a population over 100,000 in 1900's ; and in 1961 there were 141 cities; and today the world urban population is increasing at the rate of 1.3 per cent per annum in the period of 1995-2000. So you can see the range it is changing. It is increased economic investment and proliferation infrastructure development; projects are exerting enormous pressure on the existing resources and the capacity of cities to accommodate this unprecedented growth. Other detrimental consequences include poverty; housing shortage, inefficient and inequitable delivery of infrastructural services; economic inequalities; social exclusion; and poor quality local environment. So all these impacts, now we are looking at is very not in a global level but more on a regional or a city level. Globalization has increased the disparities between the developed or the rich and the poor nations. The developing countries, for example like the African countries seem to be excluded from the technologically advanced, information based economy of the world system. At the same time, there is also an increasing social and economic disparity within the urban areas in the developed countries- the high skilled workers are in a better position than before with the advent of high- technology jobs and there has not been a proportional increase for the low- skilled workforce. So what is happened between with the growth of technology, growth of education is, there has been an increase in the number of high education or high technology jobs. But in the service sector is gradually transitioning into a more machine sufficient or a more technologically sufficient infrastructure. Where low skilled work force is losing its importance and their daily wages that they could be getting is being replaced by a better person, who is more educated or by a better system that is being brought from other country. In terms of spatial geography, there has also been a change in the patterns of industrial locations. There has been a change in the spatial division of labour and the techniques of production, where the different stages of production could be divided according to specific features and specializations of different regions and their work force. The management of this system being administered with the help of telecommunications and the information technology industries.

Now, the relationship between globalisation & planning- the pressures on urban planning actually arise from: global hierarchy of cities and the impact these cities have in a regional and local context. "Economic globalization within the world cities" of local employment sources has led to a transformation at the level of human interaction has transformed into a new dimension never experienced before, with telecommunication and transportation being the key players in stimulating this experience. The concept of 'globalization' as means to represent the combination of these two forces, i.e., the pressure to integrate the global forces, as well as the local pressures. The challenges faced by governments have become more complex, and apart from responding to the pressures of the domestic

demands and their political legitimacy and their internal needs and self-interests, they also have to balance the pressures from super-governmental or global political structures like the World Bank and the United Nations. Now, besides the government being functioning for itself, we have the super watch dogs like the World Bank and the United Nations, who look upon on every country. So, when you actually look upon United Nations and the World Bank, in other words it's nothing but United States of America! With the process of globalization, instead of pockets of powers emerging, now one country is gone to the seat of the ultimate power and they actually have the power to dictate to other developing or underdeveloped countries. See! This is what you doing is wrong; See! This is what you doing is right. We have to take it in the right way, in the sense, the only way we know is the way they are telling us. So number one, it could be wrong. Number two; it could be something that they have also done, over the period of time that is not felt the repercussions like it's going to be felt in our part of the country doing. So these challenges are definitely more complex. Because, now we have, the government is not just taking decisions for its own country; and it's not only answerable to its very own people, but it's also answerable to a higher authority. Globalization also presents new avenues for planning practice and academia. The process of globalization requires planners to become more sensitive to the flexibility and the plethora of options offered by the globalization effect, to develop solutions and mechanisms that are timely and rapid solutions. So it's important that we realize what are the new avenues of being presented by this process of globalization. For example, the increased use of geographic information system data and remote sensing data can actually facilitate the research and flow of information in both urban growth and development, as well as in effective spatial planning. It will not only help in the urban scenario, but also helps in rural scenario. With GIS & RS – remote sensing data, we can actually ensure where is the, that, precipitation is happening? What kind of river flow is there? What kind of water movement is there? Besides on, based on that irrigation plans may also be made. Newman and Thornley actually observed that in global era, "planning lies at the interface of market and politics". Globalization has its advantages and disadvantages; and from the perspective of the planning profession an increased flow of information internationally is one of the advantages that would be effective tools to facilitate two-way learning by comparisons. So it's very important to realize that, yes! There are advantages and disadvantages, but from the perspective of planning we have to see that how is it, it's going to work in our benefit or in the way we wanted to work for us.

Now, how do we go about planning for globalization? It is essentially a process that involves the general following tasks: Identifying the languages and locales that must be supported. Designing features that support targeted markets, languages, and the locations. Writing codes that functions equally well in all of these locations. These tasks are all centred on the concept of locale and cultural awareness. Now, Globalization of law- this may be defined as the worldwide progression of transnational legal structures and discourses along the dimensions of extensity, intensity, velocity, and impact. Research demonstrates that globalization is variably contested in several domains of research on law: 1) The construction and regulation of global markets, 2) crimes against humanity and

genocide, 3) the diffusion of political liberalism and constitutionalism; and finally, the institutionalization of women's rights. So, all of this is now become, instead of every country looking into it, all of these has become global aspects of law like we would just discussing how the whole concept of global warming, climate responsive architecture, green architectures all been taken at a global level, in spite of the problem being faced by certain individual countries. Effectiveness, how effective is this law going to be when it is for entire country or the entire globe? The farther globalizing legal norms and practices are located from core local cultural institutions and beliefs. So some of us, and first of all, they are not re-enforceable because you don't know what is the limitations of re-enforcing this law? The less likely global norms will provoke explicit contestation and confrontation. Future research will be productively directed to where and how global law originates? How and when global norms and law are transmitted and enforced? And, how global-local settlements are negotiated? So, now when you look at laws, there is obviously a global law; your comparison to the local law and how is it that these settlements can be negotiated?

How does Globalization affect Poverty? 1. Competition among workers, or foreign investments, or trade, or government borrowing. There is no single measure of integration into the world economy. 2. Globalization has become a dominant factor in producing a new kind of poverty. 3. When governments assume debt in a private capital markets and declining world demand for their commodities decreases, the prices reduce. And they seek funds from the IMF to repay these loans, and they agree to the conditions for internal reform, and these conditions impose hardship on their people. It is tempting to conclude that therefore globalization does causes poverty. Why some are actually against globalisation? Globalization is used as an ideology by the powerful to deceive the people about illusory benefits of a dehumanizing system; in other words, it is actually a form of false consciousness that prevents people from seeing their true interests. It perpetuates the inequity and exploitation inherent in capitalism; globalization polarizes the globe i.e. making the rich richer & poor poorer. It is not subject to democratic control and therefore cannot serve the interests of people. It is a capitalist economy and that is the basis of globalization. So you cannot expect it to be democratic. Due to the scale of change, it intensifies long-standing problems, such as the deterioration of the environment. So it's kind of a vicious circle, because of globalization everyone in the world is aware of the problems of certain country. But the very fact or the root cause of those problems is the factor that all the countries are now in such close relationship because of globalization.

Globalisation and Cultural Diversity. Multinational Corporation, actually, promote a certain kind of consumerist culture, in which standard commodities are promoted by global marketing campaigns, like you have the Coca-Cola and things like that. So these create certain desire, and certain lifestyles created by these desires. Backed by the power of certain states, western ideals are falsely established as universal, overriding local traditions. So, this is termed as cultural imperialism. So what the west is doing is right and what we are doing is wrong. Let us just blindly ape the west. Modern institutions have an inherently rationalizing thrust, making all human practices more efficient, controllable,

like you have other co modifications like “McDonalds, KFC’s ”. The kind, the way that those people are suppose to eat, let us the entire world eats like that! The United States exerts hegemonic influence in promoting its values and habits through popular culture and the news media, which is nothing but -“Americanization”. This actually helps them when they are going to outsource their labour. Their labour is going to be familiar with the nuances of living in America, working in America, eating in America. But accept earning in America. They are going to know about everything, about the country minus the spending standards or the standard of living in that country. Positives parts of this, you have interactions across boundaries. You can learn from other cultures. So, you have a kind of Pluralisation that takes place. Similarly, Cultural flows occur in different spheres, so we learn from other cultures. We can learn and we can also teach others at the same time. So once we become the teachers, we do get an upper hand. And, then you have integration and spread of ideas and images, which provoke reaction and resistance that is contestation. When you have Global norms or practices which are interpreted differently according to local tradition; and the universal must take to particular forms. Diversity has itself become a global value, promoted through international organization and movements; not to mention state wise, nationalised institutionalization. So, it’s very important to realize that diversity not only has a global value but it’s being promoted on an international, plus a national platform as well.