

## Chapter One

# The Age of “Disposable Humanity”

*Globalized free trade has brought us to the age of disposable humanity*  
(McMurtry 1997:12).

### Globalism and Social Development

Dave, a middle management professional in the U.S., was one of 150 workers “downsized” when his company moved to Mexico shortly after the ratification of NAFTA. Initially optimistic that he could find another position—after all, he had been a good worker—David found that jobs at his level were not available. Eventually he settled for a lower-paying, less secure job.

Seba was eight when a woman asked her if she could come to Paris to care for her children, with promises of a chance to go to school. Instead she had to work from 7 a.m. to 11 p.m. Seba had become a slave, one of the estimated 27 million worldwide. In the lean, mean global economy, slaves equal profits. And slavery has never been so lucrative. (*Guardian Weekly*, July 8–14, 1999)

Pressured by the IMF to open its economy, the government of India had offered incentives to farmers to grow cash crops to earn foreign exchange. There was no warning that prices would collapse, pests would build up resistance, or that the hybrid seeds were notoriously unreliable. In January 1998, young farmer Nadarikanti Yellajah walked to his one acre cotton field with a plastic bottle of insecticide and drank the poison that had failed to save his crops. (*Guardian Weekly*, July 1999)

In Canada, knowledge worker Robin writes in his diary: “Work, sleep, work, sleep, work, sleep ... the upper age limit for people with instincts for this business is about forty.... ‘Give us your entire life or we won’t allow you to work on cool projects’.... Our job commitments are contractual, contingent, impermanent, and this model of insecure life is spreading outward from us.... We live in a contest of the fittest, where the most knowledgeable and skillful win and the rest are discarded.... Everyone agrees: be a knowledge worker or be left behind.”

In Uganda, Zama Nabula points to four hummocks in the red soil on a patch of land where she grows the beans on which she lives. This is where she buried her children, all of whom died from nothing worse than measles because she had no money to pay for a doctor (*Guardian Weekly*, June 20, 1999). Canadian aid worker Melissa Smith reflects on the health care cutbacks in her home province of Alberta, wondering if she is seeing here the future of her own country.

Miguel, one of many workers recruited from Brazilian shanty towns, was promised a well paying job. Instead he was greeted by men with guns. Slave labour brings 100 percent profits to those running the charcoal camps and even more for the multinational landowners. (*Guardian Weekly*, June 20, 1999)

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David, Seba, Nadarikanti, Robin, Zama and Miguel may never have heard of the neoliberal global agenda, but they are nevertheless experiencing its consequences. Neoliberalism is an ideology that makes the market central in governing economic, social and political life. Based on a belief in the inherent wisdom of the market, it assumes the rules of the market should govern societies rather than the other way around. A pivotal concept in neoliberalism is that of *competition*, which is valued for its ability to get things done in the most efficient ways possible. According to this doctrine, allowing the talents of the most able to find expression will eventually benefit everyone: the rising tide of capitalism will lift all boats.

The neoliberal agenda is advanced through *structural adjustment programs*. These generally involve cuts in government spending, strong promotion of exports, privatization of public enterprises, currency devaluations, high interest rates, strict control of credit and money supply, removal of controls on trade and exchange, and deregulation of wages and prices. The neoliberal view, advanced by transnational corporations and their allies, and sectors hegemonized by them, is that labour markets need to be more “flexible,” and social programs cut, to deal with international competition. Thus neoliberals advocate cuts in unemployment insurance, repeal of labour protective laws (“labour market deregulation”), weakening of union power and cuts to social programs. At the international level, this is expressed through advocacy of “free trade” in goods and services, free circulation of capital, and freedom of investment. The ideological orientation underlying these policies we refer to as *globalism*.

Business is business!  
And businesses must grow  
Regardless of crummies in tummies, you know.  
(Dr. Seuss 1999)

It follows naturally that with the application of this doctrine—promoting competition between individuals, businesses and nations—there will be winners and losers. The United Nations Development Program (UNDP), in commenting on the depth and breadth of the “inequitable effects of globalization driven by markets and profit,” reports that the income gap between the richest fifth of the world’s people and the poorest fifth, measured by average national income per head, increased from thirty to one in 1960 to seventy-four to one in 1997. Meanwhile, the two hundred richest people in the world more than doubled their net worth in the four years from 1994 to 1998, to \$1 trillion. The result is “a grotesque and dangerous polarization between

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people and countries benefiting from the system and those that are merely passive recipients of its effects” (UNDP 1999:1).

The fifth of the world’s people living in the highest income countries has 86 per cent of world gross domestic product (GDP), 82 per cent of world export markets, 68 per cent of foreign direct investments and 74 per cent of world telephone lines: the bottom fifth, in the poorest countries, has about one per cent in each sector. (UNDP 1999:1)

The human consequences of global economic integration are well documented. The promises that everyone would benefit from deregulation and global competition have not been fulfilled, and in fact disparities between rich and poor—within and between countries—continue to grow.<sup>1</sup> Yet this concentration of economic and political power in the hands of corporate elites, associated with measurable degradation of the environmental, social and economic conditions for the vast majority of the world’s population, has another, perhaps more sinister, effect. The power of multinational corporate institutions to influence social and economic policy has also threatened national sovereignty and democratic processes. The free trade agreements and structural adjustment policies associated with globalism have the effect of reducing the capacity—and right—of governments to protect their citizens from these impacts (Korten 1996a; Laxer 1995; Robinson 1993).

Thus, with global economic integration, social policies and programs and environmental protections are increasingly “globalized” as well. This diminished capacity of governments to protect the economic, social and environmental welfare of their citizens is the subject of growing concern to many policy-makers, politicians and academics. However, while these matters are debated among the “chattering classes,”<sup>2</sup> citizens across the world are taking matters into their own hands to address issues of survival and well-being from the ground up. This book addresses issues of social development in this international environment, highlighting the roles played by popular movements in responding to the impacts of global economic integration.

Our work is informed by the rich discourse on international social development, by feminist thought and by the theory and practice of such professions as social work and adult education. The metaphor “seeds of fire” in the title of this book alludes to the fact that certain seeds germinate only after exposure to intense heat.<sup>3</sup> Thus we liken the current forces of globalization of capital to a vast forest fire sweeping the globe, destroying established social and political relations in its wake. In response, popular initiatives are emerging worldwide as ordi-

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nary citizens, who can no longer exercise much influence in the political process, seek to survive and protect or rebuild their lives and their communities. These groups and organizations are beginning to form international networks, solidarity linkages and coalitions, in a form of “globalization from below.” This book points to some examples of these initiatives.

Though there is a range of definitions of *social development*, these share a base of common principles, including empowerment, participation and social justice (Abrahams 1992).<sup>4</sup> Underpinning these are values of cooperation, collectivity and integration—as distinct from the individualism and competitiveness prevalent in most Western capitalist societies. A social development approach views community and individual, the social and the personal, as interwoven, not as separate or distinct entities. The key goal of this approach is the improvement of human welfare, as determined by people themselves.<sup>5</sup>

The 1995 World Summit on Social Development (WSSD) in Copenhagen defined the parameters of its task as involving the “urgent need to address profound social problems, especially poverty, unemployment and social exclusion” (WSSD 1999). Implicit in its statements of principles and goals is a definition of social development which includes the integration of social and economic policies promoting democracy, good governance, human rights, social justice and solidarity, and empowerment of people through capacity-building. According to WSSD documents, putting people at the centre of development means:

... building a culture of cooperation and partnership and responding to the immediate needs of those most affected by human distress.... The ultimate goal of social development is to improve and enhance the quality of life of all people.... [Social development] is inseparable from the cultural, ecological, economic, political and spiritual environment ... and is clearly linked to.... peace, freedom, stability and security, both nationally and internationally. (WSSD 1999)

It is this understanding of the concept of social development that we bring to our exploration of issues of social development in the age of globalism.

### **Explaining The Development Gap: Competing Perspectives**

Various explanations have been advanced to account for global inequalities. In the post-World War II period of the 1950s and 1960s, *modernization* or growth/trickle-down theory emerged to account for the “backwardness” of some nations.<sup>6</sup> Coming to the fore in the con-

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text of cold war competition between First and Second World powers for hegemony in the Third World,<sup>7</sup> it assumed that world prosperity could be achieved through heavy industrialization and increasing consumption, partly based on the Keynesian idea of producing increased demand via massive government investment in health and social welfare programs.

### **Modernization (Growth/trickle-down) Theory**

In this view, all nations can and should go through the same stages of development as have the Western industrialized nations. All societies are seen as developing along a multidimensional continuum—with economic, political, social, and even psychological implications—from “traditional” to “modern.”<sup>8</sup> The goal of development is to replace “unproductive” traditional economies with “modern” economic infrastructures.<sup>9</sup> As the economist W.W. Rostow specified in his influential 1960 work, *The Stages of Economic Growth*, all societies as they mature into developed nations pass through the same five stages of economic growth: the traditional society, the period when preconditions for take-off are developed, the take-off stage, the period of sustained growth (the “drive to maturity”), and the age of high mass consumption (Rostow 1960, 1998). The obstacles to development, in this view, are “temporary in nature and internally rooted” (Chew and Denmark 1996:2).

Thus, Third World nations should compensate for the shortages of domestic savings and capital by encouraging foreign investment, through the assistance of foreign aid monies, and through the promotion of exports (largely of primary products) to increase foreign-exchange earnings. Productivity is to be increased through technical assistance and mass education programs. The resulting higher levels of capital investment and productivity will produce increased economic growth, providing more jobs and making more money available for improved education and health care. In other words, rapid increases to economic growth are expected to “trickle down” to the masses in the form of jobs and other economic opportunities. This model, then, tends to be associated with policies favouring the promotion of industrial development, increasing levels of literacy and improvement of education systems, and the development of economic infrastructure, including modern transportation and communications systems, utilities (especially energy) and credit and banking facilities. The thesis was also advanced that over time, the growth rates of underdeveloped countries will be more rapid than those of the developed countries,<sup>10</sup> closing the gap between rich and poor countries. (However, as we have noted, the accumulation of evidence over time clearly refutes this prediction. )

Modernization theory assumes the applicability to Third World

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countries not only of First World economic institutions, but of their political institutions as well. However, in order for these political institutions to function effectively in the Third World, there is seen to be a need for the very character of the people to change: to “modernize.” In an echo of Weber’s conception of the role of the Protestant ethic in the rise of capitalism,<sup>11</sup> this model assumes the necessity of a shift in cultural values, in the transition of societies from “traditional” (pre-industrial) to “developed” (industrial). This shift involves the introduction of values associated with industrialization (punctuality, hard work, achievement), which are seen as foreign to many developing nations.<sup>12</sup>

Thus there is seen to be a need for a transition from an emphasis on tradition (the relative undifferentiation of institutions, ascription in social ranking, a predominance of prescriptive social actions and a predominance of primary relationships) to a new emphasis on individual achievement, elective actions, greater differentiation and specialization of institutions, the predominance of secondary relationships and the institutionalization of change (Germani 1966; Parsons 1964).

In modernization theory, growth in national productivity is sought through industrialization by focussing on the most “modern” or “entrepreneurial” elements of society, which act as motors of growth. It is assumed that the accumulated wealth of these “modernizing elites” will eventually “trickle down” to benefit the worse-off.

In the heyday of this model, when the 1959 victory of the Cuban revolutionaries threatened U.S. interests in Latin America, the U.S. responded by promoting a “modernization” approach to development in that region, which it was hoped would reduce social discontent and thus prevent future leftist revolutions. Thus at a meeting in Punta del Este, Uruguay in 1961, the Alliance for Progress was created to promote the implementation of an approach to development which would not require radical changes in the socioeconomic structure. The U.S. proposal involved a plan to stimulate development in Latin America through the injection of massive foreign investment, which was expected to be accompanied by an increase in employment opportunities, more equitable distribution of national income, stabilization of prices of basic products, reduction of infant mortality, improvement of public health services and housing, elimination of illiteracy and expansion of vocational, secondary and higher education.

It was not long before people in the so-called “underdeveloped” world began to question the validity of this model. Not only were they not seeing prosperity, poverty was increasing, the gap between rich and poor was increasing, and there was no evidence of any “trickle down” of economic benefits to the poor.

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It soon became evident that the Alliance for Progress programs were not delivering the expected results. An evaluation of the results of the first five years of the program produced the following summary:

During that period the distribution of income became even more unsatisfactory as the gap between the rich and the poor widened appreciably. During most of the period a very heavy proportion of the disbursements went to military regimes which had overthrown constitutional governments, and at the end of the period, with almost half of the population under military rule, a significant portion of the aid was going *not* to assist “free men and free governments” [in Alliance rhetoric] but rather to hold in power regimes to which the people had lost their freedom. (Hansen 1967:45)

As the effectiveness of this model has come into doubt, there have been attempts at improving it through the introduction of concepts such as “basic needs” and “participation,” and of gender analysis. However, in practice these basic needs have tended to be defined by experts, often from developed countries, and participation has not been encouraged to the degree that popular groups might demand fundamental changes to the existing international distribution of power and wealth. As we discuss in Chapter five, the gender analysis introduced moved some awareness into development thought of the multiple ways in which women are disadvantaged in the development process, but it failed to identify the sources of women’s oppression in the development model itself.

Flawed as it is, the growth/trickle-down perspective continues to be the dominant model in practice in international development activity. The neoliberal perspective on global economic integration, discussed in Chapter two, is simply an extension of this model.<sup>13</sup> From the perspective of the modernization model, then, underdevelopment is understood as a *lack* of development, or as merely a stage that countries pass through on their way to being “developed.”

Beginning in the 1960s, longstanding critiques of modernization theory from the traditional left were joined by those from the *dependency*, *modes of production*, and *world systems* perspectives, and from a range of perspectives on gender analysis. Other critiques have included those from a post-modern perspective and those pointing out the incompatibility of unlimited economic growth with the environmental limits of the planet.

### Neo-Marxist Perspectives

Paul Baran (1957) had linked issues of underdevelopment to classical Marxism, pointing out that in “backward” countries none of the dominant classes—feudal landlords, moneylenders, merchants, (mostly for-

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eign) capitalists—had any particular interest in promoting industrialization.<sup>14</sup> Marx had shown how capitalists were able to appropriate the surplus value produced by workers; Baran pointed out that in “backward” countries, there was also surplus available to be appropriated for capital formation from land rent (by landowners), from interest on credit (by moneylenders who were sometimes also landowners), from the profit on trade (by merchants), and from capitalist production (by the largely foreign capitalists). In the case of landowners, moneylenders and merchants, in fact, there was likely to be active opposition to the transformation of these peripheral economies that would accompany industrialization, as it would threaten their access to traditional sources of economic surplus. Foreign and national capitalists also opposed industrialization as it would imperil their monopoly positions, forcing them into competitive positions which could threaten their profits. Baran did not challenge the wisdom of the day regarding the desirability of industrialization as a goal, but advised the establishment of state-owned heavy industry as a tool to promote nationally-controlled industrialization. While Baran’s focus was mainly on the internal conditions in “backward” societies, pointing out that economic development in these societies is contrary to the dominant interests in advanced capitalist countries, Baran also acknowledged the influence of international circumstances.

Building on these ideas about economic surplus in dependent countries and drawing on the experience of Latin America, Andre Gunder Frank, Theotonio Dos Santos and others proposed an alternative way of understanding the impoverishment of much of the Third World, developing what came to be known as the *dependency* approach.

By dependence we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected.... The concept of dependence permits us to see the internal situation of these countries as part of the world economy. (Dos Santos 1998:252)<sup>16</sup>

Modern “underdevelopment” is not “historical backwardness,” the result of late and insufficient capitalist development; it is the product of capitalist development, which is polarizing by nature. (Amin 1996:60)

To dependency scholars (*dependentistas*), underdevelopment is seen as resulting from a growth process induced from the outside rather than from within. Underdevelopment is not seen as a *condition*, the

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*Table 1.1*  
*Marxist and Neo-marxist Perspectives on Development*

TRADITIONAL MARXIST	NEO-MARXIST (Dependency, modes of production, world systems perspectives)
Relations of production are of primary importance in determining social and political relations: one class expropriates the surplus produced by the labour of another.	Relations of production are of primary importance in determining social and political relations: one class expropriates the surplus produced by the labour of another. Economic surplus is also siphoned off from peripheral to core countries, producing development in the core and underdevelopment in the periphery.
View of imperialism from perspective of core capitalist countries (as addressing need for sources of markets, cheap material and labour, in order to develop the core countries).	View of imperialism from perspective of peripheral countries (focus on consequences for the periphery of capitalist penetration).
View of capitalism as historically progressive: linear view of evolution of societies from feudalism through capitalism to socialism (replacement of isolation of peasants with the “revolutionary combination” of workers as a precondition for socialist revolution.) <sup>1</sup>	Capitalism and imperialism seen as leading to underdevelopment in the periphery. Not only workers, but also peasants seen as able to play important revolutionary roles, as are the “new social movements.”
The idea of scarcity seen as a fictitious creation of the bourgeoisie to justify inequalities. Distribution, rather than scarcity, is seen as the issue.	Often incorporate ecological consciousness.

obvious solution to which would be “modernization”; rather, it is seen as a *process* coming out of a historical experience shared by Asia, Latin America and Africa. This includes the experience of colonial rule, and of economic dependence on the sale of certain commodities (agricultural, mineral, some industrial goods processed by cheap labour) to the West.

In this perspective, the underdevelopment and impoverishment of Third World countries (the periphery) is produced by their dependent relationship with the exploitative rich countries (the core or centre). The centre exploits the periphery for its raw materials (including people), and as a market for manufactured goods.<sup>17</sup> Andre Gunder Frank (1969) described this as the “development of underdevelopment.” Thus in this view, the economies of developing nations have been shaped by

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forces and conditions established by the industrialized nations; their development has been both delayed and dependent as a result; and “poor countries have failed because of the distorted development brought on by dependency relations” (Seligson 1998:6).<sup>18</sup>

Thus, the pattern of transition to peripheral capitalism is different from the pattern of transition to central capitalism, with peripheral development causing distortions in the local economy. As Samir Amin describes it,

As economic growth progresses, each of the characteristics by which the structure of the periphery is defined is not attenuated, but on the contrary is accentuated. So at the centre, growth *is* development—that is, it integrates; at the periphery, growth *is not* development, because it disarticulates. In a very real sense, at the periphery, growth based upon integration in the world market system is the development of underdevelopment. (Amin 1996:60)

Unlike Baran, Andre Gunder Frank in his early writings did not pay much attention to the social classes and their control over the economic surplus. Frank argued that the crucial mechanism for extraction of the surplus was trade and other kinds of exchange of goods and services. He rejected

... the dualist conception according to which the underdeveloped countries comprised two separate economies, one modern and capitalist and another traditional and non-capitalist.... He claimed that capitalism permeated the whole of the periphery to such an extent that the Latin American and other peripheral societies had become integrated parts of a one-world capitalist system after the first penetration by metropolitan merchant capital. This had established capitalist exchange relations and networks that linked the poorest agricultural labourers in the periphery with the executive directors of the large corporations in the USA. (Martinussen 1997:88)

Frank pointed out that, rather than being used for investment in the countries of origin, most of the economic surplus generated in Latin America was drained off to the affluent capitalist countries. Therefore, he concluded, Third World countries would be better to break their links with the world market. Given that the ruling classes would not favour such a move, as it would remove their own opportunities for surplus appropriation, he assumed this would require the introduction

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of socialist regimes in peripheral countries.

Frank’s declaration that peripheral societies were capitalist from the first penetration by metropolitan merchant capital led to the *modes of production* debates. Laclau (1971), challenging Frank’s definition of capitalism, asserted that capitalism was not a mode of exchange, but rather a mode of production. Modes of production theorists posited that several modes of production coexist in a society, and that these are articulated with each other through exchange (of labour, goods, capital). Since these relationships tend to be beneficial to capitalists (because of the availability of cheap goods and labour, for example), the articulation of capitalist and non-capitalist modes of production retards the development of these countries.

Amin (1976, 1996, 1997), grounding his work in the experience of West Africa, differed from the outset from Frank’s view that capitalism permeated the whole of the periphery. He argued that the peripheral economy is composed of various modes of production, with capitalism having penetrated some parts of the production process while greater parts continue to be dominated by non-capitalist modes of production. While agreeing that capitalism dominates the periphery in terms of exchange relations, Amin has argued that pre-capitalist modes of production continue to play a significant role. Thus in order for less developed countries to break this dependency relationship with the centre, they must implement a socialist development approach internally, and at the same time work to strengthen regional cooperation.

*World-system* theory, advanced by Wallerstein (1974, 1998) and others, advances the view that since the sixteenth century a world capitalist economy, divided geographically into three zones (core, periphery, and semiperiphery), has been structured such that the core dominates the system and drains the periphery and semiperiphery of their economic surpluses. Wallerstein developed a detailed ranking of countries within these three groups, noting that individual countries can move upwards or downwards in the global hierarchy. Rather than using individual countries or social formations as a starting point, he started with the capitalist world system, analyzing individual societies and their development situations in the context of that system. The development potential of countries is influenced, then, not only by fluctuations of the world economy, but also by the individual country’s position in the world system. While Wallerstein has been criticized for an overemphasis on international conditions as determinants of a country’s development prospects—at the expense of attention to internal preconditions for development—his influence has been undeniable.

Latter works of both Andre Gunder Frank and Samir Amin have, with qualifications, incorporated some of Wallerstein’s ideas. Amin,

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pointing out that an understanding of the importance of the capitalist world system “is not new and runs through the history of Marxism” (1996:66), came to view the world system framework as more important because of the increased economic integration of the countries at the centre, and because of the movement toward world market integration of the countries of the former Soviet bloc. He has also called attention to a regionalization and polarization of the world economy around three centres (the U.S.A., Japan and the European Union); and to the current orgy of financial speculation undermining “the foundations of national production- and growth-oriented policies and strategies” even in countries of the centre (1992, cited in Martinussen 1997:99). For Amin, the present world system is based on five monopolies of the centre: (1) technological monopoly requiring huge expenditures that only a large and wealthy state can afford; (2) financial control of worldwide financial markets; (3) monopolistic access to the planet’s natural resources; (4) media and communication monopolies; and (5) monopolies over weapons of mass destruction (Amin 1997:4–5). Andre Gunder Frank, while differing on a number of points with both Wallerstein and Amin,<sup>19</sup> in his current historical work declares his intent to be “to extend the study of the WORLD SYSTEM ... back as far as it will go” (1996:41).

In relation to the dominant modernization perspective, then, the neo-Marxist challenges might be summarized as in Table 1.2.

According to Amin (1997), each of the main neo-Marxist critiques of development (the modes of production debate, dependency and world system perspectives) has been justifiably criticized as mechanistic, economistic, deterministic or obsessed with detail. Schuurman points out their neglect of class analysis, the neglect of the diversity of the Third World and the advocacy of “non-workable” political options, such as self-reliance and a socialist world government (1993a:9). However both acknowledge that neo-Marxist thinking has made valuable contributions to the development debates, important among these being the identification of the links between national and world spheres.