

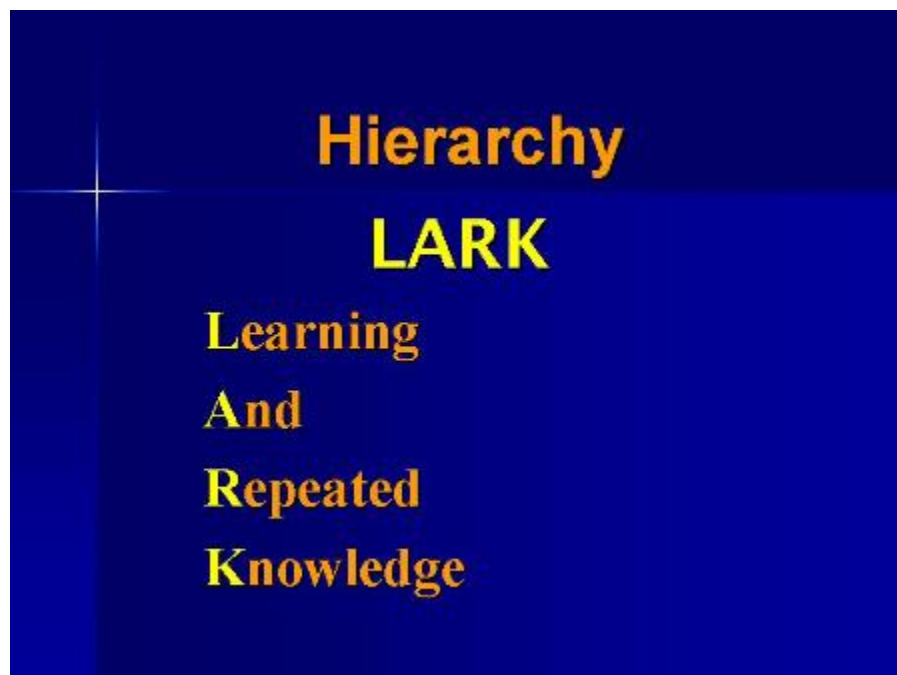
Chapter 17. The Synergy of Globalization and Community Development

Paulette Meikle and Gary Paul Green

BEHAVIOR OBJECTIVES

After studying this chapter and completing the online learning activities, students should be able to

1. Define the four processes of globalization.
2. Identify the alleged benefits and costs of globalization to communities.
3. Understand the effects of trade liberalization on developing countries.
4. Provide examples of dilemmas created through linking environmental and economic policies on the global level.
5. Describe what is meant by "globalization from below."
6. Explain several strategies for relocalizing economies in the context of globalization.
7. Explain some of the lessons from the case of the United States banning imports of tuna from Mexico.
8. Understand the implications of the antiglobalization efforts on the role of social movements.





LARK Activity 17.1. Questions, with an * are the correct choice.

Step 1. Working alone select the best answer to each of the following questions.

1. Globalization has an uneven effect on the economy of developing and underdeveloped nations. True* False
2. Globalization may have adverse effects on the economy and the environment at the local level. True* False
3. Despite global flows of labor, jobs, and capital, globalization continues to create unbalanced, skewed wages structures in communities as well as ecological and social disruptions. True* False.
4. Free trade treats all nations fairly. True False*
5. Because of globalization, it's fair to say that "The rich are getting richer and the poor and getting poorer." True* False
6. Rural farmers in some local markets testify that imported vegetables threaten the local food security and the quality of life in small farming communities. True* False

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7. Social scientists are constantly challenged to examine the global nature of community change and its influence on.
 - a. People
 - b. Boundaries
 - c. Interactions in diverse economies
 - d. Interaction with environmental and social spheres
 - e. All of the above.*

8. While NAFTA was created in 1993:
 - a. because of much debate it was not fully implemented until 2008.
 - b. motivated businesses to lobby against environmental policies that make to county less competitive.
 - c. it has lowered environmental standards.
 - d. All of the above.*

9. The WTO “one size fits all” policies:
 - a. does no work well in all rural communities.
 - b. leaves communities on the periphery behind.
 - c. requires balanced trade patterns.
 - d. all of the above.*

10. List at least four types or sources of financial capital that communities can access to promote growth.
 - a. Revolving Loan Funds
 - b. Community Development Funds
 - c. Community Development Credit Unions
 - d. Micro-Enterprise Loan Funds.

(See chapter 2 for additional sources of capital for community development programs.)

Step 2. Form small groups with three to five members and reach a consensus on the best answer.



SOAR ACTIVITY 17.2 Conduct a closet audit.

Step 1. Each student should conduct a closet audit to determine where each of the following types of items were made.

- a. Shoes**
- b. Shirts**
- c. Pants**
- d. Dresses**
- e. Coats**
- f. Suits**
- g. Purses or billfolds**
- h. Belts**
- i. Neckties and/or scarves**
- j. Jewelry**

On-Line LIFE activity 17.3 A Service Learning Project

Conduct a retail sales audit to determine how sources of local sales taxes in your home community have changed in the past 20 years.

Step 1. Amount of Retail Sales Taxes from small merchants in your community during the past 20 years.

Step 2. Amount of Retail Sales Taxes from large firms in your community (WalMart, Dollar General; Target; Fred's; Drug Stores – CV; Walgreens; and others).

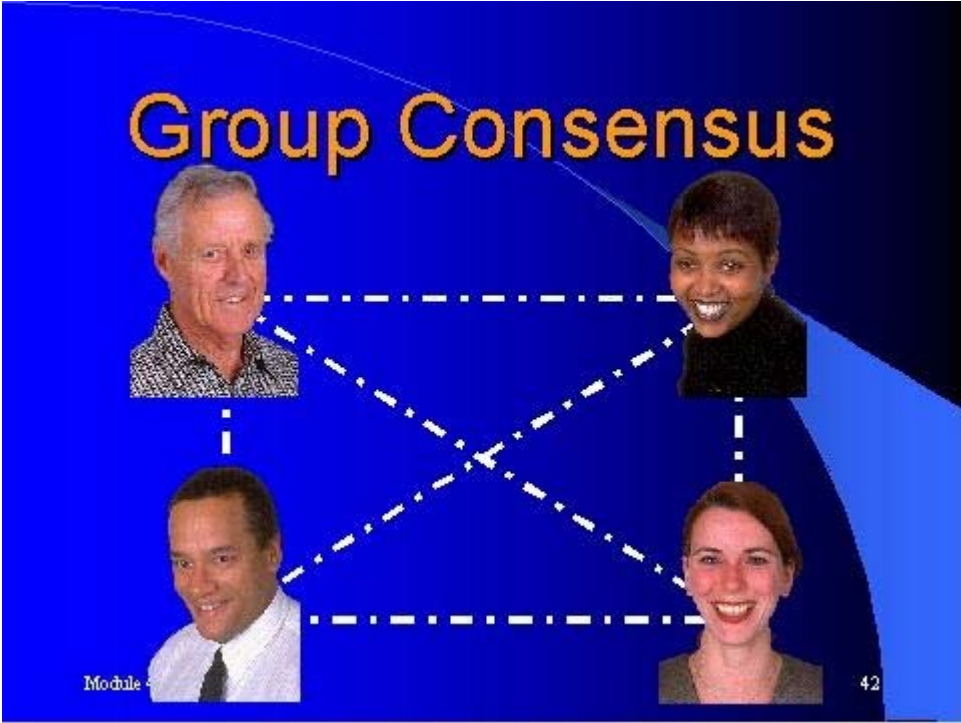
Step 3. Prepare a PowerPoint presentation on changes in the sources of sales taxes on the local economy.

Step 4. Present your PowerPoint Presentation to business leaders and public officials in your county.

On- Line LIFE Activity 17.4 A Service Learning Project:

Conduct a Labor Force Profile (audit) since NAFTA and identify changes in the local industrial and manufacturing labor force in your county since 2000.

- | | 2000 | 2010 |
|--|-------------|-------------|
| 1. Number of industrial and manufacturing jobs in: | | |
| 2. Amount of income from industrial and manufacturing jobs in: | 2000 | 2010 |
| 3. Prepare PowerPoint presentation and present results to business leaders and public officials in your county. | | |



LIFE Activity 17.4 A Case Study on the Effects of Globalization on Small Farmers in Jamaica by Paulette Meikle

Step 1. Organize students into groups of four or five participants per group.

Step 2. Have each group study the case study

Step 3. Randomly select one group of students to make an oral report to the entire class on how globalization is affecting small farmers in Jamaica.

Globalization and Livelihood in Jamaica

As various elements of the globalization of agriculture spread to small farming communities in developing countries, deep concerns arise for small farmers: their livelihoods and their future in navigate the competitive pressures brought on by trade liberalization and loss of certainty (available local markets) and social management (close nit social and cultural networks tied to traditional livelihood systems) that existed in their community in the pre trade liberalization years (Flora and Bendini, 2007, Wies, 2004). Flora and Bendini (2007) note a shift in production systems “where the value the lowest price per unit, and producers were rewarded for volume with minimum quality standards, to the industrial convention, where multiple values related to specific end users, had dramatic impacts in terms of loss of control of the production process” (p. 2).

Globalization has exposed small hillside Jamaica farmers to global competition in unparalleled ways, small farmers find themselves constrained in effectively competing with the low priced imported agricultural produce (legumes, condiments, vegetables, chicken parts powdered milk etc), and resource restricted in diversifying their agricultural production.

“A former World Trade Organization official said that if trade liberalization had not fully delivered on its promise of enhanced growth and reduced poverty, it was the fault of the developing countries, which need to open their markets more to free trade and globalize faster. But then an Indian running a micro-credit bank stressed that the downside of free trade for India. He spoke of peanut farmers who could not compete with imports of Malaysian palm oil.....” (Stiglitz, 2006, p. 6).

Background for this Case Study

Rural Livelihood in Jamaica: Produced, Shaped and Transformed by Global Forces

Agricultural production and marketing in a periphery country like Jamaica has been engineered primarily by external forces, and not by consumption and development decisions within local communities. Much of the current economic dependency and land degradation problems linked to the agricultural sector of Jamaica and her Caribbean counterparts have roots in the European political-economic system and neo-European systems like the United States

(Meikle – Yaw, 2005). The dictum “capital is global, labor is local” is apt as the origin of Jamaican agriculture, was based on crops produced for the global market on plantations financed by external capital and a slave labor system. This occurs in the large-scale sector, occupies the most fertile coastal flat land and produces crops such as banana, coffee and sugarcane, for the global market. This sector originated in the period of colonial expansion in the eighteenth and nineteenth centuries when the economy was based on plantation culture and slave labor.

Conversely, there is a small-scale sector which accounts for the greater proportion of farm labor and occupies predominantly marginal hillside lands and produces a wide range of crops such as banana, plantain, yam, root crops, legumes and a range of tropical vegetables. Some of these crops are produced for the domestic market, and some for the global market. Access to land (though often marginal land) is the chief resource for many of these rural small farmers. The small-scale sector, the focus of this paper, emerged significantly after the slaves were freed in 1838 and they withdrew from the large plantations and began planting their own plots of 25 acres or less. The bulk of the food for local consumption was imported, which is still the case today. The economies shifted from the production for local consumption to serving wider needs within the world economy, leaving small farmers particularly vulnerable, deregulated and dislocated (Meikle–Yaw, 2005).

In the context of globalization of agriculture, the ramifications for contemporary Jamaican is particularly ominous, because of relating internal liberalization conditions. Agricultural liberalization under the IMF's structural adjustment programs is an example of such external liberalization. The macro-level economic landscape suffered fundamental structural weaknesses, known as one of an “intensely adjusting” country; it endures the vicissitudes of the World Bank structural adjustment programs, where harsh loan conditions were implemented (Anderson and Witter, 1994, Haggard, 1985). As they sought to alter and perhaps even repair the structure of the Jamaican economy. Stabilization programs stirred the agricultural sector into a state of disarray.

The era of rapid globalization of agriculture and its effects on Jamaican small farmers may be seen as a progression from the development of the economic stabilization and structural adjustment programs of the IMF and the World Bank. The economic structural adjustment programs that were implemented on the eve of the 1980s reoriented the Jamaican economy into global focus. Jamaica experienced a period on unprecedented economic crisis and social change, economic crisis intensified in the in a in the 1980s, international debts, then crisis continued in the 1990s, (Anderson and Witter, 1994), and today Jamaica has a debt of \$1.165 trillion, for a country of 2.6 million people. About 45 per cent of the debt is international totaling US\$6.155 billion.

Wies (2004) argues that structural adjustments programs have compromised national sovereignty over agriculture in developing countries, by eliminating state programs, promoting export agriculture and opening up domestic markets, flooding it with streams of cheap imported agricultural produce.

The issue here is that several small scale agricultural based rural communities in Jamaica, and many other peripheral countries in the international market system, face difficulty in achieving consistent economic growth. Since their incorporation into the global economy during second wave globalization, many developing countries continue to be suppliers of agricultural products, raw materials and cheap labor. Dependence on commodity exports has

meant that these countries have to deal with fluctuating prices for their exports. At the same time, prices for imports have remained constant or have increased. At best, the resulting decline in the terms of trade has made development planning difficult; at worst, it has led to economic stagnation and decline (Annual Editions, *Developing World* 2002). The dependency of peripheral countries does not arise from their more extensive international relations, but from their lower capacity to protect themselves from the negative effects of such relations and from foreign penetration (Rossem 1996).

It is no secret that a few core economies manipulate the world economy to their advantage. From the beginning, there has been a debilitating relationship of dependence on foreign exchange. Continued trade dependence between rich core nations and the periphery increases the poverty gap and land degradation (Grossman 2002). Grossman argues that free trade has negative effects on sustainable agricultural production. While there is some increased efficiency through increased production and economies of scale, free trade in the global market system discourages sustainable community agriculture by hurting small family farms and local economies and encourages large-scale, intensive agricultural production (see Meikle 1995).

The twin concepts of globalization of agriculture and trade liberalisation are often portrayed as a panacea to increase food production and to improve the economic condition of farmers globally.

The essential elements behind trade liberalization the globalization of agriculture include the idea that liberal capitalist economies and free trade will increase food production and multiply the prosperity for farmers across the world to alleviate poverty and hunger (Hodges 2005). Between 1990 and 2000, while doing several field assessments, one of the authors witnessed the impact of the globalization of agriculture on the small farming communities in several rural communities in Jamaica. From one community to the next the report was the same, farmers saying that they have had to abandon the cultivation of various vegetable and root crops such as onions, red peas, carrots, Irish potatoes and others because of the competition from imported produce. The impact was a displacement and abandonment of the cultivation of a mix of vegetable crops since farmers could no longer compete with imported and cheaper crops. In response to this state of affairs small farmers, particularly those in the north east section of the nation, find themselves caught in the aspiration to break into the banana trade, as there are currently not enough local economic activities to absorb displaced labor. Some moved to the primate city of Kingston, enlarging the “ghetto areas” and increasing the problem of residential squatting. Those who remained have little power/resources to engender new areas of economic activities, and most of these remote farming communities are too small to attract and sustain industry. Mixed cropping, as a traditional small farmer agri-system, not only meets family food security requirements but it also supports certain quality of life parameters and strengthens the social and cultural fabric of the community.

Case Study Issues

In 2007, a case study¹ was completed to further analyze how trade liberalization and globalization affected the livelihoods of people in marginalized communities over the past ten to fifteen years, specifically on Rural Communities in N.E. Jamaica. How do Jamaican small farmers adapt and adjust to “shocks” and “strains” of global economic processes that filter down to farm and community levels. The case study showed how Jamaican small farmers are marginalized and confront barriers to profitability and survivability as trade liberalization and globalization processes unfold. It also explored how farmers are forced to continually adapt and adjust to global economic processes that filter down to farm and community levels.



¹ Data were collected through several formats as follows: **Sampling Techniques** - Judgmental (Purposive) and Snowball Sampling. **In-depth Interviews** (133 small farmers (**Gender** - 91.4 % male, **Age** - Mean age = 51.6 years. **Education** - 80.5 % less than H. S, **Income** - 82.6 % earn less than \$350,000 J\$ (US\$5,000) **Off-farm employment** = 52.8 %, **Number of People in Household** = Mean of 4). **Focus groups** – 87 participants. **Informal interviews** with higglers (produce traders) in local market places.

An American student interviewing small farmer in rural Portland, Jamaica



Focus Group meeting with community members discussing the effects of globalization on community life in NE Jamaica.

Case Study Results

Of the 133 survey participant, 63 percent had heard about the terms globalization and trade liberalization, and had at a minimum a cursory understanding of the concepts. Fifty four percent of the respondents believe that globalization was a positive phenomenon (See table 1).

Table A: Small Farmers' View of the Globalization Process

View	Frequency	Percent
Positive	72	54
Neutral	8	6
Negative	20	15
Both Positive and Negative	31	23
Total	131	100

Economic Effect of Globalization on Rural Communities in N.E. Jamaica

- Competitive pressures - intensified competition for markets because of imported produce.
- Loss of markets
- Decrease in prices for local farm produce - glut on market
- Stringent export regulations
- Negative impact on high cost export crops such as bananas.

High Cost of Farm Input (agrochemicals, fertilizers, seeds, farm equipment) e.g.-

Respondents indicate that without fertilizer they are not able to produce the size and quantity that their competitors produce. Yet the cost of imported fertilizer continues to escalate, while they cut back production because of decreased markets, reflecting increasing prices of imported farm produce, relative to the cost of local farm produce and farmers' lack of competitive access to the global market.

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Results Socio-cultural Effects

- Migration of rural folks to urban areas and overseas
- **Social dislocations:** Trade liberalization fosters less diversified rural economies because the traditional mix cropping creates a local culture for exchange of crops and labor, and the security of having assorted vegetable and root crops on the family table. All of this fosters good will, social networks and other intangible social intercourse that melds communities. For example, under trade liberalization the "*local farmer higgler - consumer*" relationship is disrupted and in the new arrangement for those who sell vegetables in the local market place is "*importer -higgler - consumer.*" Field interviews reveal that higgling is a major source of income, particularly for women. In these rural communities higglers, who often originate from the area of production or neighboring communities (country higglers) offer the widest geographical coverage by purchasing farm produce neighboring and distant farmers. They have established social networks and have an in-depth understanding of communities' socio-economic survival strategies and socio-cultural values. This makes the higgling system pertinent and more socially relevant for these rural communities than other marketing systems.
- **Dietary shifts:** Families rely on imported pre packaged and canned produce more because they are readily available.
- **Cultural changes in livelihood practices:** For example, traditional labor arrangements that foster community connectedness and cohesion have dwindled. Traditional community labor arrangements such as *day sport* or *evening sport*, where a group of people working on the farms of community members for free. The favor is extended to each member of the group later.

Quotes from survey:

- "Because people need to do day work, they need money. Young people are leaving the area because there is nothing here for them to do."
- "I used to do this first time, since of late it not so prevalent - people want to get paid."

Table B: Small Farmers' Response to What Should be the State of International Trade in the Jamaican Economy

Trade Action	Frequency	Percent
Allow international trade to continue	24	18.5
Try to slow down international trade	15	11.5
Try to stop international trade	1	0.8
Provide alternative to current international trade	17	13.1
Total	120	100

Table C: Small Farmers' Response to Whether the Jamaican Government Can Stop or Reverse Globalization

	Frequency	Percent
Yes	29	21.8
No	95	71.4
It Depends	4	3.0
Total	128	100

Table D: Farmers Response to Whether Foreign Produce Result Change in Jobs in Their Community

	Frequency	Percent
Loss of Jobs	75	57
No Change	27	20
Gain in Jobs	21	16
Both	1	0.8
Total	124	100

Effect of Globalization of the Environment in NE Jamaica

Natural conditions in N.E. Jamaica, like heavy rainfall and the steep slopes (many slopes greater than 40 degrees) lead to:

- Soil erosion and water loss.
- Landslides
- Pollution of Rivers (agrochemicals)
- Much of the soil is highly erodible and not quickly regenerated. Erosion of watersheds due to farming has become extensive
- Participation of small farmers in the global market requires them to use specific agrochemicals in order to meet the standards of international buyers
- Seventy five percent of the survey respondents indicated that they come in contact with agrochemicals/pesticides while twenty percent indicated that they do not.

- Sixty three percent of the survey respondents wear protective clothing when applying agrochemicals/pesticides, while 27% do not wear protective clothing.
- Lack of knowledge concerning the potential dangers of agrochemicals/pesticides use does not appear to be the problem among most farmers since 78% reported having a moderate to high level of knowledge about the dangers of use. - The lack of financial resources to provide proper protective gear seems to be the reason behind their failure to use the gear.
- In N.E. Jamaica, most of the hillside farmers are resource-poor, and do not have an environmental preservation culture, nor can they afford environmental conservation infrastructure.
- Soil conservation methods practiced by farmers have decreased drastically. The majority of the farmers practicing soil conservation techniques are those who reported working the land for 11 – 20 years. Among those who have only reported working the land less than 10 years, soil conservation methods utilized are a very few or are either non-existent. This could be attributed to the fact that those farming the land for 11- 20 years were more greatly exposed to the conservation programs put in place by the government because during this time the export market for agricultural goods in Jamaica was booming. Since the decline of the Jamaican export market due to the influx of cheap imports, those farmers who reported only working the land for less than 10 years have been less exposed to the conservation programs put in place by the government due to cut backs stemming from the decline in the export market. Of the farmers reporting to have worked the land for 11 – 20 years, 32.3% reported receiving fewer visits from extension officers and of the farmers who reported working the land for less than 10 years, 21.7% reported that they had never been visited by an extension officer.

Table E: Use of Conservation Infrastructure Used in Rural Communities

Conservation Infrastructure	Percent of Respondents
Use of trenches	32%
Use of terraces	10 %
Planting trees/bushes	15 %
No use of environmental/conservation measures	43%

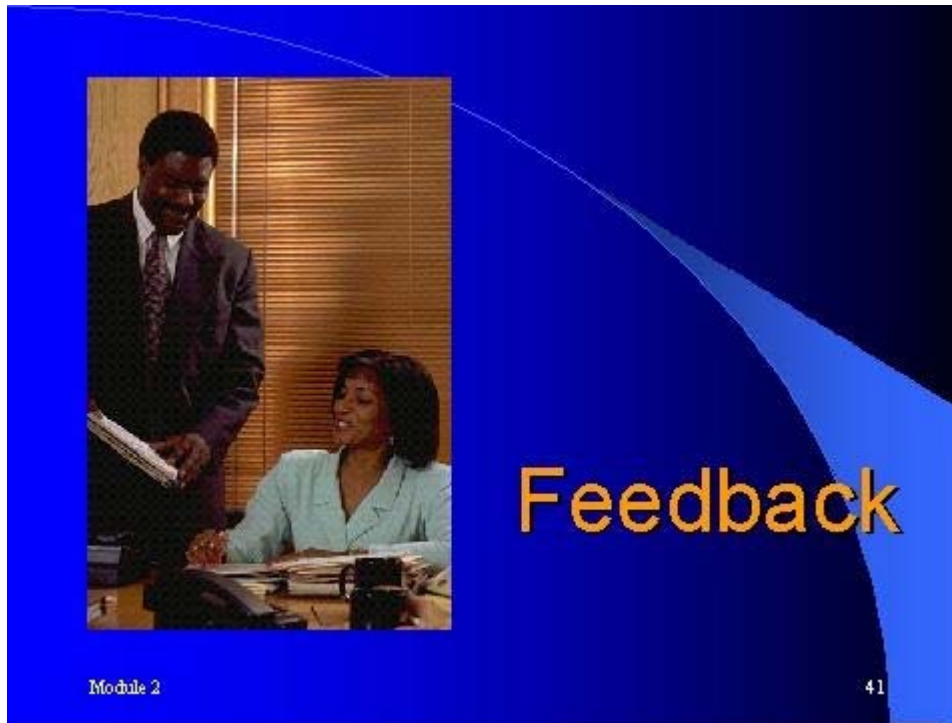
Alternative Livelihood Strategies Used in the Age of Globalization Alternative Livelihood Strategies in the Age of Globalization

- Scale-down production
- Working off-farm part time jobs
- Planting different crops (those that are not imported)
- Raising/increasing livestock
- Investing in long term crops such as coffee hoping that it will bring them greater profit.

- Small itinerant traders (dry goods)
- Rely on remittances for overseas
- Pursue farm work opportunities in the U.S.
- Stopped producing bananas for export (increasing production costs, and stringent international regulations)

Conclusion: Ecological Challenges for Rural Communities in Jamaica

As land become depleted, small farmers increasingly utilize government forestry land for farming (squatting) as the watersheds become degraded. The consequences of continuing high rates of erosion on the watersheds remains costly. In Jamaica, most of the hillside farmers are resource-poor, and do not have a land conservation culture. The small farmer (an almost invisible entity in the context of the global system in which he participates), whose farm is usually 5 acres or less, cultivates banana or coffee, clears forests and “clean weeds” the hillsides to facilitate the monocropping (which is recommended by the banana importers). Farmers cannot mechanize because of the hillside, so they pay hired labor to prepare the land and devote more time to land preparation than large farmers and their Latin American counterparts. Once a farmer grows banana for the export market, generally he is forced to use chemical fertilizers, pesticides and herbicides in order to compete in the global markets. Small farmers in the Caribbean have these and many other factors hindering them from achieving the economies of scale of the large scale-producers in Central and South America. All 26 watershed management units in Jamaica are severely degraded. Small Farming activities contribute extensively to the degradation of watersheds. Over 170,000 Jamaican small farmers cultivate just under 605,408 acres, (245,000 hectares) and use unsuitable agricultural practices, which leads to - massive soil loss through soil erosion, siltation of drains and rivers and destructive flooding downstream. The cumulative indirect economic costs and social dislocations resulting from the production of export crops within rural communities has not been quantified owing to a dearth of systematic documentation of land degradation.



LIFE Activity 17. 6 Discussion Questions On the Case Study of Small Farmers in Jamaica

After reading this case study, divide the class into small groups of five persons and discuss each of the following questions:

Step 1. Using the descriptions of the effects of globalization on Jamaican small farmer provided in the case study in Chapter 17, what are the costs of free trade to Jamaican small farmers?

Step 2. Using the descriptions of the effects of globalization on Jamaican small farmer provided in the case study in Chapter 17, what are the benefits of free trade to Jamaican small farmers?

Step 3. What alternative strategies have Jamaican small farmers used to cope with the shocks and strains of globalization?

Step 4. Argue for or against the following statement “The WTO should not solely focus on opening markets but also allow trade to be restricted to support human rights, labor rights and environmental objectives in other countries. The WTO and trade agreements should also allow non-government organizations a direct voice in their governance.” (Globalization guide.org).

5. How can community development practitioners in the United States work with communities in developing countries to help increase their standard of living?
6. If you were a member of the U.S. Congress, what would you do to help small farmers?
7. Share the results of your discussion with your classmates and your instructor.

Team Activity

