

Globalization and the caribbean assignment

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“ The onset of globalization (however defined) has provided the Caribbean with an excellent opportunity to reform and refocus their societies and economies towards real competitive engagement with the global political economy. ” Critique this statement within the confines of either a dependency theory or Marxist theory. This essay seeks to critically assess the above statement within the confines of a dependency theory.

The essay will show that dependency theory does not make room for the reformation or refocusing of Caribbean economies or societies through globalization and that globalization is more an intensification of the pre-existing and fore gone socio-politico-economic paradigms of the region from the earliest days of European settlement. Globalization has varying definitions and theories surrounding it. Director of the London School of Economics, Anthony Giddens, sees globalization as an intensification of worldwide social relations linking localities, such that local happenings are shaped by events many miles away and vice versa¹.

The Caribbean has always been a region where external happenings have played vital and important roles in determining local happenings. During colonialism the colonies were subject to the rules laws and regulations as passed by the colonial power within whose empire they belonged. Though the colonies did have significant and direct impacts on their respective empires and did in fact help make the metropolitan countries into the developed countries they are today, they did not benefit socially or economically from the wealth they created.

The region was exploited for its raw materials to supply to the metropolitan states and was never designed to be in a position to compete with in the international markets. In other words, as part of the empire the region was not a collection sovereign states trying to survive in the international arena but was part of a whole, and their role, as part of that whole, was to supply raw materials necessary to sustain and expand the empire. To use a contemporary example, in Barbados if you want clay you source it from St.

Andrew, similarly in colonial times if you were British and you wanted sugar you most likely sourced it from one of the Caribbean colonies. How then does a region with over three hundred years of social, political and economic conditioning of dependence reform themselves to compete in not just the global arena but compete in an accelerated and intensified global arena, where the luxuries of development are not afforded to them and they are forced to compete with the handicap of underdevelopment? Moreover how does the region do this in its current dependent position? It does not.

Ronald Chilcote mentions a contrast of outcomes from the asymmetrical interdependence of economies of the dominant nations and the dependent ones; the expansion of the dominant nations may lead to development of the periphery states by extension of their expansion or may lead to their underdevelopment because of their subjective relationship². This implies that the development of the region is in the hands of the dominant countries of the global economy and that the most it can do is to try to align itself in such a way as to develop as a result of the expansion of said countries rather than suffer underdevelopment from the relationship.

One of the ways in which the region's governments can force this alignment is to have any Multinational Cooperation (MNC) wishing to enter into the local market to align itself with a local company or franchise. This will allow for growth of the local enterprises as well as it will help to keep some of the money earned by the MNCs within the countries economy and as a result stimulate growth of the local economies rather than to have a larger percentage of that money being appropriated overseas, which Lloyd Best lists as one of the structures of the plantation economy model of dependency theory.

This however just extends the dependency theory perspective that the region's economies are conditioned by the economies of the larger states and that the reformation of the local economies is not in the hands of governments but more so the local elites, who themselves are subject to the international capitalists they align themselves to. This then brings the class structure of the region and its role in the region's economies into question.

The elites in the region own and/or operate the organizations which have a controlling share in the local economies. This gives them economic power within the region and it also gives them indirect political power since they in essence hold the means of production and they employ a large number of the people in the populations of the regional countries.

Are the elite classes in the region's territories therefore the ones with whom the opportunities for reformation and economic refocusing of the regional economies lay? The elites of the region are seemingly comfortable with their present arrangements and very few seem to be interested in even regional

expansion withstanding the thought of global expansion and the few with ventures in the region are into the buy and sell style of business and are representatives of larger international cooperations.

A few examples are Barbados' Chefette fast food chain which has thirteen, soon to be fourteen branches in Barbados but does not appear to have any immediate plans for regional expansion, and Simpson Limited of Barbados is the Suzuki Motors sales representative/dealership for the Caribbean region right up to Florida and Simpson Oil Limited Barbados (SOL) owns Shell gas stations and its related entities of the eastern Caribbean. Chefette does have the international competition of Kentucky Fried Chicken restaurants (Barbados) and Simpson Oil Limited is largely successful enterprise.

Both can be classified as neo-plantations within the plantation economy model of dependency theory, and it can be said that in some ways both are competing with within the global economy or against global forces. Is this then proof that the region is already positioned to compete in the global political economy or is this just reinforcement of the point made that the region's economic future is left to the elites and their international alliances?

Lloyd Best lists as one of the structures of the plantation economy model the dependency on metropolitan investment and capital, and in the case of Simpson Oil Limited and many other regional business houses this is the case where they buy and sell metropolitan goods or they align themselves to multinational cooperations, such as the hopeful alliance of Subway restaurants and Goddard Enterprises Limited in Barbados.

Dependency theory suggests that the dependence of the periphery states on the larger developed nations means that their ability to develop strong social, economic and political traditions is unlikely because of that very dependence. Implicit in this, is the idea that the region will be unable to effectively compete in the global political economy because of the current dependency of their economies and the inability of either the governments or the elite classes of the region to reform or refocus the economies due to their dependent nature or their external alliances, globalization or no globalization.

The governments' inability to effectively reform or refocus the economies is due to position in which they are held by the local elite classes, where they lack the economic power held by the elites and the fact that the elites hold the breadline, so to speak, in their hands. The elites are in turn held by their alliances to the MNCs and are therefore doing what is fit for their benefit and the benefit of the MNCs.

The region, as it was for the last three hundred years, continues to be a source of labour, food production, and raw materials for the metropolitan states and confined to dependency theory globalization will keep the region in its state of dependency with money in the hands of the few and real political power in their hands as well. Best states that in the plantation economy model plantations and neo-plantations are like the traditional agricultural plantation.

In the traditional plantation system there existed a rigid class structure and a clear division of wealth relative to the class structure, that is, most of the

money in the hands of the planters and very little in the hands of the masses. Characteristics of the plantation society were defined by the divisions of class and wealth and the neo-plantations are not much different, although there has been the emergence of a skilled and educated middle class regionally.

The societies of the region have for a long time been shaped by outside influences, European culture for a long time was the dominating influence and then American popular culture pushed by the American media in the region was the domineering cultural influence. Societal institutions like schools were also under the influence of metropolitan curriculum and as a result the region's people were educated from metropolitan perspectives some of which were irrelevant to the Caribbean experience.

The plantation system left the majority of the region's peoples relatively poor and themselves internally dependent on the local elites for employment, which in effect was merely the plantation system all over again. The English speaking Caribbean saw the emancipation of slaves in 1834 and was for one hundred years after emancipation still stagnant in terms of social growth and improvements in things like wages.

With the labour riots of the 1930's and the subsequent emergence of trade unions and political parties the region was able to start to improve the physical conditions of the people and increase the one hundred year old wages but there was still the class division and wealth division in society and the plantation system had not disappeared. The region itself is just not dependent but its societies have remained relatively unchanged for 300

years and the culture of the societies has been a dependent one where the jobs for the people have been and continue to be in the hands of the few, the neo-plantations.

The private sectors of the region's countries have been controlling the ' means of production' for a long time and continue to do so. In the days of slavery the planters were the slaves' means of shelter and food, and after emancipation the plantations continued to be the sources of employment for many, especially in the smaller territories where there was no other option, and today the neo-plantations like Barbados Shipping and Trading (BS&T), Goddard Enterprises Limited, are responsible for the employment of large share of the states' population.

Does globalization then provide a change for the current society by creating greater choices and opportunities for employment, or does it make the situation of dependency worse, merely replacing the current neo-plantations with larger international institutions? The region's neo-plantations are already linked to various international institutions and they are most likely not going to be replaced by the international forces so much as they will continue to represent the interest of the MNCs within the region.

Globalization will not eradicate the dependence of the people on the neo-plantations for jobs but it may increase the choices available and it should allow easier movement of skilled and educated peoples of the region to go outside of the region and get jobs, still however leaving the dependency issue there. James Mittleman, professor of International relations at American

University, says that globalization compresses the time and space aspects of social relations.

Mittleman though somewhat correct neglects to mention the asymmetrical nature of the social relations since "... large segments of the world population ??? particularly in the global South ??? do not enjoy equal access to thickening global networks and infrastructures. In that sense, then, globalization is associated with inequality. " (Manfred B. Steger, "Globalization: Avery Short Introduction", 2003: 15-16)³ Dependency theory also speaks to the lost of effective sovereignty due to external influence on the economies, societies and cultures of the egion's states to the point where important decisions are made or forced by outside influences, resulting in critical domestic and foreign policies having international influences behind them. The International Monetary Fund (IMF), World Bank and the World Trade Organization (WTO) are such external influences that can impact domestic and foreign policies. A loan from the IMF comes with certain criteria which must be met in order to receive the loan. These special criteria are called Structural Adjustment Programmes.

The structural adjustment programmes of the IMF are usually not in the immediate interest of the countries on which they are imposed and they usually affect the poorest of the imposed nations' populations. These programmes usually include a devaluation of local currency and removing of government subsidies from social institutions and programmes such as education and health care. Trinidad is now starting to come out of the effects of the structural adjustment programmes and Jamaica is on the path to recovery and Guyana is still fighting its way through.

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It is because of these global institutions that the region is in its current position. Globalization then has not provided the region with an “excellent” opportunity to reform and refocus either their societies or the economies towards any form of real engagement with the global political economy. There has been too much conditioning, intentional or otherwise, within the region resultant in the region’s remaining a dependent source of raw materials, labour and the like, for something as fast paced and large scaled as globalization to help reform and refocus regional economies or societies.

Smaller, more localised attempts have been made at reformation and refocusing regional economies and societies; Federation, Carifta, Caribbean single Market and Economy (CSME), all with the exception of the currently controversial CSME have failed and are nothing more than history lessons in secondary schools or a regional athletic meet. If anything globalization has solidified the regions’ place as a periphery state to the larger developed nations and international markets and will keep the region in the state of dependency and resultant exploitation it has endured for over the past three centuries.

Globalization is the evolution of colonialism and imperialism within the region and has been present here to some extent for over the past three hundred years, and within the confines of dependency theory it keeps the division of class and wealth where it is currently with the money in the hand of the planters and very little in the hands of the masses. End Notes: 1Anthony Giddens in M. B. Steger, *Globalization: A Very Short Introduction* (Oxford: Oxford University Press, 2003) 10. Ronald Chilcote, *Dependence: A Critical review of the Literature, Latin American perspective* 1, no. 1, 1974: 4. 3 <https://assignbuster.com/globalization-and-the-caribbean-assignment/>

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