This becomes even more evident in considering how developing states have responded to the dynamics of contemporary globalization.

16.4 Sustainable development in a globalizing era

With the failure of 'Tiersmondisme', and the changing context of national development, governments and citizens in developing states are rethinking development strategies in relation to how they engage with a globalizing world. This has produced three distinct but (largely) mutually reinforcing strategic responses: regulation, regionalism and resistance. These will be examined briefly in turn.

Regulating globalization

Whereas the campaign for the NIEO sought to rewrite the rules of world order, today the struggle is largely over the terms of globalization, especially in relation to the form and content of global regulation (Woods, 1999). Amongst developing countries there has been a determined effort to exploit the rules of the system in order to advance development goals. This has been combined with collective attempts to achieve reforms to both the institutions and the rules of global economic governance. In respect of the former, the WTO is increasingly being used by developing countries and those interests damaged by free trade to ensure that industrialized countries abide by multilateral trade rules. One of the more recent high profile cases, significant for its broader political implications, was the WTO's striking down of US legal prohibitions on shrimp imports from a number of Asian countries whose industries failed to comply with the requirements of the US Endangered Species Act - a law which sought to protect dolphins, often the victims of indiscriminate shrimp fishing (WTO, 1998).

Governments in the emerging economies of Asia and Latin America are increasingly resorting to the WTO trade dispute settlement mechanisms in their conflicts with the EU and the US, since in a rule-based system *might* has less chance of trumping *right*. Of course these mechanisms do not seek to replace free trade with fair trade but they do provide weaker states with an instrument through which to ensure the compliance of more powerful states with the rules of the game. By contrast, the WTO is also used by the more powerful to annul some of the traditional protection that the poorest states have received. In 1999 the WTO forced the EU to abandon its system of preferences for Caribbean banana producers, following the 'banana war' between the US and the EU.

Besides 'working through the system' there is growing collective political pressure from G77 governments for reforms to both the rules and the institutions of global economic governance. Following the East Asian crash in 1997, reforms to the rules and architecture of global finance became a major topic of deliberation within the IMF, World Bank, and other multilateral fora. On this occasion the global financial instability resulting from the Asian crash crystallized a growing international consensus, from the G7 to the G77, that reform was essential, although there was much less agreement about what could or should be done to alleviate the systemic risks inherent in a world of instantaneous capital mobility. Some significant reforms were agreed in mid 1999 but these fell far short of the demands of many industrializing states such as Malaysia, or unions in G7 states, for global controls on destabilizing short-term capital flows, i.e. hot money.

Alongside reforming the rules of the global economy there is also an on-going debate about representation in the institutions of global economic governance. There are growing demands to give emerging and developing states greater representation in key decision-making bodies. In the case of the IMF there have been moves to widen consultation and participation in rule-making beyond the G7 to embrace the more representative G22 - a formal grouping which includes the major developing states from each world region. The NAM have also recently formed the G15 of leading developing states which seeks to establish a role as a kind of 'poor man's G7' at the global level (Sindharan, 1998).

But it is not simply wider governmental representation that is at issue, for the World Bank and the WTO are also under pressure from NGOs to adopt institutional reforms to make them more accountable to peoples, not just states (McGrew, 1999). These developments reflect one of the most fundamental challenges of globalization for existing modes of global governance, namely how to balance effectiveness with legitimacy when the latter requires some notion of representative and accountable decision-making (Governance, 1995; Held, 1995; Keohane, 1998).

Regionalizing globalization

Whereas Tiersmondisme' sought to build global solidarity amongst developing nations and ultimately a degree of delinking from the global capitalist economy, recent years have witnessed a profound shift towards regionalism as a political strategy for engaging with a globalizing world. The regionalist project, as it has become

known, is under way on all continents (see Table 16.3) although it is much more advanced in Europe than elsewhere and follows very different kinds of models in different parts of the world. Underlying the shift towards regionalism amongst developing states and emerging economies, in particular, is a recognition that, in a more interconnected and less stable world order, effective development policies are 'possible only in concert with others, such as regional trading groups...By forming such groups, poor countries.. .combine increased competition with economies of scale and a better division of labour - while retaining some protection from competition from more advanced countries' (UNDP, 1997b, p.91). Regionalism also potentially enhances the bargaining power of subordinate states within the institutions of global economic governance. By comparison with the strategy of 'Tiersmondisme' it also supports a form of international solidarity which can take account of the enormous diversity amongst

Table 16.3   Major regional arrangements since 1980

	Acronym	Date of formation
Organization of East Caribbean States	OECS	1981
Gulf Co-operation Council	GCC	1982
Economic Community of West African States	ECOWAS	1983
South Asian Association for Regional Co-operation	SAARC	1985
Arab Maghreb Union	AMU	1989
Asia-Pacific Economic Co-operation	APEC	1989
Latin American Integration Association	ALADI	1990
Visegrad group		1991
Southern African Development Community	SADC	1992
Common Market for East and Southern Africa	COMESA	1993
Association of Caribbean States	ACS	1994
Group of 3 - Colombia, Mexico, Venezuela		1994
North American Free Trade Area	NAFTA	1994
Economic and Monetary Community of Central Africa	CEMAC	1994
Union economique et monetaire ouest-africaine	UEMOA	1994
South American Common Market	MERCOSUR	1995

Source: Adapted from Elazar, D. (1998) *Constitutionalizing Globalization,* Rowman and Littlefield, New York.

developing states, in terms of levels of industrialization, geopolitical situation and forms of governance.

Amin refers to this new regionalism as 'polycentric regionalism' since it is a strategy for further eroding the old North-South hierarchy and building a more pluralistic world order (Amin, 1997). Furthermore, rather than being constructed in opposition to globalization, it is buttressed by a growing enmeshment in the global political economy. The new regionalism constitutes a form of 'open regionalism' with the object of deepening global engagement and at the same time creating an institutional and political capacity to 'modify the conditions of globalization'(Gamble & Payne, 1991; Amin, 1997, p.75). This is evident in the growing intensity of interregional diplomacy, such as that between MERCOSUR and the EU, as regional groups seek to establish open trading and investment areas embracing all their member states.

Regionalism, in a variety of different forms, is advancing at different speeds on all continents creating a complex system of multilayered governance at the world level (Fawcett & Hurrell, 1995; Rowlands, 1998; Held *et al,* 1999). It represents what Elazar calls a mechanism for 'constitutionalizing globalization'; that is, a political strategy for disciplining globalization to accord more closely with the political priorities of sustainable development (Elazar, 1998). However, the limits to regionalism are all too evident in the potential it has to intensify inter-regional competition and conflict as well as to erode global solidarity. As a political strategy for developing countries faced with a globalizing world, regionalism is thus by no means purely benign.

Resisting globalization

As the agencies of transnational civil society become more active on development issues they 'challenge traditional approaches to development which place the state at the centre of the process' (Dickson, 1997, p.155). Recent years have witnessed a vigorous 'globalization from below' as social movements, citizens groups and communities resist and contest the terms of neoliberal economic globalization by building transnational alliances and coalitions to promote an alternative programme which aims 'to make markets work for people, not people for markets' (UNDP, 1997b, p.91). A good illustration of this was the global campaign against the Multilateral Agreement on Investment (MAI), a proposed international treaty to remove national barriers to the globalization of business, which brought together a coalition of social, environmental, women's and development movements from all continents to mobilize, lobby and protest against its adoption. Partly as a consequence of the effective global mobilization of opposition, the MAI negotiations collapsed in 1998.

What connects the diverse forces which constitute this 'globalization from below' is an alternative vision of development which starts from the assumption that 'all economics is local' and which seeks above all the empowerment of peoples, human security and environmental sustainability. But there are also significant divisions and differences between these social movements, not least on grounds of gender, culture and priorities (Cheru, 1997). Moreover, not all advocacy movements have progressive aims, since many racist, xenophobic, and reactionary groups also seek to combat the 'tide of globalization'. Despite this, from the corridors of the WTO and the Cabinet room of 10 Downing Street to the boardrooms of Del Monte and Monsanto, 'globalization from below' has become a significant political force which has to be reckoned with.

16.5 Conclusion: towards a global 'New Deal' or 'global anarchy'?

As the new millennium unfolds, one of the most pressing questions confronting the international community is whether it 'can manage the globalization process in a way that...offers a more equal sharing in its benefits', i.e. engendering sustainable globalization (UNCTAD, 1998, p.5). As globalization transforms the context of national economic governance it invites the prospect of a global 'New Deal' between rich and poor

states and peoples, as sustainable development increasingly becomes a shared concern. The alternative is an increasingly fragmented and unruly world 'generating enormous misery, deprivation and violence' - a dystopia best captured in the phrase 'the new barbarism' (Burbach *et al.,* 1997, p.142). Of course these are, in many respects, extreme scenarios of future world order. Nevertheless they constitute two ways of thinking about the future which continue to inform much contemporary political discussion about globalization and its consequences for development. In some respects both scenarios capture elements of the lived experience of globalization for communities and societies on all the world's continents. But which tendency, if any, is likely to prevail?

Given that today the poorest countries and peoples are also the least enmeshed in global networks, a strategy of delinking for the next century 'will not be the basis for growth...but of increasing poverty'(Stallings, 1995, p.388). Furthermore, as the neoliberal credo of globalization comes under growing challenge in the wake of the East Asian crisis, there is evidence of a shift in attitudes and thinking within the institutions of global governance towards more effective regulation of globalization consonant with the requirements of social democracy and sustainable development. UNCTAD recently concluded that: 'There are already encouraging signs of a greater readiness on the part of advanced countries and the major international institutions...to work for shared and cooperative goals which address directly the needs of the developing and least developed countries and their peoples' (UNCTAD, 1998, p.7). This 'post-Washington consensus', though far from radical, expresses a shared political concern in many of the world's capitals with the socially divisive and destabilizing consequences of unfettered global capitalism. This search for a form of 'sustainable globalization' (i.e. conducive to social justice, human security and environmental protection) also reflects a self-realization within G7 capitals that 'it is highly implausible to believe that, over the medium term, the 15% of the world's population living in the OECD world can insulate itself from the instability and insecurity of the rest, not to mention growing social divisions within it (Hurrell, 1999, p.270). But this new development consensus is an inherently fragile political creation since there are powerful constituencies - both public and private - within all regions weighed against it. In these circumstances a more just and secure world order is far from preordained but, on the contrary, is still to be struggled for. Acknowledging this, a recent UNDP report nevertheless concludes that 'Inequality is not inherent in globalization' (UNDP, 1997b, p.82). However, whilst some of the political preconditions for sustainable globalization may be in place, as yet it remains an unrealized ambition.