

OSHER LIFELONG LEARNING INSTITUTE  
AT VANDERBILT

COFFEE, GLOBALIZATION, AND SUSTAINABLE  
DEVELOPMENT

October 25, 2021, 1:30-2:45 pm CT

Session #4



**THE CHAIN**  
*collaborative*

# WELCOME BACK!

- Any comments/questions from last week
- Day's Agenda
  - Recap from previous classes
  - New narratives versus old narratives of economic growth and development
  - International development as neo-colonialism or neo-imperialism
  - Can conscious consumerism save the world?



## RECAP

- Modernization theory, dependency theory, and the rise of neo-liberalism
- We discussed what was happening with coffee at the same time, and how policies related to coffee reflected those varying beliefs
- Price under modernization theory/first wave coffee: ICA
- Price under neo-liberalism/second and now third wave coffee: C Price + Specialty Coffee
- The UN and other institutions set policies based on dominant theories as well
- They have maintained a focus on economic growth, though now we are supposed to consider social and environmental pillars as well
- Arturo Escobar argues that the international development sector was created, as was the term “underdeveloped” through policies, power, and narratives

## ONE NARRATIVE: NEO-CLASSICAL ECONOMICS

- Based on the theory of supply and demand
- The value of goods is determined by their “utility”
- Key assumptions: people will spend rationally and maximize utility as a result of cost-benefit analysis, firms will seek to maximize profits, and there will be free and absolute access to information
- Neo-liberalism borrows from neo-classical economics, but rejects central planning
- But...that doesn't mean planning hasn't been involved in actuality
- Remember that the supposed comparative advantage of dependent economies/nations is their ability to produce cheap, raw materials
- Features of these dependent economies: subsistence farmers producing goods for domestic consumption and world market

## ANOTHER NARRATIVE: NEOLIBERALISM

- Echoes modernization theory in that there is one path to development: the market
- The government is dismissed as overly bureaucratic
- Failure to truly follow market was the stated reason that inequalities persisted
- The tenets of neoliberalism were embodied in the Washington Consensus
- This is partly why companies and NGOs are more involved in sustainability work today



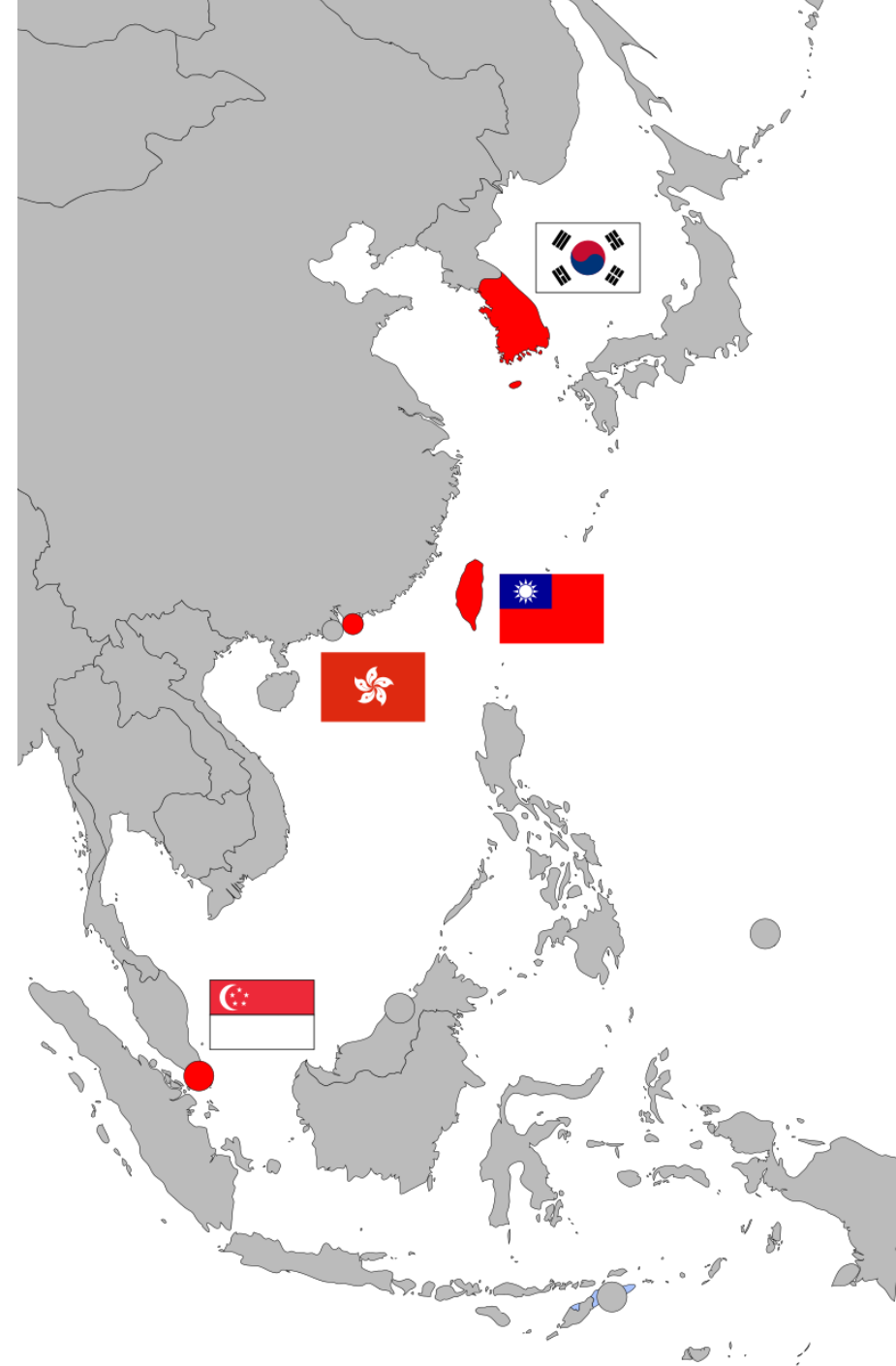
*Photo from:*  
<https://www.laprogressive.com/containing-neoliberalism/>

# BUT IS THERE REALLY SUCH A THING AS “FREE TRADE?”

## “Asian Tiger” economies

- They did adopt some neo-liberal reforms
- But industrialization happened behind high tariff walls, it was enforced by the government, and there was a high degree of central planning
- These countries also had political support from the U.S.
- Is culture a factor?

By *Flag of Hong Kong.svg: Nightstallion*; see [https://en.wikipedia.org/wiki/Four\\_Asian\\_Tigers#/media/File:Four\\_Asian\\_Tigers\\_with\\_flags.svg](https://en.wikipedia.org/wiki/Four_Asian_Tigers#/media/File:Four_Asian_Tigers_with_flags.svg)



## SO, WHAT ABOUT GOVERNMENT PLANNING?

Subsistence farmers  
with cash crop  
production

Domestic sector  
production for local  
consumption

Sector producing for  
world market

- Structural Adjustment Programs (SAPs) implemented by the World Bank, IMF, and UN, under which developing countries would receive loans, required that countries:
  - Deregulate, privatize, and liberalize trade
  - Grow cash crops instead of subsistence crops
- “Traditional, agrarian societies” turned into net food importers
- “In 1992 alone, GDP fell by 14.5 per cent, industrial production fell by 19 per cent, and inflation averaged 1,354 per cent – cutting real incomes by 46 per cent, and effectively destroying the savings of most ordinary Russians.” –*Jeffrey Sachs: The Strange Case of Dr. Shock and Mr. Aid*, p. 32

## NEW NARRATIVES: THE POST-WASHINGTON CONSENSUS AND GLOBALIZATION

- When extreme levels of inequality and political instability resulted, the powers that be created a new consensus: the Post-Washington consensus
- They posit: the market is still the right way to go, it just needs to be regulated
- Globalization: 1) Expansion of trade and investment across borders; 2) Interdependence between countries and global integration; 3) Convergence of attitudes across countries
- Continued debates: 1) Do we just need good governance? 2) Is neoliberalism the reason that the gap is increasing? 3) Can consumers have a real impact?





# NEW NARRATIVES: GLOBAL VALUE CHAIN THEORY

- Today, GVC theory separates the world between producer-driven and buyer-driven chains and relates to which actor has the most influence
- Buyer-driven chains are driven by brands and retailers (apparel and agriculture), while producer-driven chains by manufacturers (they have higher costs of entry)

Image from: <https://www.aib.world/event/aib-journals-webinar-global-value-chains/>



## IMPERIALISM AS DEFINED BY MERRIAM-WEBSTER

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### Definition of *imperialism*

: the policy, practice, or advocacy of extending the power and dominion of a nation especially by direct territorial acquisitions or by gaining indirect control over the political or economic life of other areas

## RECAP: WHAT DOES COFFEE HAVE TO DO WITH IT?

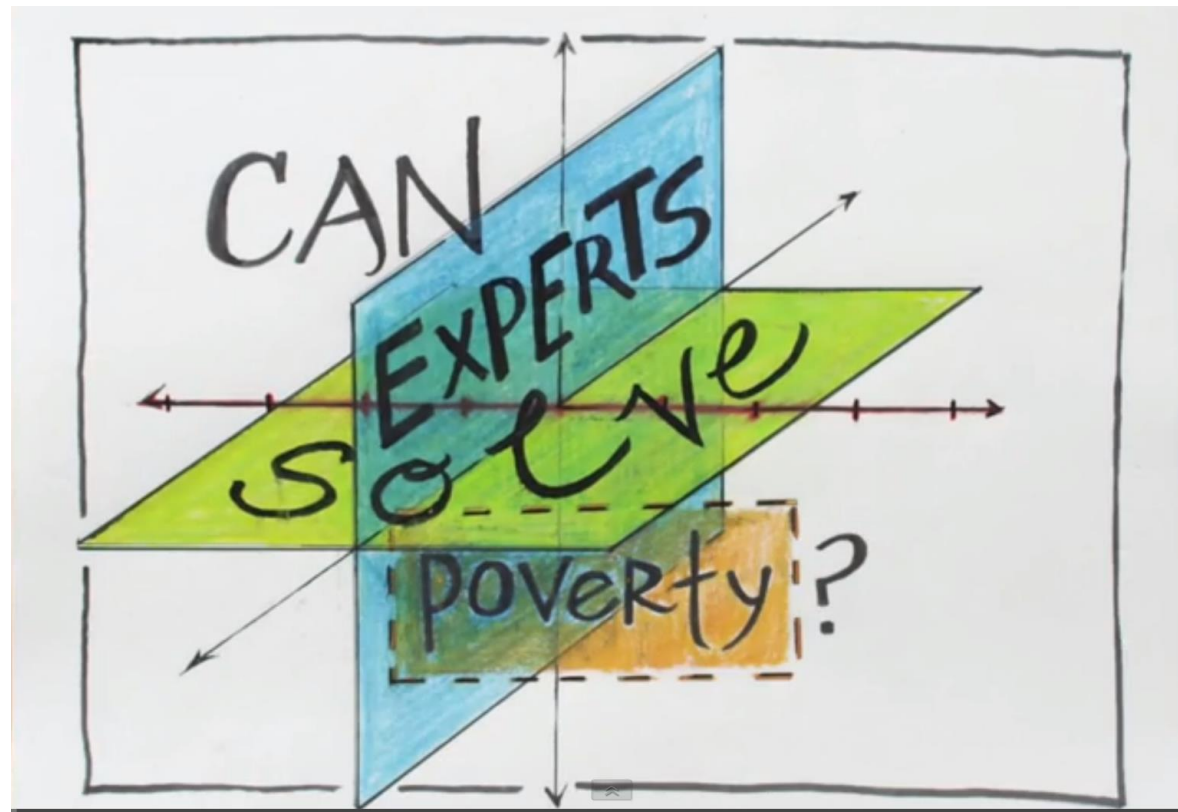
- Imperialism has been evidenced by international trade and expanded through international trade (as well as war)
- Though various countries achieved “independence” at various times, many continued the systems of trade that were established during colonialism
- As this happened, the UN and the Bretton Woods Institutions created economic and political policies to at once benefit the “underdeveloped nations” and maintain their own influence and power; many policies had to do with coffee
- At this point, the narrative of the “underdeveloped” was formed, and with it, a new form of development colonialism, or neocolonialism
- Neocolonialism: the economic and political policies by which a great power indirectly maintains or extends its influence over other areas or people

## RECAP: IMPERIALISM THROUGH THE AGES

- The ICA and C-Price, which favored, and still favors, some players over others
- Structural adjustment programs, which forced the growth of cash crops over subsistence agriculture
- Community-led development was first defined by the World Bank as giving people the things they lacked so they could “make it on their own”
- Development projects defined by institutions abroad
- But...people have noticed increasing inequalities, and even though development programs abound like fair trade, are things really improving?
- This begs the question, is the aid sector broken? Or simply designed this way?
- Who tends to design development programs? Who benefits?

# ghanathinktank

DEVELOPING THE FIRST WORLD



## IS DEVELOPMENT THE PROBLEM?

- Why is that “the West knows best?” This relates to the “superiority mindset”
  - But...our suggested policies haven’t worked in the past
- Debates around the anti-charity mindset
  - Teach a man to fish: but this still assumes superiority of some over others
  - Trade, not aid: but this hides the politics of buyer-driven chains (apparel and coffee) and the real capacity for people to grow in these economies; and what of the displacement of local manufacturing caused by international trade and globalization?
- Ultimately, one size cannot fit all, but the other reality of international development is that it has developed damaging narratives about those living in poverty

# CONSCIOUS CONSUMERISM AND INTERNATIONAL DEVELOPMENT



# SHOES AND INTERNATIONAL DEVELOPMENT



- *Conscious consumerism, might work but what are the shoes that people actually receive? Are they culturally relevant?*
- *Do they displace existing shoe companies?*
- *How does this help people to buy or sell their own shoes? Should that be the goal? And what about access?*



# SHOES AND INTERNATIONAL DEVELOPMENT



- *How can they be used as a weapon of class? How are these schemes exploitative?*
- *“Africans don’t need shoes” is a term I’ve heard a lot*
- *But is this a simplification of culture? And what about access? And health?*

THANK YOU AND SEE YOU NEXT  
WEEK!