

impossible; gunboats squared up to each other, and a number of warning shots were fired. After a winter of highly dangerous brinkmanship, the UK had to accept that it could do little to reverse the Icelandic action and reluctantly withdrew, tacitly accepting the new limits. Of themselves, the Cod Wars were a source of considerable international hilarity for all but the two countries directly involved, but at a more fundamental level they emphasised all too clearly the urgent necessity for international agreement.

In fact, even before the two conflicts in the 1970s, the urgency of the situation had been recognised by the UN and UNCLOS III was convened in 1973. The conference met every year from 1973–82, usually twice a year, and eventually agreed a draft convention at Montego Bay in Jamaica, covering all the major issues associated with an effective political regime for the oceans (Juda, 1996). The convention covered six broad areas: navigational issues, the exploitation of natural resources, deep-seabed mining on the high seas, protection of the marine environment, marine scientific research, and the settlement of disputes.

Navigation

It was crucial that extent of national territorial seas be regularised, and the convention proposed that there should normally be a 12-nautical mile limit to territorial seas, replacing the traditional 3-mile limit and other unilateral claims of up to 200 miles made by Ecuador and some other states in Latin America. Within this zone state laws apply, but with the important exception that all ships enjoy the right of innocent passage, which means that they should not prejudice the peace, good order, or the security of the coastal state in question. Beyond the 12-mile limit, states are also free to claim a contiguous zone, up to a total of 24 nautical miles, for customs, fiscal, immigration, and sanitary purposes, thus enabling the authorities to pre-empt illegal access into their territorial waters.

Extending territorial waters in this way, of course, raised new problems, the most critical being the status of ocean straits. The convention defined more than 100 straits used for international navigation, such as the Strait of Gibraltar, linking the Mediterranean to the Atlantic Ocean between Morocco and Spain, and articulated a right of international transit passage through them, including submerged submarines!

The convention also defined a new concept in international law, the archipelagic state, to allow mid-ocean archipelagos, such as the Maldives in the Indian Ocean, to enjoy similar territorial rights to other island and coastal states. For the first time, they had the right to draw archipelagic baselines connecting the outermost islands, though subject to stringent limits. The overall length of the baseline was normally not to exceed 100 nautical miles, though exceptionally this could be extended to 125 nautical miles, and the upper and lower ratios of water to land area within the baseline had to be in the ranges 1:1 and 9:1 respectively. The reason for these limits is to prevent some island groups, such as those in the Bay of Bengal, declaring themselves archipelagic states and, thus, extending the area covered as of right by their territorial seas. Not only would such a move restrict access to fishing grounds and other resources, it could also impair access to the high seas for other states.

All other parts of the oceans are defined by the convention as the high seas. Here, states have complete freedom of navigation and the right to over fly, as well as to lay pipelines and submarine cables, construct artificial islands, fish, and undertake scientific research. It is a recognition that, even if some form of regulation were to be desirable, it would be virtually impossible to enforce, as there is no international body with the necessary legitimacy or resources. It also acknowledges that the high seas are a global resource and that all nations have a right to benefit from them.

Exploiting natural resources

An end to the uncertainty created by the first UNCLOS Convention in 1958 about the right of states to exploit the resources of their adjacent continental shelf was a priority for the third conference. As a solution, it proposed that all coastal states should be able to claim the exclusive right to exploit the mineral and energy resources of an area extending 200 nautical miles from their baselines, to be known as the Exclusive Economic Zone (EEZ). In all other respects the waters of the EEZ remained part of the high seas, with all its freedoms of navigation and the right to conduct military activities on, over, and under the surface of the water. Almost immediately after the convention was published in 1982, all coastal states moved to take advantage of the proposal, in many cases giving private companies the confidence for the first time to invest in extremely expensive exploration, mainly for oil and natural gas. States

also have the right to fisheries in their EEZ, though with special restrictions: for highly migratory species, such as tuna; for marine mammals; and for species of fish like salmon and eels, which spend part of their life in freshwater rivers.

On their own, the EEZs did not solve all the problems of jurisdiction over the exploitation of natural resources on the continental shelves. In some cases, the continental shelf clearly extends for more than 200 nautical miles, even though a precise boundary is always very difficult to define. Where this occurs, the 200-nautical mile limit can be extended, but permission is not automatic, being decided upon by the UN Commission on the Limits of the Continental Shelf and usually involving some contribution by the benefiting state to the common good of all nations. There is also a continuing problem of overlap. There can be substantial differences in the area claimed as an EEZ, depending on which point on the baseline is taken as the reference point. The uncertainty frequently necessitates bilateral negotiations between neighbouring states to agree the boundary between their EEZs, no easy task, as the protracted arguments between the UK and Ireland, and the UK and France have clearly demonstrated.

Islands, so long as they are naturally formed areas of land, above water at high tide, are entitled to their own territorial waters. As can be seen from Figure 10.2, these island waters can add significantly to the area of sea over which a state has exclusive jurisdiction.

Deep-seabed mining on the high seas

The most contentious of all the areas in the convention was the regime for mining the deep seabed, beyond the EEZ. The original proposal in the convention was for an international regulatory regime under the UN International Seabed Authority. It would control the levels of production and provide for a mandatory transfer of the mining technology to developing countries, as well as a system of compensation for those developing countries whose land-based production of minerals, such as copper and nickel, was likely to be adversely affected by deep-sea mining.

In the early 1980s, there was considerable excitement about the possibilities for deep-sea mining, mainly from deposits of metallic nodules on the ocean floor, containing nickel, cobalt, copper, manganese,

and other metals. Subsequently, this interest has waned somewhat, as estimates of the extent of the deposits have declined, and the costs of recovery have risen.

All the major industrial countries immediately objected strongly to the proposals and refused to countenance signing up to the convention as it stood. Essentially, they objected to the whole concept of there being a UN International Seabed Authority, which would have the power to restrict their freedom to prospect and mine on the high seas, and to require them to provide for technology transfer. Negotiations dragged on for a decade, but in 1994 agreement was reached and all the industrial nations, with the exception of the USA, signed. The USA, the largest industrial economy in the world, is still not prepared to countenance any restrictions and, therefore, refuses to sign up to the convention as a whole. At the moment, the issue of deep-sea mining is of little immediate importance, because there are no serious commercial operations, but in the future this is bound to change. One has only to look at the way in which the possibilities of exploiting shallow coastal waters were being dismissed as recently as the middle of the twentieth century, to see how quickly developments in technology can bring about change.

Protecting the marine environment

The marine environment, in particular the high seas, is obviously highly at risk from pollution and the UNCLOS Convention requires all states to adhere to basic standards, usually those already laid down by other international organisations, such as the International Maritime Organisation. The states themselves are responsible for policing and enforcement within the area covered by their EEZs, while the UN International Seabed Authority is responsible for the situation on the high seas. As always, the most difficult issue is the whole question of enforcement, though as technology improves states are becoming increasingly adept at tracking down offenders, especially ships that dump oil into the open sea.

Scientific research

The convention pays considerable attention to marine scientific research, emphasising its importance for the future sustainable exploitation of the

oceans, but without defining precisely what it should encompass. Responsibility for monitoring and managing research within EEZs rests with individual coastal states, but with the International Seabed Authority in the high seas. However, all governmental authorities are committed not to withhold without very good reason requests to undertake research activities, making the maritime position much more open, and very different, from that on land.

Settling disputes

Disputes arising from the interpretation and application of the UNCLOS Convention are a matter for either the UN Law of the Sea Tribunal based in Hamburg, the International Court of Justice in the Hague, or specially convened arbitration tribunals. States have considerable freedom to choose which route they wish to use and also have the option to exclude altogether certain types of dispute, such as those involving delimitation, military activities, and those arising from the UN Security Council exercising its legitimate functions. In short, the regulatory regime is far from being a comprehensive one and its effectiveness has yet to be fully tested in practice.

The EU Common Fisheries Policy

As far as regulating fishing was concerned, the UNCLOS agreements were never likely to prove helpful when it came to managing fisheries in parts of the world, like Western Europe, where there are a large number of small coastal states, all with important fishing industries. Recognising this, the Common Fisheries Policy (CFP) of the EU was first agreed in principle in 1970 and proposed giving all member states unrestricted access to the territorial waters of each other until more detailed arrangements for fishing were agreed. At the time the EU comprised just six members, with little overlap between areas covered by their respective fishing fleets, but in 1970 the impending accession of Denmark, Ireland, and the UK meant that not only would the overall size of the fishing industry rise sharply, but there would also be substantial potential conflict, if there was unrestricted access for all member states in every part of their combined EEZs (Wise, 1984).

From the outset, it had been decided that a comprehensive policy must be introduced by 1983 and, for a decade, there were increasingly fraught

negotiations trying to reach agreement. When the deadline arrived, the member states had still not succeeded, but the reality of there being no national or EU-wide regulation quickly concentrated minds and the policy was agreed soon afterwards. In broad terms, the policy allowed member states to have exclusive control over fishing within the 12-nautical mile limit of their territorial seas, but allowed unrestricted access within the rest of their EEZs, subject to policies on the size of catches and the number of boats in each national fishing fleet, all to be determined centrally by the European Commission.

From the outset, the CFP was a source of friction between the member states themselves and with the European Commission and, predictably, the disagreements were greatest amongst those with the largest fishing industries, Denmark, France, Ireland, and the UK. Unfortunately, agreement became progressively more difficult as time progressed, especially once Spain and Portugal, both countries with large fishing fleets, joined the EU in 1986. Nevertheless, the EU has persisted with the policy and gradually developed a system of agreeing annually total allowable catches (TACs) for all the major commercial fish species, including quotas for specific fisheries, such as the North Sea, the Irish Sea, and the Southwest Approaches. It has also taken parallel actions to reduce the size of the fishing fleet, though there are still over 90,000 registered fishing vessels of varying sizes operating officially in EU waters.

The main challenge for the CFP is not the size of the market for fresh fish. Demand is far larger than can be caught in EU waters and the EU imports over 4 million tonnes of fresh fish annually, more than a third of its needs. Unfortunately, catches at present levels are unsustainable, so that the main goals of the CFP are determining and enforcing catch quotas which will ensure that there is a viable fishing industry in the EU in the long term. To this end, it has also invested heavily in promoting aquaculture and fish farming, but the scale of these operations nowhere near compensates for the reductions it needs to impose on catches in the open seas.

Managing decline is always a very difficult exercise and in the context of the CFP it is doubly so, because of the tensions between member states. Countries with large fleets, such as the UK and Ireland, resent the fact that many of their local fishing grounds are now open to boats from other EU states, which they see as undermining their domestic fishing industries. It is a situation that has been further hugely exacerbated by the

worldwide changes stemming from the UNCLOS Convention. The establishment of the 200-nautical mile EEZs as the norm for territorial waters has meant that fishermen everywhere have been excluded from most of their traditional fishing grounds, forcing them to concentrate their efforts closer to home. However, in areas like Western Europe, the local seas simply do not support the fish stocks to underpin the size of industry to which the fishermen had become accustomed.

Conversely, of course, in many other parts of the world, the fishing industry has been able to develop locally in a way that was impossible previously. Many developing countries in Africa, Asia, and South America now have much better technology available to them and are able to enjoy access to fish stocks that were previously a global resource, open to all.

It is important to remember that, despite the political revolution witnessed in the coastal waters of the continental shelves, the bulk of the world's oceans are still designated as the high seas with no restrictions on their exploitation for fishing. However, the fish species living here are different from the shallow coastal water species, like cod and haddock, that have traditionally been the staple of the industry and the deep water species living in the oceans of the high seas require substantially different technologies in order to catch them. They are also unfamiliar to consumers and, therefore, do not necessarily have the immediate appeal of shallow water species. Furthermore, as the population of the world inexorably increases, and with it the demand for fish, the pressure on stocks in the high seas is also going to steadily increase and this will, ultimately, force restrictive management regimes to be introduced here as well.

The amazing fact about the political annexation of the oceans that has happened so rapidly since the middle of the twentieth century is that it was so long in coming. Throughout all the economic, social, and political upheavals of the industrial revolution the management of the oceans remained essentially unchanged; the changes of the last fifty years have essentially been a catching-up exercise beginning to bring the world's oceans face to face with the realities of the modern world.

Key themes and further reading

The systematic incorporation of the oceans into a formal political framework since the middle of the twentieth century has been one of the most important recent changes to the world map. The way in which the ocean space has become progressively differentiated into a series of distinct zones is an important topic for political geography. The zoning closely mirrors the capacity of technology to exploit marine resources, running from a baseline, distinguishing the open sea from inland waters, to territorial waters, the contiguous zone, the EEZ, and the high seas. The role of the UN in overseeing the process of differentiation through a series of international treaties, culminating in UNCLOS III, has been highly innovative and significant, not least in clarifying the legal status of islands within the new maritime regime. Elsewhere, groups of states have concluded binding treaties, mostly governing fishing rights. The most ambitious of these is the Common Fisheries Policy of the EU, which has done much to draw attention to both the strengths and the weaknesses of attempts at international management of the oceans.

The most readable political geography of the oceans is M. I. Glassner's (1990) *Neptune's Domain: a political geography of the sea*. For those wanting a more detailed and formal legal account, *International Law and Ocean Use Management: the evolution of ocean governance* by L. Juda (1996) provides all the information one is likely to need in a most authoritative text. The tortuous history of how the EU Common Fisheries Policy was agreed is described by Mark Wise (1984) in *The Common Fisheries Policy of the European Community*.

SECTION C

Beyond the state

11

Globalisation and the theory of world systems

Young man, there is America – which at this day serves for little more than to amuse you with stories of savage men, and uncouth manners; yet shall, before you taste of death, show itself equal to the whole of that commerce which now attracts the envy of the world.

(Edmund Burke, *Speech on Conciliation with America*, 22 March 1775)

Globalisation

Political and economic interconnectedness in the world is nothing new, but in the twenty-first century it has reached new heights, reflecting the unprecedented technological advances in recent years. New developments in information technology and transport, allied to cheap and abundant sources of energy, have, for practical purposes, made the world a smaller place and forced societies at all levels to reassess their images of themselves and how they function (Harvey, 1989). The time–space compression, or the reduction in the barriers of physical distance by the introduction of ever faster means of communication and travel, has led to what Thrift (1995) has described as a hyperactive world, where the sheer volume and speed of transactions across the globe, and across space, has created a totally new political and economic landscape.

The revolution, which Edmund Burke foresaw over two centuries ago, is frequently, and often somewhat loosely, referred to as globalisation, though it is far from being a single, simple process. It is, rather, the convergence of a number of varied and quite disparate changes (Waters, 1995). These changes have necessitated a radical reappraisal of political geography and, in this context, there have been calls for a completely new approach to geopolitics, reasserting the crucial symbiosis between politics and economics, each of which is a necessary prerequisite for the

successful application of the other in international policy-making (Agnew and Corbridge, 1995).

At times, the concept of globalisation has led to somewhat extravagant claims being made about the scale and novelty of the revolution that is in train, not to mention its likely impact. While it is true that the role and power of the nation state have begun to change, predictions of its imminent demise in the face of a challenge from global, transnational corporations are decidedly premature and national forces clearly still remain extremely important and influential (Hirst and Thompson, 1996). At issue is a debate about the precise nature of the processes at work and the extent to which the world is becoming more internationalised, or more globalised (Dicken, 1998).

Internationalisation involves no more than the spread of economic activities across national boundaries and is, essentially, a quantitative process, leading to a more extensive global pattern of economic and commercial activity. Globalisation, on the other hand, is a more fundamental, qualitative change, producing novel patterns and processes of production and exchange and leading to a change in the whole structure of the economic landscape (Hodder, 1997). In reality, of course, such a rigid distinction is false in that both processes coexist, side by side, each to some extent a product of the other. The internationalisation of economic activity has encouraged novel solutions in both production and marketing, which have transcended national political boundaries and made globalisation a more distinct reality. Even so, the distinction between the two concepts is important, because both are highly uneven across time and space, with their absolute and relative distributions in a constant state of flux. Changes in one part of the world are rapidly diffused across the globe, underlining the interdependency of the whole economic system.

Nothing illustrates the scale and impact of the changes better than the progressive deregulation of global money markets since the end of the Second World War. Previously, world trade had been hidebound and very hampered by a multitude of national currency regulations, but following the UN-brokered Bretton Woods agreement in 1944, international currency convertibility gradually became the norm. First of all, as part of the US-led post-war economic reconstruction, the Organisation for European Economic Cooperation (OEEC) established fixed exchange rates for Western European currencies against the US dollar, thus allowing Western European countries to trade freely with North America,

and with each other (Blacksell, 1981). Later, the International Monetary Fund (IMF) was specifically charged with providing international support for weaker economies and currencies, underpinning the emergent, new financial order and extending the possibility of less restricted trade to other parts of the world.

The OEEC was extremely successful, but limited in its geographical scope and it was succeeded in 1961 by the Organisation for Economic Cooperation and Development (OECD), extending membership to most of the larger trading economies in the non-Communist world (Box 11.1). The success continued and, by the late 1960s, it was becoming clear that most of the major Western national economies had become strong enough economically to fend for themselves and that fixed exchange rates against the US dollar were an unnecessary anachronism. In addition, the scale of world trade and the relatively weak state of the US economy in the early 1970s meant that the USA was no longer in a position to allow the US dollar to be used as a universal reserve currency. Most currencies in the Western world were, therefore, allowed to float

Box 11.1

Organisation for Economic Cooperation and Development (OECD)

The OECD grew out of the Organisation for European Economic Cooperation (OEEC), which was formed to administer US and Canadian aid under the Marshall Plan for the reconstruction of Europe after the Second World War. Since it took over from the OEEC in 1961, the OECD's vocation has been to build strong economies in its member countries, improve efficiency, hone market systems, expand free trade, and contribute to development in industrial as well as developing countries.

The founding and early members of the OECD were all countries in Western Europe

and North America: Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the UK, and the USA. Membership has subsequently spread much more widely across the trading nations of the world and now includes: Japan, Australia, New Zealand, Finland, Mexico, South Korea, as well as four former Communist states in Europe: the Czech Republic, Hungary, Poland, and the Slovak Republic.

freely against each other and to find their own relative values. The world financial system remained robust in the face of the change and, as a result, governments were encouraged to relax still further national controls on the free movement of currencies, to a point in the early 1980s where currency controls virtually disappeared entirely throughout the Western world.

The removal of restrictions on the movement of money transformed financial institutions. No longer necessarily under the dictatorship of national governments, they were free to locate and trade as they wished and a competitive global financial market rapidly began to take shape (Leyshon and Thrift, 1997). Money can now be moved around the world almost without any restriction, so long as the process does not infringe the criminal laws of the countries concerned. In a sense, a market has been encouraged to develop between states and other political jurisdictions, with financial institutions, such as banks and investment companies, competing to find the locations with the least punitive fiscal regimes. There is now a host of micro states, many of them former British and French island colonial territories, which have developed as important financial centres by acting as tax havens, where individuals and companies can avoid paying tax in the major industrial countries where most of them do business and are located (Figure 11.1). Tax havens are now to be found in every part of the world, so that most countries have an easily accessible place where money can be deposited to avoid paying tax. There is also a growing number of larger states that are seeking to emulate the notorious secrecy of Switzerland, which has acted as a no questions asked and no tax levied bolt hole for money from all parts of the world for more than a century. Not only does this secrecy mean that Swiss banks act as an impenetrable front for often ill-gotten gains, it also unfairly penalises citizens of some of the poorest countries in the world by depriving them of resources that are rightly theirs and compounding their poverty.

Transnational corporations (TNCs)

Transnational corporations with their operations based in a number of different countries across the world have been the business response to the greater financial freedom that the world economy now enjoys (Coe *et al.*, 2004). They dominate world trade, with over 50 per cent of the total volume of trade of the USA and Japan being accounted for by

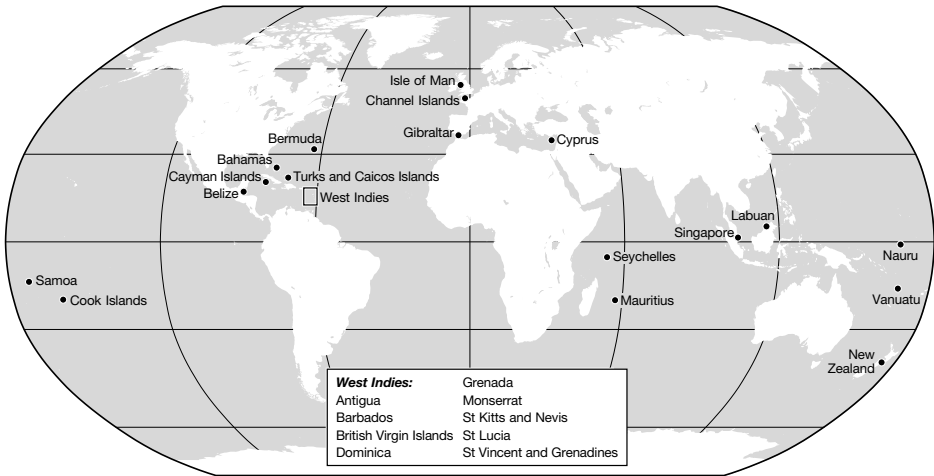


Figure 11.1 Tax havens across the world: small states where money can be deposited to avoid national taxation elsewhere

the international movement of goods and services within their largest companies. Some idea of the size of TNCs, and their smaller cousins, the MNCs (multinational corporations, with operations in more than two different countries), is evident from the fact that the largest of them, corporations such as Ford, Exxon, Mitsubishi, and International Business Machines (IBM), have turnovers greater than those of countries like South Africa, Greece, or Portugal (Knox and Agnew, 1998). Their sheer size makes them formidable players on the global political stage in their own right. They are also overwhelmingly based in the traditional seats of economic power and wealth, with about 90 per cent of TNC core operations located in the USA, the EU, and Japan, though MNCs in a number of other countries, like South Korea, are beginning to challenge the supremacy of the traditional triad.

The somewhat contradictory national concentration of the economic power of TNCs within the traditional industrial heartlands gives some clue as to how they are structured. Although TNCs are certainly global, for a company such as IBM, which has production sites in 84 different countries worldwide, the profits from these operations flow very strongly back to the USA, where the original hub of its activities, and the bulk of its shareholders, are still located. The attraction to IBM of its far-flung empire is partly that it makes the corporation better placed to exploit new market opportunities, but also partly that it gives it more options for

reducing costs by capitalising on cheaper labour and less onerous environmental, health, and safety requirements. Such considerations can be very significant if companies and corporations at all levels have the opportunity to reduce costs in a fiercely competitive global market.

The Bhopal disaster

An extreme example of the dangers TNCs can pose for the states where they are located is the appalling disaster visited on Bhopal, a city with a population of over 1 million in north-central India, on 3 December 1984. The American chemical company, the Union Carbide Corporation, operated a pesticide plant in the city which leaked a highly toxic cloud of methyl isocyanate into the atmosphere, killing 2,000 people immediately and injuring at least 600,000, of whom more than 6,000 have subsequently died. The tragedy was made particularly devastating because the leak went undetected for at least an hour, and because neither the local population nor the local health officials had been given any training in how to respond to such a disaster and were, therefore, unable to apply the basic, and very straightforward, precautions that would have neutralised the worst toxic effects of the gas.

Union Carbide Corporation's main defence against charges of criminal negligence was that it was not actually directly responsible, as the plant was operated by a local Indian company, Union Carbide India Ltd, which had built the plant and was wholly in charge of health and safety. What the Union Carbide Corporation failed to mention was that it was the majority shareholder in the Indian company and, thus, in an unassailable position to ensure that proper operating standards were in place.

The Indian government successfully sued the corporation for \$470 million in compensation, but the amounts paid to the victims were pitifully small: \$1,300 for a death and \$550 for those injured. What is more, corruption within the Indian government has meant that nearly half of the settlement has yet to be distributed. The plant was shut down immediately after the accident, but neither Union Carbide India Ltd, nor the Union Carbide Corporation, has managed to complete the clean-up operation and a cocktail of toxic chemicals is still leaking into the local environment, posing yet a further threat to the already beleaguered population of Bhopal.

Similar, though thankfully less disastrous, incidents have occurred across the world, most of them in developing countries. They are undoubtedly in large part an unsavoury consequence of the way in which many TNCs manage their global operations, even though it would be wrong to read into this that there have been no such incidents in the USA, the EU, or Japan. Such incidents have occurred there, but they have tended to be on a smaller scale and less serious. The one real exception to the general rule, however, is the former Soviet Union, which before its demise perpetrated massive environmental destruction in the name of industrial development, especially in the more remote of its constituent republics in Siberia (Saiko, 2001).

Oil exploration

Worldwide oil exploration represents the political dilemmas faced by those TNCs whose main business is to find and develop natural resources. On the one hand, few developed countries in the world have sufficient reserves to satisfy the needs of their major domestic oil companies, forcing them to seek opportunities abroad. On the other, these same companies have invaluable technical and business expertise to offer less developed countries to help them develop and realise the economic value of their oil and other natural resources. Nevertheless, most of the major oil corporations have come into serious conflict with governments at some time or other in their pursuit of new reserves, none more so in recent times than Royal Dutch Shell in Nigeria.

Shell produces nearly half of Nigeria's oil and in August 2004 was pumping out about 1 million barrels of oil a day in the country. It is the largest single contributor to Nigeria's exports and, as such, has to have a close working relationship with the central government. The dilemma is that the central government's own legitimacy and hold on power is tenuous, as is often the case in the developing world, and this can throw an oil exploration company, like Shell, into conflict with dissident, irredentist groups, fighting to assert their autonomy. It was in the face of just such a threat that, in 1993, Shell had to suspend its operations in the Ogoni area of the Niger Delta, which is where most of its drilling operations are located. The company was accused by the local people of conniving with the central government to destroy their land and their way of life in its drive to exploit the rich oil and natural gas reserves. Shell's defence was that it was investing in the future of the local people by

bringing wealth and development to the region. The corporation was caught in the middle of what was a virtual civil war in the delta region and, although the immediate danger of war breaking out has now receded somewhat, the future of oil exploration is still hotly contested and Shell is still seen by many people locally as little better than the agent of a repressive central state.

An interesting consequence for geography of the position Shell has found itself in, stemmed from the fact that the company was and remains a major sponsor of the Royal Geographical Society in the UK. Many geographers at the time felt that the RGS should sever all links with the company in protest at its activities in the Ogoni region and the issue was the subject of a heated debate at the society's annual general meeting in 1994. In the event, the membership decided to continue accepting support from Shell, swayed by the argument that the social and economic benefits that the company brought to the region outweighed the tacit support that its presence in Nigeria gave to the repressive regime. The dilemma faced by both the company and the RGS provides a classic example of the difficulties caused by the fact that as economic systems become more globalised, political institutions often struggle in their wake.

Developmentalism and development

What is called 'the error of developmentalism' is a phrase first coined in 1974 by Immanuel Wallerstein in his monumental Marxist analysis of the evolution of the world economy (Wallerstein, 1974). It refutes the liberal notion that states develop through a series of discrete stages, from traditional to complex societies, which was articulated most tellingly by the American economist Walter Rostow (1971) and widely accepted in the Western world at the time as the orthodox interpretation of the development process. Wallerstein argues that the evidence for such an automatic progression in the development process simply does not exist. Rather the reality for most states in the developing world is that they are stuck in an unequal exploitative relationship with the states in the developed, industrialised world and that the relative economic positions are unlikely ever to change (Dos Santos, 1973).

Indeed, the whole concept of development, with its intrinsic promise of future wealth and prosperity, has been widely criticised as inherently fraudulent, preserving the essentials of European colonial exploitation in

a less obvious form, as overt colonialism fell out of political favour in the second half of the twentieth century (Escobar, 1995). Initiatives, such as the 1940 Colonial Development and Welfare Act in the UK and the 1946 Investment Fund for Economic and Social Development in France were as much agents for preserving the economic status quo as they were attempts to define a new political relationship between the UK and France and their hitherto dependent territories (Watts, 2000).

The persistence of the inequalities inherent in the relationship between the developed and the less developed worlds can still be seen in the difficulties encountered by the EU in developing an acceptable and equitable relationship with the former colonial territories of its member states. Since 1964, there have been a series of conventions signed between the EU and over fifty former dependent territories of its member states, mainly in Africa, the Caribbean, and the south Pacific, the most recent being the Fourth Lomé Convention, signed in 1989, which has subsequently been revised and updated.

All the conventions were, broadly, reciprocal agreements giving unrestricted access for exports from the former dependent territories to the EU, and also unrestricted access to markets in the former dependent territories to the EU. The agreements have proved very advantageous to the EU, because of the guaranteed access they gave to the EU to minerals and other raw materials in a large part of the developing world. It quickly became clear, however, that too little was being done to protect the price of exports from the former dependent territories and a series of STABEX agreements, now covering 50 different products, have since been agreed to stabilise the level of their export earnings and give their primary industries a more equitable return on what they produce. A separate agreement, SISMIN, has been agreed to cover the price of mineral exports. In spite of these agreements, there has still been a considerable amount of criticism of the EU for exploiting its relationship with the former dependent territories, though a good proportion probably stems from the jealousy of other industrial countries that are not part of the agreement (Blacksell, 1981).

In the eyes of many commentators, much of what has been represented as development is no more than a cynical ploy to preserve and perpetuate economic privilege. Haraway (1991) argues that the concept is largely constructed through keywords, what she terms 'toxic words', which actually mean something completely different from what is apparently

implied. Thus, 'planning' is a mechanism for normalising people and ensuring conformity; identifying 'resources' is an excuse for desecrating nature; 'poverty' is an invention for undermining the values of traditional societies; and the application of 'science' is too often a justification for violence against indigenous peoples and their land. There is undoubtedly a degree of dramatic licence in this caricature, but it does nevertheless reveal the oppressive nature of the political and economic relationship between states at the opposite ends of the spectrum of prosperity.

World-systems analysis

World-systems analysis is a model, devised by Immanuel Wallerstein and elaborated in a series of major books published in the 1970s and 1980s, which attempts to draw together all the diverse threads in the debate about the nature of development into a single explanatory model (Wallerstein, 1974, 1979, 1980, 1983, and 1984). The model has assumed a particular importance in political geography, because it provided the analytical framework for much of the seminal work by Peter Taylor, including *Political Geography: world-economy, nation-state and locality*, probably the most influential textbook on political geography to appear in recent years (Taylor and Flint, 1999).

The core of Wallerstein's argument is that there have only ever been three basic ways in which societies have been organised to sustain and perpetuate the key processes of production and reproduction. What he terms the *reciprocal-lineage mode* describes societies that are mainly differentiated on the basis of age and gender and in which exchange is purely reciprocal. It is a model of economically simple, pre-feudal, and pre-industrial societies, that were for the most part highly restricted in their geographical range. They struggle to survive at all in the modern world, only maintaining a tenuous hold in some of the desert regions of southern Africa, and the tropical rainforests of South America, Asia, and Africa.

The *redistributive-tributary mode* describes societies that are class-based, with production carried on by a large majority of agriculturalists and paying tribute to a small ruling class. It is the classic conception of pre-industrial feudalism and was dominant in large parts of the world in what in Europe is known as the early modern era. The princes and maharajas of India, the emperors in China and Japan, as well as the petty rulers throughout Europe, were all part of this widespread system.

The *capitalist mode* is also class-based, but crucially is distinguished by ceaseless capital accumulation. The logic of the market dominates economic thinking and prices and wages are determined through the mechanisms of supply and demand. It is the mode of production that has come to define the modern world economy and it has systematically swept away, or at the very least marginalised, the two earlier modes.

Wallerstein contends that these three basic modes of production have, in their turn, resulted in three distinct types of society: mini-systems, world empires, and world economies. There have been innumerable mini-systems that have come and gone in the course of human history, and vast numbers of the misleadingly named world empires, going back throughout recorded history. To be more precise, the world empires actually refer to semi-closed economic and political systems, dominated by class-based hierarchies, and inhabiting a more or less discrete world of their own. In contrast, there has only ever been one world system, the capitalist world economy, which first emerged in Europe about the middle of the fifteenth century and, over the ensuing 350 years, spread to dominate the whole world. It is still all-powerful today, despite undergoing radical internal restructuring.

The key message of this analysis is that there can be no meaningful study of social, economic, and political change that proceeds on a country-by-country basis. It must incorporate the single society that is the world system. In other words, globalisation has been a fact for nearly 500 years and the inequalities built into it are systemic, not transitory, though their precise distribution is in a constant state of flux.

The structure of the world system is dominated by a single world market, but it also has a multi-state political framework. Within this system, no one state is ever able to dominate completely and certainly not in perpetuity. The more bombastic the claims to be eternal, such as Adolf Hitler's boast that the German Third Reich would last for a thousand years, the more short-lived they have tended to be. There is a constant political competition between states and it is this which gives economic decision-makers the leeway to manoeuvre and to look for new opportunities to increase their capital accumulation.

The world system can roughly be divided into three. At one end of the spectrum are the developed, industrialised states, forming the core. At the other are the largely non-industrialised, less developed states that have little to offer, other than their labour and supplies of raw materials that can find a market in the industrialised world. It is they that constitute