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Making Sense of Globalization

Globalization, simply put, denotes the expanding scale, growing magnitude, speeding up and deepening impact of transcontinental flows and patterns of social interaction. It refers to a shift or transformation in the scale of human organization that links distant communities and expands the reach of power relations across the world's regions and continents. But it should not be read as prefiguring the emergence of a harmonious world society or as a universal process of global integration in which there is a growing convergence of cultures and civilizations. For not only does the awareness of growing interconnectedness create new animosities and conflicts, it can fuel reactionary politics and deep-seated xenophobia. Since a substantial proportion of the world's population is largely excluded from the benefits of globalization, it is a deeply divisive and, consequently, vigorously contested process. The unevenness of globalization ensures it is far from a universal process experienced uniformly across the entire planet.

Although the term globalization has acquired the status of a popular cliché, the concept itself is not new. Its origins lie in the work of many nineteenth- and early twentieth-century intellectuals, from Karl Marx and sociologists such as Saint-Simon to students of geopolitics such as MacKinder, who recognized how modernity was integrating the world. But it was not until the 1960s and

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early 1970s that the term ‘globalization’ acquired academic and wider currency. This ‘golden age’ of rapidly expanding political and economic interdependence between Western states demonstrated the inadequacies of orthodox thinking about politics, economics and culture which presumed a strict separation between internal and external affairs, the domestic and international arenas, and the local and the global. In a more interdependent world, events abroad readily acquired impacts at home, while developments at home had consequences abroad. Following the collapse of state socialism and the consolidation of capitalism worldwide, public awareness of globalization intensified dramatically in the 1990s. Coinciding with the information revolution, these developments appeared to confirm the belief that the world was fast becoming a shared social and economic space – at least for its most affluent inhabitants. However, the idea of globalization is a source of great controversy: not just on the streets but in the academy too. In short, the great globalization debate has been joined.

Within the academy, no singular account of globalization has acquired the status of orthodoxy. On the contrary, competing theories vie for dominance. Nor do the existing political traditions of conservatism, liberalism and socialism offer coherent readings of, or responses to, a globalizing era. Although some conservatives and socialists find common ground in dismissing the significance of globalization, many of their colleagues consider it a major threat to cherished values and traditions. Indeed, the very idea of globalization appears to disrupt established paradigms and political orthodoxies, creating new political alignments.

Cutting through this complexity, it is, nevertheless, feasible to identify a clustering of arguments around an emerging fissure between those who consider that contemporary globalization is a real and profoundly transformative process – the globalists – and those who consider that this diagnosis is highly exaggerated and distracts us from confronting the real forces shaping societies and political choices today – the sceptics. Of course, this dualism

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is rather crude since it elevates two conflicting interpretations from among diverse arguments and opinions. But, as used here, the labels – globalists and sceptics – refer to ideal-type constructions. Ideal types are heuristic devices which order a field of inquiry and identify the primary areas of consensus as well as contention. They assist in clarifying the primary lines of argument and, thus, in establishing the fundamental points of disagreement. Ideal types provide an accessible way into the *mêlée* of voices – rooted in the globalization literature but by definition corresponding to no single work, author or ideological position. In essence, they are starting points, rather than end points, for making sense of the great globalization debate.

The myth of globalization

For the sceptics the very concept of globalization is rather unsatisfactory. What, they ask, is ‘global’ about globalization (Hirst 1997)? If the global cannot be interpreted literally, as a universal phenomenon, then the concept of globalization seems to be little more than a synonym for Westernization or Americanization.

In interrogating the concept of globalization, sceptics generally seek to establish a conclusive empirical test of the globalization thesis. This involves assessing how far contemporary trends compare with what several economic historians have argued was the *belle époque* of international interdependence, namely the period from 1890 to 1914 (Gordon 1988; Jones 1995; Hirst 1997). Such analyses disclose that, rather than globalization, current trends reflect a process of ‘internationalization’ – that is, growing links between essentially discrete national economies or societies – and ‘regionalization’ or ‘triadization’, the geographical clustering of cross-border economic and social exchanges (Ruigrok and Tulder 1995; G. Thompson 1998a; Weiss 1998; Hirst and Thompson 1999; Rugman 2001). Some studies go further to argue that, by

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comparison with the belle époque, the world has ‘imploded’ economically, politically and culturally as global empires have given way to nation-states, while the majority of the world’s population is excluded from the benefits of economic development (Hoogvelt 2001). This is an argument for the continued primacy of territory, borders, place and national governments to the distribution and location of power, production and wealth in the contemporary world order. There is a clear disjuncture between the widespread discourse of globalization and a world in which, for the most part, the routines of everyday lives are dominated by national and local circumstances.

Instead of providing an insight into the forces shaping the contemporary world order, the idea of globalization, argue many sceptics, performs a rather different function. In essence, the discourse of globalization helps justify and legitimize the neoliberal global project, that is, the creation of a global free market and the consolidation of Anglo-American capitalism within the world’s major economic regions (Callinicos et al. 1994; Gordon 1988; Hirst 1997; Hoogvelt 1997). In this respect, the ideology of globalization operates as a ‘necessary myth’, through which politicians and governments discipline their citizens to meet the requirements of the global marketplace. It is, thus, unsurprising that the globalization debate has become so widespread just as the neoliberal project – the Washington consensus of deregulation, privatization, structural adjustment programmes (SAPs) and limited government – has consolidated its hold within key Western capitals and global institutions such as the International Monetary Fund (IMF).

Embellishing this sceptical argument, orthodox Marxist analysis asserts that capitalism, as a social order, has a pathological expansionist logic, since to maintain profits capital constantly has to exploit new markets. To survive, national capitalism must continuously expand the geographical reach of capitalist social relations. The history of the modern world order is the history of

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Western capitalist powers dividing up and redividing the world into exclusive economic zones. Today, it is argued, imperialism has acquired a new form as formal empires have been replaced by new mechanisms of multilateral control and surveillance, such as the G7 group of leading industrial powers (Canada, France, Germany, Italy, Japan, UK, USA) and the World Bank. As such, the present epoch is described by many Marxists not in the language of globalization, but instead as a new mode of Western imperialism dominated by the needs and requirements of finance capital within the world's major capitalist states (Petras and Veltmeyer 2001).

For many of a sceptical persuasion, geopolitics too is important. For the existing international order is constituted primarily by and through the actions of the major economic and militarily powerful states (and their agents). Accordingly, the internationalization of economic or political relations is argued to be contingent on the policies and preferences of the great powers of the day, since only they have sufficient military and economic muscle to create and maintain the conditions necessary for an open (liberal) international order (Waltz 1979). Without the exercise of American hegemony, so the argument suggests, the existing liberal world order, which underpins the recent intensification of international interdependence, cannot be sustained (Gilpin 1987). In this respect, globalization is understood as little more than Americanization.

The globalist's response

Globalists reject the assertion that globalization is a synonym for Americanization or for Western imperialism. While they do not deny that the discourse of globalization may well serve the interests of powerful economic and social forces in the West, the globalist account emphasizes that globalization is an expression of deeper structural changes in the scale of modern social organization. Such changes are evident in, among other developments, the growth of

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multinational corporations (MNCs), world financial markets, the diffusion of popular culture and the salience of global environmental degradation.

Central to this globalist conception is an emphasis on the spatial attributes of globalization. In seeking to differentiate global networks and systems from those operating at other spatial scales, such as the local or the national, the globalist analysis identifies globalization primarily with activities and relations which crystallize on an interregional or intercontinental scale (Geyer and Bright 1995; Castells 1996; Dicken 1998). This leads to more precise analytical distinctions between processes of globalization and processes of regionalization and localization, that is, the nexus of relations between geographically contiguous states, and the clustering of social relations within states, respectively (Dicken 1998). In this account, the relationship between globalization and these other scales of social organization is not typically conceived in hierarchical, or mutually exclusive, terms. On the contrary, the interrelations between these different scales are considered to be both fluid and dynamic.

The attempt to establish a more systematic specification of the concept of globalization is further complemented by the significance attached to history. This involves locating contemporary globalization within what the French historian Braudel refers to as the perspective of the 'longue durée' – that is, very long-term patterns of secular historical change (Helleiner 1997). As the existence of premodern world religions confirms, globalization is not only a phenomenon of the modern age. Making sense of contemporary globalization requires placing it in the context of secular trends of world historical development (Modelski 1972; Hodgson 1993; Mazlish and Buultjens 1993; Bentley 1996; Frank and Gills 1996; R. P. Clark 1997; Frank 1998). That development, as the globalist account also recognizes, is punctuated by distinctive phases – from the epoch of world discovery to the belle époque or the interwar period – when the pace of globalization appears to

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intensify or, alternatively, sometimes slacken or reverse (Fernández-Armesto 1995; Geyer and Bright 1995). To understand contemporary globalization involves drawing on a knowledge of what differentiates these discrete phases, including how such systems and patterns of global interconnectedness are organized and reproduced, their different geographies, and the changing configuration of power relations. Accordingly, the globalist account stretches the concept of globalization to embrace the idea of its distinctive historical forms. This requires an examination of how patterns of globalization have varied over time and thus of what is distinctive about the current phase.

Central to this globalist interpretation is a conception of global change involving a significant transformation of the organizing principles of social life and world order. Three aspects of this tend to be identified in the globalist literature: namely, the transformation of traditional patterns of socio-economic organization, of the territorial principle, and of power. By eroding the constraints of space and time on patterns of social interaction, globalization creates the possibility of new modes of transnational social organization, for instance global production networks, terrorist networks, and regulatory regimes. Simultaneously, it makes communities in particular locales vulnerable to global conditions or developments, as the events of 11 September 2001 and its aftermath demonstrate.

In transforming both the context of, and the conditions for, social interaction and organization, globalization also involves a reordering of the relationship between territory and socio-economic and political space. Put simply, as economic, social and political activities increasingly transcend regions and national frontiers, a direct challenge is mounted to the territorial principle which underpins the modern state. That principle presumes a direct correspondence between society, economy and polity within an exclusive and bounded national territory. But globalization disrupts this correspondence in so far as social, economic and political

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activity can no longer be understood as coterminous with national territorial boundaries. This does not mean that territory and place are becoming irrelevant, but rather that, under conditions of contemporary globalization, they are reinvented and reconfigured, as new global regions and global cities emerge (Castells 1996; Dicken 1998).

At the core of the globalist account lies a concern with power: its instrumentalities, configuration, distribution, and impacts. Globalization is taken to express the expanding scale on which power is organized and exercised. In this respect, it involves the reordering of power relations between and across the world's regions such that key sites of power and those who are subject to them are often oceans apart. To paraphrase Jameson, under conditions of contemporary globalization the truth of power no longer resides in the locales in which it is immediately experienced (Jameson 1991). Power relations are deeply inscribed in the dynamics of globalization, as the discussion of its implications for politics and the nation-state confirms.