

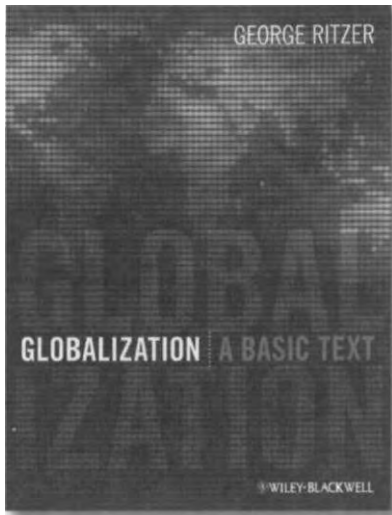
EDITED BY  
**GEORGE RITZER**  
AND  
**ZEYNEP ATALAY**

# GLOBAL

**READINGS IN GLOBALIZATION**  
**KEY CONCEPTS AND MAJOR DEBATES**

 **WILEY-BLACKWELL**

# Readings in Globalization



## **Globalization**

A Basic Text

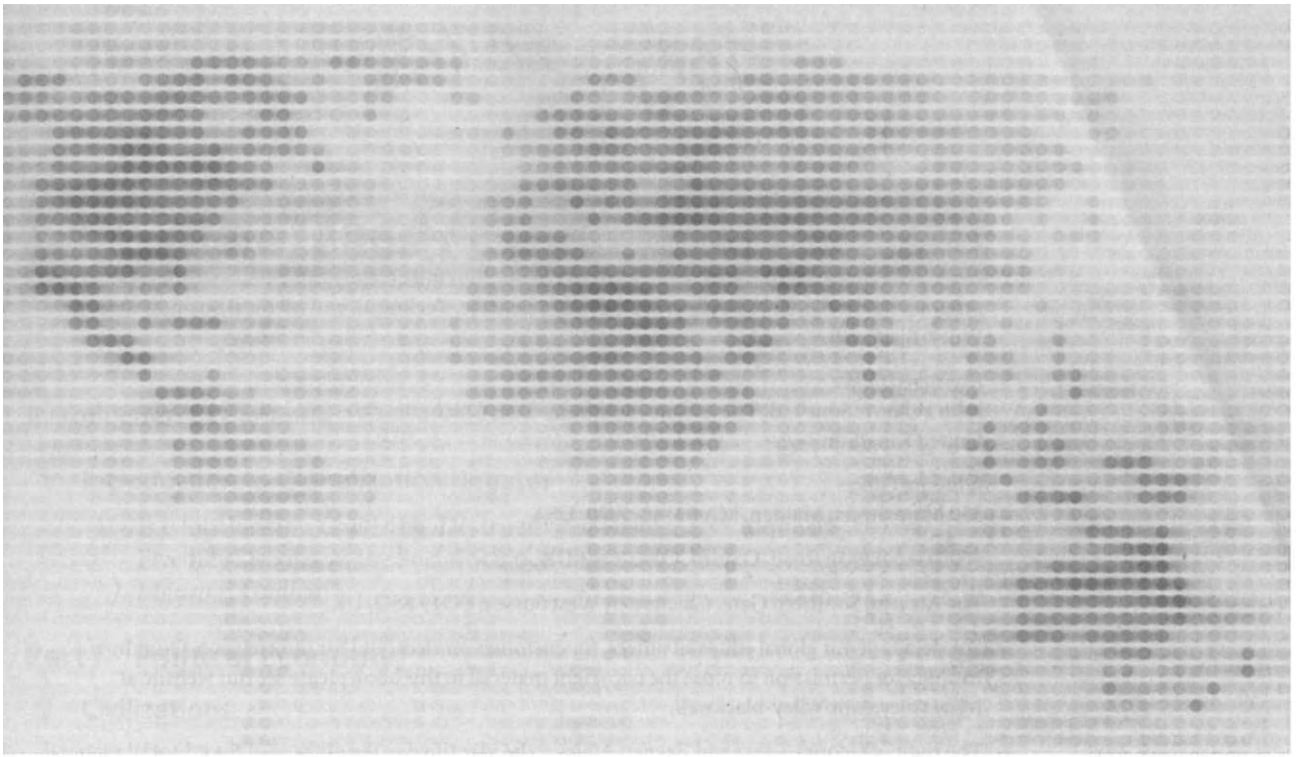
George Ritzer

This balanced introduction draws on academic and popular sources to examine the major issues and events in the history of globalization.

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## **KEY CONCEPTS AND MAJOR DEBATES**

Edited by  
**GEORGE RITZER**  
and  
**ZEYNEP ATALAY**

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## INTRODUCTION TO THE BOOK

As the title makes clear, this anthology deals with globalization. We will operate with the following definition of globalization:

Globalization is a transplanetary *process* or set of *processes* involving increasing *liquidity* and the growing multidirectional *flows* of people, objects, places, and information as well as the *structures* they encounter and create that are *barriers* to, or *expedite*, those flows.<sup>1</sup>

Globalization is, of course, a vast topic which cannot be covered completely in even as lengthy a volume as this one. The subtitle of this book makes clear what aspects of globalization will be dealt with here. Our first goal is to introduce the reader to at least some of the major *concepts* in the study of globalization. However, this introduction will be presented in the context of the *debates* that swirl in and around them. Indeed, the entire field of globalization studies is riddled with debates of all sorts and a secondary goal of this anthology is to introduce the reader to at least some of the major disputes in the field. These debates are important in themselves, but they also serve to clarify what we know about globalization. Furthermore, in many cases the debates also offer at least some examples of extensions to our knowledge of globalization that flow out of such debates. Such extensions are important because they illustrate that these debates are not merely exchanges of differing positions, but at times lead to advances in our understanding of globalization. All of the chapters illustrate this fact, but this is particularly the case where debates over a concept lead to new concepts. Examples of the latter include the debate over neoliberalism leading to such conceptual amplifications as neoliberalism as exception, exceptions to neoliberalism and graduated sovereignty (chapter 4); the debate about glocalization leading to the concept of grobalization (chapters 13, 14); and the debate over McDonaldization leading to the idea of glocommodification (chapter 15).

Chapter 1 of this volume stands alone and apart from the rest in the sense that it offers an overview of some of the major debates in the field. It constitutes an introduction to the volume, as well as to many of the debates to follow.

The remainder of the volume is divided into two broad parts. The first part deals with concepts, debates, and extensions in the *political economy* of globalization. As is explained further in the introduction to Part I, this heading was selected because in many cases it is difficult to clearly distinguish the political and economic aspects of globalization. The term "political economy" is rather old-fashioned; it was at one time coterminous with "economics" and related specifically to the economy of the state. However, it is now used more broadly to refer to the relationship between the state and the economy<sup>2</sup> and that is the way it will be deployed here. Some of the concepts (e.g. nation-state) covered in this part tend to be more political in nature, while others (e.g. neoliberalism) are more oriented to economics. Nonetheless, all deal in varying degrees with the relationship between politics and economics.

In Part II we turn to *culture* and its relationship to globalization. However, we hasten to point out that the issues covered in the two parts of the book overlap to some degree and the distinctions made are artificial, at least to a degree. All of the topics covered in Part I have cultural

## Introduction to the Book

elements (and this is particularly true of such topics as civilizations, cosmopolitanism, McWorld, and Jihad). Further, there are certainly political and economic aspects to all the cultural concepts covered in Part II. For example, world culture encompasses the idea that the world's polities and economies have increasing cultural commonalities. However, all of the chapters in Part II deal with the issue of the degree to which it is possible to think in terms of a global culture or whether local culture inevitably retains its own distinctive character, even in the face of pressure from a globalized culture.

While the concepts covered in this volume are not exhaustive of the major ideas in the study of globalization, they are a good representation of those key ideas. The concepts covered are: *civilizations, Orientalism, colonialism, postcolonialism, neoliberalism, structural adjustment, nation-state, transnationalism, world systems, empire, network society and informationalism, world risk society, cosmopolitanism, McWorld and Jihad, creolization, hybridity, localization, McDonaldization, and world culture*. In addition, represented in the debates over these concepts are many of the major contributors to our understanding of globalization including Edward Said, Karl Polanyi, David Harvey, Manuel Castells, Samuel Huntington, Immanuel Wallerstein, Michael Hardt and Antonio Negri, Susan Strange, Linda Weiss, Leslie Sklair, William Robinson, Ulrich Beck, Benjamin Barber, Jan Nederveen Pieterse, Ulf Hannerz, Roland Robertson, George Ritzer, Malcolm Waters, and James L. Watson,

Overall, then, our belief is that the inclusion of so many major concepts and the work of so many leading contributors to the literature make this a worthy introduction to the field. However, it should be borne in mind that work on these concepts by these figures is presented in the highly dynamic context of the debates that rage about these ideas and thinkers. It is our opinion and hope that this serves to make this anthology not only highly informative, but also a dramatic and interesting introduction to the field of globalization studies.

## NOTES .....

- 1 George Ritzer, *Globalization: A Basic Text*. Maiden, MA: Wiley-Blackwell, 2010. For more on this definition see chapter 1 of that book.
- 2 See, for example, David Balaam and Michael Veseth, *Introduction to International Political Economy*, 4th edn. Englewood Cliffs, NJ: Prentice-Hall, 2007.

# Introduction to Globalization Debates

The study of globalization is highly disputatious. Indeed, this entire volume is devoted to at least some of the major conceptual debates in the study of globalization. However, there are even more fundamental debates surrounding the whole issue of globalization. This first chapter of the book contains an essay by Mauro F. Guillen that examines five of the key debates in the field. While he does not include it as one of his debates, Guillen begins with the much discussed issue of just what is globalization. He reviews various definitions as well as proposing his own definition. He points out that globalization is not only a scientific concept but also an ideology with a multitude of meanings. In addition to disagreements over its definition, there is much dispute over just when globalization began.

Having in fact covered several debates in his introductory remarks, Guillen turns to what he considers the five key debates:

- Is globalization really happening?
- Does globalization produce convergence?
- Does globalization undermine the authority of the nation-state?
- Is globality different from modernity?
- Is a global culture in the making?

Guillen closes with some thoughts on what one of the fields covered in this book - sociology (others include political science, international relations, anthropology, economics, literary theory, geography) - has contributed to our understanding of globalization, as well as on the need for further research and more interdisciplinary work on the topic.

Several of the debates outlined by Guillen appear later in this book, but the highly disputatious nature of globalization is reflected in the fact that there are many other ongoing arguments in the field. Many of them appear in the following pages, but they represent only a small proportion of the large and growing number of debates in the study of globalization. While the fact of these exchanges does not promise any easy answers to the big issues in the field, it does reflect the field's enormous vibrancy.



# Is Globalization Civilizing, Destructive or Feeble? A Critique of Five Key Debates in the Social Science Literature

**Mauro F. Guillen**

## Introduction

Globalization is one of the most contested topics in the social sciences. Observers and theorists of globalization have variously argued that the rapid increase in cross-border economic, social, technological, and cultural exchange is civilizing, destructive, or feeble, to borrow Albert Hirschman's celebrated metaphors. Harold Levitt's "Globalization of Markets" or Kenichi Ohmae's *Borderless World* promise boundless prosperity and consumer joy as a result of globalization, i.e. the global as civilizing. In sharp contrast to this view, the historian Paul Kennedy warns in *Preparing for the Twenty-First Century* against our lack of structures to deal with a global world, while political economist Dani Rodrik rings a similar bell of alarm in *Has Globalization Gone Too Far?* concerning the increasingly free international economic and financial flows. As in the civilizing view, the destructive interpretation regards globalization as leading to convergence, albeit predicting harmful rather than beneficial consequences. Unlike the adherents to either the civilizing or the destructive views of globalization, other scholars, namely, Paul Hirst and Grahame Thompson in *Globalization in Question*, and Robert Wade in "Globalization and Its Limits", see it as a feeble process that has not yet challenged the nation-state and other fundamental features of the modern world.

In this chapter I first define globalization and its timing. Then, I review the main contributions of the various social sciences to research on globalization, with an emphasis on sociological perspectives. I organize the discussion and critique around five key debates or questions: Is globalization really happening? Does it produce convergence? Does it undermine the authority of nation-states? Is globality different from modernity? Is a global culture in the making?

## What Is Globalization?

Intuitively, globalization is a process fueled by, and resulting in, increasing cross-border flows of goods, services, money, people, information, and culture. Sociologist Anthony Giddens proposes to regard globalization as a decoupling or "distanciation" between space and time, while geographer David Harvey and political scientist James Mittelman observe that globalization entails a "compression" of space and time, a shrinking of the world. Sociologist Manuel Castells emphasizes the informational aspects of the global economy when he defines it as "an economy with the capacity to work as a unit in real time on a planetary scale." In a similar vein, sociologist Gary Gereffi writes about global "commodity chains," whereby production is coordinated on a global scale. Management scholar Stephen Kobrin describes globalization as driven not by foreign trade and investment but by increasing technological scale and information flows. Political scientist Robert Gilpin defines globalization as the "increasing interdependence of national economies in trade, finance, and macroeconomic policy." Sociologist Roland Robertson argues that globalization "refers both to the compression of the world and the intensification of consciousness of the world as a whole." Also sociologist Martin Albrow defines globalization as the "diffusion of practices, values and technology that have an influence on people's lives worldwide." I propose to combine the perspectives of Robertson and Albrow, and so define globalization as a process leading to greater interdependence and mutual awareness (reflexivity) among economic, political, and social units in the world, and among actors in general.

Globalization, however, is also an ideology with multiple meanings and lineages. As Cox has observed,

sometimes it appears loosely associated with neoliberalism and with technocratic solutions to economic development and reform. The term also appears linked to cross-border advocacy networks and organizations defending human rights, the environment, women's rights, or world peace. The environmental movement, in particular, has raised the banner of globalism in its struggle for a clean planet, as in its "Think Global, Act Local" slogan. Thus, globalization is often constructed as an impersonal and inevitable force in order to justify certain policies or behaviors, however praiseworthy some of them might be. In a broader historical sense, Mazlish and Robertson cogently argue that not only capitalism or advocacy movements but also Christianity, Islam, and Marxism have made global claims and harbored global pretensions. Hirsch and Fiss document that use of the term "globalization" in the press appears associated with multiple ideological frames of reference, including "financial market," "economic efficiency," "negative effect," and "culture."

The start of globalization is also a contested issue. One could argue that globalization begins with the dawn of history. The literature, however, has tended to date the start of globalization more recently in the experience of the West. At one end of the spectrum, historians have noted the importance of the first circumnavigation of the Earth in 1519-21. World-system theorists maintain that the expansion of European capitalism in the sixteenth century marks the start of globalization. Some economic historians point to the turn of the twentieth century as the heyday of international trade and investment before the convulsions of World War I and the Great Depression threw the world into spiraling protectionism. Robertson argues that globalization "took off" between 1875 and 1925 with the "time-zoning of the world and the establishment of the international dateline; the near-global adoption of the Gregorian calendar and the adjustable seven-day week; and the establishment of international telegraphic and signaling codes." Murphy recounts the history of international organizations to foster transportation and communication since 1850. Students of social movements for the abolition of slavery, woman suffrage, or the prohibition of female circumcision argue that the emergence of contemporary transnational advocacy networks can be traced back to the second half of the nineteenth century.

A third group of scholars starts the analysis of globalization at the end of World War II, with the coming of the nuclear age, the emancipation of colonies, the renewed expansion of trade and investment, and the economic rise of Northeast Asia. There is also justification for telling the story of globalization beginning with the unraveling of *pax americana* in the early 1970s or with the rise of neoliberal ideology in the late 1970s and early 1980s. In a more conceptually informed way, Kobrin distinguishes between the trade and investment linkages of nineteenth-century internationalization and the network and information ties of late twentieth-century globalization. Thus, there is no agreement as to whether it was with Magellan and Mercator, James Watt and Captain Cook, Nixon and Kissinger, or Thatcher and Reagan that globalization started or, to be more precise, that the narrative of globalization ought to begin. Lastly, it should be noted that the English term "globalization" was first used around 1960 in its world-wide sense as opposed to its much older meanings of the global as something spherical, total, or universal.

Definitions and timing aside, one of the persistent problems afflicting the study of globalization is that it is far from a uniform, irreversible, and inexorable trend. Rather, globalization is a fragmented, incomplete, discontinuous, contingent, and in many ways contradictory and puzzling process. Table 1 presents economic, financial, social, political, and bibliographical indicators of globalization. The measures are presented for the 1980-98 period not because globalization started in 1980 but rather because of data limitations. Foreign direct (excluding portfolio) investment as a percentage of GDP is 2.5 times greater today than twenty years ago - and nearly four times greater in the developing world. Trade has also grown, although not as fast as foreign investment. Financial globalization has grown fastest: foreign exchange turnover increased tenfold between 1979 and 1997 relative to world GDP, and both cross-border bank credit and assets have increased more than twofold as a percentage of world GDP.

Some key indicators of social exchange across borders are also increasing rapidly, including tourism and international telephone calls (see Table 1). International migration, though on the rise, has not reached important levels relative to world population. Also bucking the globalization trend is the growing number

of nation-states - from 157 United Nations members in 1980 to 184 by 1998. And more ethnic groups than ever seem to be reasserting their identities and yearning to create their own state - Palestinians and Kurds, Basques and Catalans, Scots and Welsh, Tibetans and Kashmiris, Corsicans and Québécois. Meanwhile, the

number of international organizations has more than trebled. Among international advocacy groups, those concerned with human rights, the environment, Esperanto, women's rights, and world peace have grown fastest. And the internet has accelerated cross-border exchange during the 1990s, although less than

**Table 1** Indicators of globalization, 1980-98

Indicators	1980	1985	1990	1995	1998
<i>A. Economic</i>					
Inward foreign direct investment stock. % world GDP	4.6	6.5	8.0	10.1	11.7 <sup>a</sup>
Developed countries, % GDP	3.8	4.9	6.6	9.1	10.5 <sup>a</sup>
Developing countries, % GDP	4.3	8.2	8.5	15.4	16.6 <sup>a</sup>
Gross value added of foreign affiliates. % world GDP	—	5.2	6.4	6.3	7.8 <sup>a</sup>
Exports of foreign affiliates, % total world exports	—	31.9	27.5	32.3	35.6
Exports + imports of goods. % world non-service GDP	72.7	68.1	76.0	87.5	92.1 <sup>a</sup>
Developed countries, % non-service GDP	76.6	72.1	81.8	90.1	95.1 <sup>a</sup>
Developing countries, % non-service GDP	60.9	54.6	55.0	77.3	83.2 <sup>a</sup>
Exports + imports of goods and services. % world GDP	40.0	38.8	38.9	42.9	45.2 <sup>a</sup>
Developed countries, % GDP	40.2	39.4	38.3	41.2	43.8 <sup>a</sup>
Developing countries, % GDP	39.1	36.6	41.0	49.5	50.6 <sup>a</sup>
<i>B. Financial</i>					
Daily currency exchange turnover. % world GDP <sup>a</sup>	0.7	1.3	3.8	5.6	6.8
Cross-border bank credit stock. % world GDP <sup>b</sup>	13.9	19.9	34.3	33.1	
Cross-border banking assets. % world GDP <sup>b</sup>	13.7	19.9	28.1	28.5	
<i>C. Social and Political</i>					
International tourist arrivals. % world population	3.5	6.7	8.6	9.9	
Stock of international migrants. % world population <sup>c</sup>	1.5	1.8	2.0	2.2	
International calls, minutes per million \$ world GDP <sup>d</sup>	—	1,354	1,600	2,174	—
Internet hosts, number (thousands) <sup>e</sup>	—	5	617	12,881	19,459 <sup>a</sup>
Nation-states with membership in the United Nations	157	157	159	184	184
International organizations, number	14,273 <sup>a</sup>	24,180	26,656	41,722	48,350



**Table 1** (continued)

Indicators	1980	1985	1990	1995	1998
<i>D. Bibliographical</i>					
Literature on globalization, annual entries: <sup>1</sup>					
Sociological Abstracts	89	142	301	1068	1009
Econlit	19	269	608	1044	924
PAIS (Politics and International Relations)	64	101	309	366	698
Historical Abstracts	69	81	103	166	157
Anthropological Literature	6	2	6	1	34
Books in Print	48	92	328	689	589

<sup>1</sup>Data are for 1979, 1984, 1989, 1995, and 1998.

<sup>2</sup>Data are for 1981, 1986, 1991, and 1995.

<sup>3</sup>Estimates.

<sup>4</sup>Excludes international calls using cellular phones or private networks.

<sup>5</sup>Data are for 1986, 1991, 1996, and 1997.

<sup>6</sup>Articles or books with the words "global" or "globalization" in the title, subject heading or abstract.

<sup>7</sup>1981.

<sup>8</sup>1997.

Sources: *World Investment Report*; *International Trade Statistics Yearbook*; *UN Statistical Yearbook*; Baldwin, R.E., Martin, P. (1999). Two waves of globalization: superficial similarities, fundamental differences. NBER Work. Pap. Ser. 6904. Cambridge, MA: Natl. Bur Econ. Res.; Tschoegl, A. E. (1998). Country and bank sources of international competitiveness: the case of the foreign exchange market. Work. Pap., Wharton School, Univ. Penn.; Vernon, R. (1998). *In the Hurricane's Eye: The Troubled Prospects of Multinational Enterprises*. Cambridge, MA: Harvard Univ. Press; Miguel Centeno, Dept. of Sociology, Princeton University; Yearbook of International Organizations; Penn Library Databases.

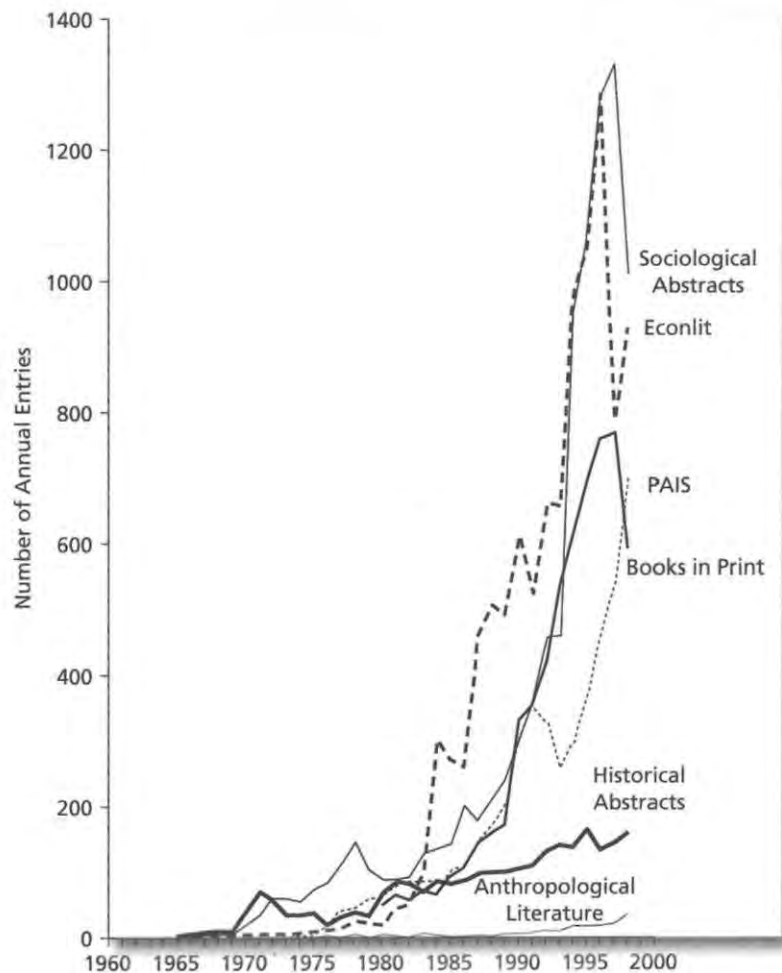
two or three percent of the population has access to it in most countries except the very rich ones.

It is perhaps ironic to observe that the fastest increase among the indicators included in Table 1 does not refer to globalization itself, but to the literature on globalization. As shown in Figure 1, there has been an explosion in the number of articles on globalization published in the economic, sociological, and political literatures. The number of books on globalization has also increased steeply. The historical and anthropological literatures, by contrast, have lagged behind. Among the social sciences, sociology was the first to pay attention to globalization. Sociology journals started to carry large numbers of articles on globalization during the early and mid 1970s, primarily induced by world-system theorizing. Some authors have attempted to summarize the literature, and several edited volumes have been compiled. Perhaps the most bewildering feature of the literature is not its sheer size but the

remarkable diversity of authors that have contributed to it, ranging from postmodernist scholars or social theorists who rarely, if ever, engage in empirical research to number-crunching empiricists, politicians, and management consultants.

## Five Key Debates

The five key debates that I identify in this chapter are not an exhaustive list of issues in the vast and rich literature on globalization. They capture, however, a broad spectrum of social, political, and cultural themes of interest to sociologists and other social scientists. [. . .] One should not assume those on the same side of the fence regarding a particular question actually agree with each other on other issues or that they approach the issue from exactly the same perspective.



**Figure 1** The literature of globalization

Is it really happening?

Most of the books and articles discussed in this chapter simply assume that the world is becoming more global, that is, more interrelated. Myriad policymakers, publicists, and academics take it as axiomatic that globalization is in fact happening without supporting their claim with data. Political economist and policymaker Robert Reich, for example, proclaims that "national economies" are disappearing and companies no longer have a nationality; only people do. There are, however, many skeptics.

Perhaps the best-documented case for the feeble argument against globalization has been made by Paul

Hirst, an Oxford political scientist with ties to the Labour Party. In a recent book, Hirst and Thompson argue that the globalization trend of the last twenty years has been overstated as a process: it is not unprecedented in world history, they say, and foreign investment and trade are concentrated in the so-called triad - Western Europe, North America, and Japan. In sum, they argue that the economy is becoming more international but not more global. Political scientist Robert Wade echoes these criticisms: the volume of trade is small relative to the size of most economies; domestic investment is greater than foreign investment; multinationals locate most of their assets, owners, top managers, and R&D activities in their home countries;

and vast areas of the world have not been affected by globalization, namely, South and Central Asia, and the bulk of Africa.

The argument for the feebleness of globalization is useful in that it provides an important corrective to visions and myths of globalization assuming its inevitability and irreversibility. There are, however, two key counterarguments. Regarding the issue of the heterogeneous spread of globalization across the world, Castells correctly observes that the global economy is not meant to encompass the entire Earth. Rather, it comprises only certain segments of activity in both developed and developing countries. The second counterargument is that proponents of the feeble thesis focus almost exclusively on the economic and financial aspects of globalization to the detriment of political, social, and cultural ones. The literature offers and discusses evidence in support of political and cultural globalization that is, on the whole, quite persuasive. In addition, global warming, the AIDS pandemic, and the globalization of the media have heightened our awareness of living in an increasingly interconnected world. In sum, scholars arguing the feebleness of globalization have made a contribution in debunking certain myths and assumptions about a process that has all too often been uncritically reified. However, they are perhaps too wedded to a "monolithic" concept of globalization and oblivious to the notion that globality is a network of relationships that creates mutual awareness.

#### Does it produce convergence?

A second contested issue in the literature on globalization has to do with its consequences as to the convergence of societies toward a uniform pattern of economic, political, and even cultural organization. Most famously expressed in modernization theory, the spread of markets and technology is predicted to cause societies to converge from their preindustrial past, although total homogeneity is deemed unlikely. This line of thinking was advanced during the 1950s and 1960s by both economists and sociologists. Economic historians such as Jeffrey Williamson have documented convergence in income and labor markets during the nineteenth century and first decades of the twentieth. Sociologist Daniel Bell argued for a technologically driven convergence of postindustrial societies.

Further support for the convergence thesis comes from the world-society approach in sociology. In their summaries of an extensive empirical research program on the worldwide spread of educational systems and other forms of state activity, John Meyer and his associates and students argue that the expansion of rationalized state activities has acquired a momentum of its own, largely unaffected by cross-national differences in political structure or economic growth rates. Rather, the diffusion of rationalized systems follows the "exigencies of global social organization whose logic and purposes are built into almost all states." The result is that "the world as a whole shows increasing structural *similarities* *ofform* among societies without, however, showing increasing *equalities of outcomes* among societies". Nation-states are seen as exhibiting convergent structural similarity, although there is a "decoupling between purposes and structure, intentions and results." World-society researchers argue that conformity comes both from the world-culture of rationalized modernity and from domestic groups that make claims on the state following the "consensus" over the formal acceptance of "matters such as citizen and human rights, the natural world and its scientific investigation, socioeconomic development, and education." They even present evidence to the effect that nationalism and religious fundamentalism "intensify isomorphism more than they resist it."

Social and political theorists as well as historians have elaborated a comprehensive critique of the presumed convergent consequences of globalization. Political historian Robert Cox writes that "the social and ethical content of the economy may be organized differently in various parts of the world." Historian Bruce Mazlish argues that "no *single* global history is anticipated." Sociologist Anthony Giddens adds an interesting twist when asserting that globalization "is a process of uneven development that fragments as it coordinates. [...] The outcome is not necessarily, or even usually, a generalized set of changes acting in a uniform direction, but consists in mutually opposed tendencies." In another book, Giddens elaborates: "Globalization has to be understood as a dialectical phenomenon, in which events at one pole of a distanced relation often produce divergent or even contrary occurrences at another." In a similar vein, anthropologist Jonathan Friedman asserts that

globalization is the product of cultural fragmentation as much as it is the result of modernist homogeneity, and that "what appears as disorganization and often real disorder is not any the less systemic and systematic."

These social and political theorists, however, have neither engaged in empirical testing of their propositions nor bothered to look for support in the existing literature. There is, though, a considerable body of empirical research backing the antithesis that globalization produces divergence and diversity or at least does not undermine national policies and institutions. Management scholar John Stopford and political economist Susan Strange document that the increasingly complex interaction between multinationals and states has produced a divergence in outcomes, while Doremus et al. show that differentiated national systems of innovation, trade, and investment remain firmly in place.

Political scientist Geoffrey Garrett has perhaps contributed the most extensive and solid body of empirical evidence, though it refers mostly to the experience of the advanced industrial democracies. He argues and demonstrates empirically that in the context of a global economy at least two paths are possible for national economic and social policymakers: adherence either to neoclassical economics or to social democratic corporatism. Garrett's analysis refutes simplistic views about convergence, proposing instead to view the balance of left-right political power and labor market institutions as the two key variables in a contingent analysis of economic performance. The best macroeconomic performance is obtained when the two variables are aligned with each other. For example, redistributive and interventionist policies combine with encompassing labor market institutions to produce macroeconomic performance in terms of growth and unemployment that matches or even surpasses the achievements of laissez-faire policies combined with weak labor market institutions. He concludes that there are "enduring cross-national differences" in economic policymaking and engagement of the global economy. In a broader study encompassing over one hundred countries during the 1985-95 period, Garrett finds no convergence in government expenditure patterns as a result of globalization. What has happened over the last decade is that many governments have pursued policies that buffer their citizens from the vagaries of global

markets and, in the presence of free capital mobility, willingly and knowingly accepted higher interest rates to keep capital at home.

Students of the varieties of capitalism, mostly political scientists, have long argued that firms and countries pursue different paths of incorporation into the global economy. Thus, German, French, Japanese, and American firms are competitive in the global economy, but rarely in the same industry and market segment. German firms excel at high-quality, engineering-intensive industries such as advanced machine tools, luxury automobiles, and specialty chemicals; French firms at large-scale technical undertakings such as high-speed trains, satellite-launching rockets, or nuclear power; Japanese firms at most categories of assembled goods, namely, household appliances, consumer electronics, and automobiles; and American firms at software, financial services, or biotechnology.

Comparative organizational sociologists have also presented qualitative and quantitative evidence to the effect that firms pursue different modes of economic action and adopt different organizational forms depending on the institutional and social structures of their home countries even as globalization increases. Moreover, they have collected data on newly industrialized countries in addition to the most advanced ones. Orrii et al. draw a number of systematic comparisons among East Asian and Western European countries, demonstrating that unique national patterns of organization not only persist over time but also contribute to the international competitiveness of firms. Guillen presents systematic case-study and quantitative evidence demonstrating that firms and labor unions in Argentina, South Korea, and Spain diverged in their patterns of behavior, organizational form, and growth even as their home countries became more integrated with the global economy during the post-World War II period.

Taken together, the empirical evidence provided by sociologists and political scientists supports well the case for diversity, or at least resilience, in cross-national patterns in the midst of globalization. It must be admitted, however, that world-society researchers also have a point, and one that is well supported by empirical evidence. The reason behind these seemingly irreconcilable empirical results might be that world-society research has made measurements at levels of analysis and abstraction higher than the finer-grained

analysis of comparative sociologists and political scientists.

It should be noted that some sociologists reject the very terms of the convergence debate by arguing that globalization homogenizes without destroying the local and the particularistic. For example, Viviana Zelizer argues that "the economy [...] differentiates and proliferates culturally in much the same way as other spheres of social life do, without losing national and even international connectedness." Thus, globalization is not seen as precluding or contradicting diversity. Like Zelizer, Robertson sees the global as the "linking of localities."

Perhaps the most controversial aspect of the convergence debate has to do with the impact of globalization on inequality across and within countries. The evidence unambiguously indicates that there is today *more* inequality across countries than ten, twenty, fifty or even one hundred years ago. Stunningly, the gap in per capita income between rich and developing countries has grown five-fold between 1870 and 1990. There are, however, several noteworthy developing countries that have managed to close half or more of the gap since 1960, e.g. South Korea, Taiwan, and Ireland. Very few developing countries, though, have consistently grown faster than the most advanced ones since 1980. Thus, development levels across countries appear not to be converging as a result of globalization.

By contrast to cross-national inequality, it is not clear whether increased foreign trade and investment during the last twenty years have resulted in substantially higher wage inequality or unemployment *within* countries. Wage inequality has risen in most advanced countries during the last three decades. In a review essay, Kapstein presents several counterarguments to the claim that globalization has been the major cause of increased wage polarization, including that trade is too small a percentage of GDP to have a large impact, and that technological change is the ultimate cause of wage polarization. In agreement with Kapstein's reading of the evidence, Baldwin and Martin summarize the empirical literature as follows: "Virtually all studies find some impact of trade on the labor market in both the United States and Europe. The range of findings, however, is wide. Some find that trade accounted for virtually none of the wage gap, while others assigned 100 percent of the gap to trade. The consensus range is

perhaps 10-20 percent." As opposed to wage disparities, overall indicators of income inequality within countries have not increased during the last thirty years, and there is evidence indicating that when countries grow economically and become incorporated into the global economy poverty rates fall. Discussions and calculations of the impact of globalization on wage and income inequality within countries should take into account that while foreign trade and investment are powerful forces, domestic politics and processes still matter.

In sum, globalization does not seem to compel governments, firms, and individuals to converge in their patterns of behavior. While this may be regarded as a welcome aspect, it is important to bear in mind that increasing globalization has coincided in time with an exacerbation of income disparities across countries, and that at least part of the greater degree of income and wage inequality within countries is due to increased foreign trade and investment.

Does it undermine the authority of nation-states?

A third key issue surrounding the topic of globalization is whether this process has outgrown the governance structures of the international system of states and undermined the authority of the nation-state. For example, economist Raymond Vernon has long argued that the spread of multinational corporations creates "destructive political tensions," and that there is a "need to reestablish balance" between political and economic institutions. Historian Paul Kennedy asserts that governments are losing control, and that globalization erodes the position of labor and developing countries, and degrades the environment. "Today's global society," he writes, "confronts the task of reconciling technological change and economic integration with traditional political structures, national consciousness, social needs, institutional arrangements, and habitual ways of doing things." In a similar vein, Kobrin argues that globalization both challenges the autonomy or independent decision-making of the state and "raises questions about the meaning of sovereignty in its external sense of a system ordered in terms of mutually exclusive territoriality." And Mazlish argues that global history is an attempt to "transcend the nation-state as the focus of history."

International relations scholar Yoshikazu Sakamoto and political scientist Robert Cox concur in arguing that globalization generates problems of international governance and reduces the regulatory power of states. For Rodrik, globalization creates social and political tensions within and across nation-states. And political theorist Michael Mosher asks, "is there a successful way of reconciling the boundary transgressing character of markets with the boundary maintaining activities of nation-states?" He further notes that globalization has placed two liberal practices - the liberalism of the market and the liberalism of democratic citizenship - on a collision course, raising the dilemma of whether "moral concerns stop at the national border."

Sociologists have also joined the chorus of state doomsayers. For Waters, there is an "attenuation of the state," a rise of international organizations, and a trend toward more "fluid" international relations. McMichael also sees a decline of the state. For Albrow, "the nation-state has failed to confine sociality within its boundaries, both territorial and categorical. The sheer increase in cross-national ties, the diversification of modes of personal relationships and the multiplication of forms of social organization demonstrate the autogenic nature of the social and reveal the nation-state as just another timebound form." In a more empirically grounded way, Evans points out that globalization undermines the state because its associated neoliberal ideology is against the state and not because globalization is inextricably against the state. He further argues that the state may stage a comeback if there is a "return of the ideological pendulum," or a transformation of the state and a development of new elements of state-society synergy.

The analysis by British political economist Susan Strange is perhaps the most sophisticated articulation of the position that the international system of nation-states and the nation-state itself are coming under fire in a global world. She writes about the "declining authority of states" and preempts several possible criticisms. First, she notes that state interventionism is on the rise, although in relatively marginal matters. Second, she argues that there are more states in the world, especially after 1989, but that most of the new ones are weak and lack control. Third, she points out that the effectiveness of the East Asian state in orchestrating economic growth was only possible in

a post-World War II order in which protectionism of the domestic market was acceptable and mature technologies were available. She further observes three power shifts in the global world, namely, from weak to strong states, from states to markets, and from labor markets to financial markets, with some power evaporating or dispersing.

Not surprisingly, those who argue that globalization is a feeble process also maintain that it can be easily handled by nation-states. For example, Hirst and Thompson and Wade assert that states can cope with globalization, although they have lost some freedom of action, especially concerning financial flows. Feeble proponents, however, are not alone challenging the notion that globalization undermines the nation-state.

Macrosociology has long maintained that the global arena is a "playground" for states, where they compete for economic, military, and political supremacy and survival. Thus, the world-system or the international arena, far from threatening states, actually fosters them. Neorealist international relations scholar Robert Gilpin points out that globalization reinforces the importance of domestic policies, as countries engage in regionalization, sectoral protectionism, and mercantilistic competition in response to changes in the international location of economic activities, resulting in a "mixed system," increasingly globalized and at the same time fragmented. A related, though distinct, argument against the presumed loss of state power in the wake of globalization comes from political scientist Leo Panitch. He rightly argues that "today's globalization is authored by states and is primarily about reorganizing rather than bypassing them." Moreover, as Cox observes, "power has shifted not away from the state but *within* the state, i.e. from industry or labor ministries towards economy ministries and central banks." And sociologist Sean O Riain sees states not as passive pawns but rather as "adapting, whether out of necessity or desire."

Another influential social scientist, Saskia Sassen, maintains that the state does not lose significance. Rather, there is a redefinition of the modern features of sovereignty and territoriality, a "denationalizing of national territory." Cox argues that globalization induces a transformation of the state, not its diminution. Stopford and Strange examine the new possibilities for state action in the global economy and conclude that its role has actually become magnified and more

complex. According to most political scientists, therefore, the nation-state is alive and well, and the Westphalian order is unlikely to be replaced by a fragmented, medieval one. A key effect of globalization, however, has been the rise of global cities - New York, London, Miami, Singapore - whose role and stature transcend the nation-state in which they happen to be located.

Finally, the world-society view also rejects the claim that globalization undermines nation-states. Noting the expansion of state bureaucracies since World War II, Meyer et al. write that "globalization certainly poses new problems for states, but it also strengthens the world-cultural principle that nation-states are the primary actors charged with identifying and managing those problems on behalf of their societies." This argument is strikingly similar to the one offered by Panitch and Poulantzas. The modern nation-state, world-society scholars conclude, "may have less autonomy than earlier but it clearly has more to do."

The question of whether globalization undermines the authority of the nation-state comes best to life when examining the impact of globalization on the viability of the welfare state. Rodrik argues that globalization puts downward pressure on government spending for redistribution and welfare, and that the interaction of trade risk and openness calls for more welfare spending, but governments have trouble finding the money, an argument that Vernon finds persuasive. Stryker summarizes her assessment of the evidence in that globalization places limits on expansionary policies, represents a loss of power for the working class, and causes welfare state retrenchment. According to these social scientists, the challenge is "to engineer a new balance between market and society, one that will continue to unleash the creative energies of private entrepreneurship without eroding the social basis of cooperation". These arguments have become conventional wisdom among neoliberal policymakers and journalists. Gloomy, often unsubstantiated, forecasts about the inability of European welfare states to pay for generous social benefits have become commonplace since the early 1980s.

Other political scientists and sociologists, however, see things utterly differently. Political scientist Paul Pierson argues that the welfare state has declined not so much as a result of globalization but because of such

indirect actions of conservative governments as reductions in the revenue base of the state and attacks on the strength of interest groups, especially labor. This is an argument that Fligstein and Gilpin endorse. Garrett empirically demonstrates the viability of social democratic corporatism even with increasing exposure to globalization in the forms of cross-border trade and capital mobility. He also proves that it is possible to win elections with redistributive and interventionist policies, and that better economic performance in terms of GDP growth and unemployment obtains, though with higher inflation than in the laissez-faire countries (United States, Britain). Garrett concludes that "big government is compatible with strong macroeconomic performance" and that markets do not dominate politics. In a direct rebuttal of Rodrik, Garrett analyzes data on more than 100 countries during the 1985-95 period to find that increasing exposure to globalization does not reduce government spending. Political scientist Evelyne Huber and sociologist John Stephens echo Garrett's conclusion that the welfare state is compatible with global capitalism, although they do admit that social democratic policies are today more constrained than in the so-called "golden age" of the 1950s and 1960s.

For Garrett, Huber, and Stephens and for Fligstein the welfare state is perfectly viable under conditions of globalization. Moreover, it may be able simultaneously to deliver social well-being and enhance national competitiveness. Thus, they reject the tradeoff that neoliberals see between welfare expenditures and economic competitiveness under conditions of globalization. In spite of the excellent, well-supported research by these authors, however, the debate in the media and among politicians throughout the world remains heavily tilted in favor of those blaming the welfare state for declining competitiveness and various social ills.

Is globality different from modernity?

Perhaps the most difficult debate surrounding globalization has to do with whether it is merely a continuation of the trend toward modernity or the beginning of a new era. On one side of the fence, Giddens argues that "modernity is inherently globalizing," and that "globalization [makes] the modes of connection between different social contexts or regions become networked

across the earth's surface as a whole." This view follows directly from the concept of "disembedding" or "the lifting out" of social relations from local contexts of interaction and their restructuring across time and space," which Giddens considers a prerequisite for modernization. World-society scholarship takes sides with Giddens on this point: globalization results in a "sharing" of modernity across the world.

On the other side of the fence, British social theorist Martin Albrow argues that globalization is a "transformation, not a culmination," and the "transition to a new era rather than the apogee of the old." He proposes a stark distinction between modernity as the "imposition of practical rationality upon the rest of the world through the agency of the state and the mechanism of the market, the generation of universal ideas to encompass the diversity of the world," and globality as it restored "the boundlessness of culture and promotes the endless renewability and diversification of cultural expression rather than homogenization or hybridization." Other noted social theorists of globalization also support the same distinction, especially insofar as the modern nation-state is concerned: "The politics of identity substitutes for the politics of nation-building."

The debate over the relationship between modernity and globality is a central one for sociologists. If globality is merely the result of an intensification of modernizing trends, then the recent surge in the number of books and articles on this subject can hardly be justified. There is, however, a key theoretical argument to be made in favor of the view that globality is different from modernity. Modernity - like the distorting Mercator projection - is an outgrowth of the Western worldview. For reasons of theoretical consistency, one should reserve the terms "globalization," "global," and "globality" to denote, respectively, processes, qualities, and conditions that are not set into motion or dominated by any one model, paradigm, or worldview. In its broadest sense, globality is about a multiplicity of conceptions, not about cultural or paradigmatic hegemony; it is about the proliferation of cross-national network ties of an economic, political, social, and cultural nature. This criticism is especially germane in the case of authors who consider globalization to be an inevitable and sweeping process - neoliberals and Marxists in particular - as Fligstein has aptly pointed out.

Finally, Kobrin has proposed a distinction between globalization in the late twentieth century and the previous period of modern expansion of the world economy that is useful empirically. The international economy of the nineteenth century "*links* discrete, mutually exclusive, geographical national markets through cross-border flows of trade and investment." By contrast, the global economy of the late twentieth century is driven by the increasing scale of technology, the surge in cross-border collaboration of firms along the value-added chain, and the cross-border integration of information flows. Thus, globalization has "substantive meaning" because, this time around, "national markets *are fused* transnational<sup>^</sup> rather than linked across borders."

Is a global culture in the making?

Perhaps the most popular and controversial of the debates about globalization has to do with the rise of a global culture. Actually, there are only a few scholars who maintain that a global culture is in the making. The idea goes back to Marshall McLuhan's slippery concept of the "global village," later picked up by some influential marketing researchers who argued that the world was becoming increasingly populated by cosmopolitan consumers. Sociologist Leslie Sklair writes that a "culture-ideology of consumerism" - driven by symbols, images, and the aesthetic of the lifestyle and the self-image - has spread throughout the world and is having some momentous effects, including the standardization of tastes and desires, and even the fall of the Soviet order.

Other sociologists, however, argue against the homogenizing effects of mass consumerism. Zelizer writes that consumer differentiation should not be confused with segregation and posits that in the US economy differentiation is combined with connection: "the same consumer product can have at the same moment universal and local meaning." Zelizer urges sociologists to distinguish between the phenomenon of worldwide diffusion and the experience at the receiving end, which seems to be growing more diverse even as globalization intensifies. Similarly, anthropologist Arjun Appadurai argues that "individuals and groups seek to annex the global into their own practices of the modern," and that "consumption of the mass media worldwide



provokes resistance, irony, selectivity, and, in general, *agency*. " Using cross-national attitudinal data over the 1981-98 period, Inglehart and Baker find that national cultures and values change over time, though in "path-dependent" rather than convergent ways. Even world-society arguments about the "world culture of educated individual choice and responsibility" stop short of announcing a global culture à la McLuhan. However, they do describe world-culture as binding society and individuals together "by rationalized systems of (imperfectly) egalitarian justice and participatory representation, in the economy, polity, culture, and social interaction." Other researchers have found that the spread of the mass media is not enough to account for the rise of cross-border advocacy groups, although "global governance" of major aspects of cross-border communication has been on the rise since 1850.

Political and social theorists and historians have noted the rise of what modernists would call "particularistic" identities as evidence against the rise of a global culture. Cox writes about globalization producing a "resurgent affirmation of identities," whereas Waters contrasts a cultural and "religious mosaic" with global cultural production and consumption of music, images, and information. Mazlish notes that "ethnic feeling is a powerful bond," and skeptically asks, "What counterpart can there be on the global level?" Political scientist Deborah Yashar rejects "global culture" and "global citizenship" concepts but also finds fault with the argument that globalization has induced the proliferation of ethnic movements. In her comparison of indigenous movements in Latin America, Yashar clearly demonstrates that no aspect of globalization - economic, political, social, or normative - can account for the rise of ethnic-based activism since the 1960s. Rather, globalization changes the characteristics of the state structures that activists face when making their claims.

Cross-border migration creates an unusually rich laboratory for assessing the rise of a global culture. Sociologist Alejandro Portes proposes the term "transnational communities" to refer to cross-border networks of immigrants that are " 'neither here nor there' but in both places simultaneously." Different transnational communities, however, exhibit different origins, features, and problems, and they certainly do not form a monolithic global class of cosmopolitan citizens.

Similarly to Portes, Friedman accepts the basic notion of cultural fragmentation proposed by Appadurai, Smith, and Zelizer but argues that in today's world the existence of tribal societies cannot be correctly understood without explaining how they are embedded in global networks. In his view, cultural diversity must be seen in a global context.

Some of the most persuasive arguments against the idea of the emergence of a global culture come from anthropologist Clifford Geertz. He observes that the world is "growing both more global and more divided, more thoroughly interconnected and more intricately partitioned at the same time [...] Whatever it is that defines identity in borderless capitalism and the global village it is not deep going agreements on deep going matters, but something more like the recurrence of familiar divisions, persisting arguments, standing threats, the notion that whatever else may happen, the order of difference must be somehow maintained." Like Geertz, sociologist Anthony Smith is skeptical and notes an interesting "initial problem" with the concept of "global culture": "Can we speak of 'culture' in the singular? If by 'culture' is meant a collective mode of life, or a repertoire of beliefs, styles, values and symbols, then we can only speak of cultures, never just culture; for a collective mode of life [...] presupposes different modes and repertoires in a universe of modes and repertoires. Hence, the idea of a 'global culture' is a practical impossibility, except in interplanetary terms."

The ultimate question about the alleged rise of a global culture has to do with whether a global language is emerging. The diffusion of Esperanto has certainly not delivered on early expectations, and the "English-as-global-language" argument seems equally far-fetched and indefensible. As Mazlish observes, English "is becoming a sort of lingua franca [but] there are serious limitations to the use of English as the daily language of a global culture." Moreover, English is being challenged as the dominant language in parts of the United States and the United Kingdom. Even on the Internet, fewer than 50 percent of world users know English as a first language, and the proportion is dropping steadily as the new medium diffuses throughout the world. It is also instructive to recall that the most successful world language ever, Latin, evolved into a mosaic of Romance languages after spreading in its various vulgarized

forms throughout the territory of the Roman Empire. Smith notes that, rather than the emergence of a "global" culture held together by the English language, what we are witnessing is the emergence of "culture areas" - not necessarily at odds or in conflict with each other, as Huntington would have it. Thus, Spanish, Russian, Arabic, French, Kiswahili, and Chinese have become the shared languages of certain groups, communities or population strata across countries located in specific regions of the world, namely, Latin America, the CIS, the Arab world, Subsaharan Africa, East Africa, and South East Asia, respectively.

## Toward a Comparative Sociology of Globalization

The social science literature on globalization contains important theoretical and empirical disagreements. Scholars have provided very different answers to the five key debates discussed in this chapter. The balance of opinion appears to be tilted, however. Most research either assumes or documents that globalization is indeed happening, and most empirical studies - with the notable exception of the world-society approach - do not find convergence in political, social, or organizational patterns as a result of globalization. The most persuasive empirical work to date indicates that globalization per se neither undermines the nation-state nor erodes the viability of the welfare state. Some empirical evidence also documents that globality is different from modernity. Finally, it seems that no such thing as a global culture is emerging.

Relative to the other social sciences, sociology has contributed to the debate over globalization in three important ways. First, social theorists have developed an understanding of the nature and epochal implications of globalization. Although there is no agreement as to whether globalization is a continuation of modernity or not, there is an incipient body of work that outlines in detail what are the main theoretical perspectives and problems. Moreover, sociologists have called attention to the cultural, reflexive, and aesthetic aspects of globalization in addition to its economic and political dimensions. Second, world-society scholars have developed a macrophenomenological approach to globalization and the nation-state based on a sound

institutional theoretical foundation, and they have supported their view with systematic empirical evidence encompassing the entire world. Third, comparative sociologists have theorized about globalization's effects on cross-national difference and similarity. They have also offered empirical evidence in the forms of both rich case studies and quantitative analyses. Sociologists, however, need to continue reading the important contributions that economic historians, management scholars, political scientists, and anthropologists are making to the theoretical and empirical study of such a complex and multifaceted phenomenon as globalization.

The analysis and critique presented in this chapter indicate that globalization, far from being a feeble phenomenon, is changing the nature of the world. However, it is neither an invariably civilizing force nor a destructive one. Although further empirical investigation is warranted, there is already enough evidence available to reject either extreme. Globalization is neither a monolithic nor an inevitable phenomenon. Its impact varies across countries, societal sectors, and time. It is contradictory, discontinuous, even haphazard. Therefore, one needs to be open-minded about its unexpected and unintended consequences. One also needs to take into account the role that agency, interest, and resistance play in shaping it. As Pieterse has pointed out, globalization does not necessarily pose a choice between condemnation and celebration. Rather, it begs to be engaged, comprised, given form.

The complexity of globalization certainly invites additional research. We are in great need of further theoretical work to clarify the economic, political, cultural, and aesthetic dimensions of globalization and how they interact with each other. We also lack theoretical perspectives that bridge the micro-macro gap, i.e. that move across levels of analysis from the world-system to the nation-state, the industry, sector, community, organization, and group. Many of the empirical disagreements in the literature are primarily due to the various levels of analysis at which different researchers operate. Understanding globalization will require us to gather more and better data about its myriad manifestations, causes, and effects. We still know very little about what exactly causes it and what are its consequences on such key sociological variables as organizational patterns, authority structures, social

inequality, and social movements, to name but a few. And sociologists need to work hard on government agencies and other data-gathering organizations so that they pay more attention in their surveys and censuses to relationships at various levels of aggregation.

Given the infancy of our efforts to understand globalization and the complexity of the phenomenon, it seems sensible to ask not only for an intensification of our interdisciplinary awareness but also for a comparative approach to the sociology of globalization. Comparing lies at the heart of the sociological enterprise.

We need to engage in comparative work in the dual sense of using multiple methods of data collection and analysis, and of applying our theoretical and empirical tools to a variety of research settings defined at various levels of analysis. The differences and similarities across such settings ought to give us a handle on the patterns according to which the causes and effects of globalization change from one setting to another. Without a comparative approach, the literature on globalization promises to remain as puzzling and contradictory as the phenomenon itself.

# Political Economy

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## Political Economy

This first part of the book operates with the view that while the political and the economic aspects of globalization can be, and often are, separated for analytical purposes, it makes sense to combine them here under the heading of the political economy of globalization. As we will see, in global context, many seemingly political issues have economic implications, and the same is true in reverse.

We begin with *civilizations*; these are primarily cultural in nature, but all civilizations also have political and economic dimensions. Next, we deal with a set of interrelated ideas - *Orientalism*, *colonialism*, and *postcolonialism* - all of which have both political and economic dimensions and implications (as well as others, especially cultural). The highly interrelated ideas of *neoliberalism* and *structural adjustment* are generally thought of in economic terms, but all of them also have implications for the state and politics in general. The *nation-state* is obviously political, but from many points of view it is dominated by economic considerations, if not subordinated to economic interests (e.g. in Marxian theory, the state is part of the "superstructure" dominated by the economic "base"). *Transnationalism* encompasses a number of dimensions that bridge the political and economic including transnational corporations, the transnational capitalist class, the culture ideology of consumerism, and the transnational state. *World systems* involve the economic exploitation of the periphery by the core, but political entities are central to the world system. *Empire* is a new kind of postmodern global system that certainly involves economic exploitation of the multitude. It is not centered in the nation-state, but is controlled politically by a decentered constitutional system. The *network society* involves new global relationships based on *informationalism*, and this applies to both economic and political organizations and entities. The *world risk society* is one in which risks stem from both the economy and the polity and have an impact on both. *Cosmopolitanism* involves a broad outlook not limited to the nation-state and its particular political and economic interests. *McWorld* and the related idea of *Jihad* both pose a threat to democratic systems and implicitly, therefore, to successful economic systems, given the tendency to associate democracy and capitalism.

# Civilizations

One of the most controversial of the theories developed in the post Cold War era is to be found in Samuel Huntington's (1993) *The Clash of Civilizations*. The central idea is that civilizations, the broadest cultural entities, are shaping patterns of cohesion, disintegration, and conflict in the post Cold War international system. Huntington identifies several major world civilizations: Western, Confucian, Japanese, Islamic, Hindu, Slavic-Orthodox, Latin American, and possibly African civilization. He states that "In this new world, local politics is the politics of ethnicity; global politics is the politics of civilizations." The past intracivilizational clashes of political ideas, such as liberalism, socialism, anarchism, corporatism, communism, conservatism, Marxism, social democracy, and nationalism, are being replaced by intercivilizational clashes of *culture* and *religion*. In the new international order, culturally similar societies tend to cooperate, countries are prone to group themselves around the "core countries" of civilizations, and the relations between civilizations will not be close and will eventually lead to conflict, at least between some of them.

Huntington's thesis has been widely criticized for its conceptualization of "civilization"; for failing to differentiate between religion, culture, and civilization; for overlooking the integrative processes of capitalism, globalization, and modernization; for its lack of attention

to the importance of nation-states and nationalism; and for its lack of scientific validity. Since it is impossible to present all of the critiques of Huntington's thesis in this part, we present three representative examples in this chapter.

Gray points out that Huntington's delineation of seven or eight civilizations is imprecise; this civilizational schema cannot accommodate certain cases. For instance, while Jewish culture is attached to Western civilization, Greek is not. Gray also identifies another major shortcoming of the civilizations thesis by showing that wars are not waged between civilizations. To the contrary, the twentieth century's history of conflicts demonstrates that there were several conflicts, clashes, and wars within the same civilization, as well as alliances between different civilizations. Gray argues that, contrary to Huntington's assumption that cultures create significant splits in international relations, culture by itself is not that powerful a factor. Differing cultural traditions rarely lead to major conflicts between states. It is their interactions with scarcities of resources, rival claims on territory, and conflicting agendas on trade that make cultural differences a source of war. Therefore, the whole idea of civilizational conflict is a "distorting lens" that prevents us from fully understanding "economic rivalries" and "military conflicts."

In addition to the problems with the concept of civilization, Gray also criticizes the civilizations thesis for its neglect of globalization and modernization as integrating processes. Gray contends that there is a considerable connection between culture and political economy in that the global economic interdependence of world markets requires constant interaction among cultures.

The political climate in which the civilizations thesis was proposed (the end of the Cold War), as well as its political implications, are also underscored by the critics. It is argued that when the Cold War political taxonomy became obsolete, the civilizations thesis provided a convenient political ideology that, among other things, served to hold the Atlantic alliance together in spite of the demise of the threat posed by communism. This is related to the idea that Huntington identifies not only with the Atlantic alliance, but more specifically with the most important player in it, the United States. As a result, he is seen as offering a distinctly American perspective on the world's civilizations. According to Gray, Huntington's perspective "is an attempt to give a theoretical framework to American thinking about foreign policy in a context in which sustaining ideological enmities of the Cold War have vanished."<sup>3</sup>

Matlock agrees with Gray's criticisms of Huntington's thesis, arguing that the idea that civilizations are mutually exclusive is misleading. He states that it is difficult to accept the view that each civilization is somehow pure and harmonious when there are numerous examples of conflicts, clashes, and wars within the same civilization. Matlock also criticizes Huntington for endowing civilizations with a reality they do not have. He states that "civilization" is merely a convenient intellectual construct used to establish the boundaries of a field or topic of study.<sup>4</sup> In other words, "civilization" is an intellectual construct rather than an objective reality. Matlock specifically focuses

on the difference between culture and civilizations. He argues that Huntington mistakes culture for civilization and lumps cultures into broader civilizations, and this serves to obscure the specifics of cultural differences and similarities.

Similarly, Brown questions Huntington's assumption that civilizations are self-contained and impermeable territories. Brown maintains that cultures are dynamic, living organisms that interpenetrate continually. Brown also argues that the physical "fault-lines" between civilizations are not preordained and eternal as Huntington assumes, but rather are man-made and of relatively recent origin.

No perspective on globalization has received more attention and more criticism than the clash of civilizations paradigm. Some consider it to be the fundamental view on the state of globalization in the late twentieth and early twenty-first centuries. Others see it as completely wrong-headed and even offensive. However, even its most ardent critics would acknowledge that it is an extremely useful perspective, if for no other reason than the fact that attacks on it serve to clarify much about contemporary globalization.

Much has been said about the criticisms of the clash of civilizations, but let us close with some thoughts by Huntington himself. Adopting a perspective based on Thomas Kuhn's philosophy of science, Huntington argues that what he has presented is a paradigm, or model, of global relations. As such, it is not enough to criticize his paradigm; it is incumbent on the critics to produce an alternative paradigm, one that better explains global realities today than does his model. When looked at in this way, it could be argued that while the critics may have wounded the clash of civilizations paradigm, they have not been able thus far to produce a better one. The challenge to Huntington's critics, indeed to all students of globalization, is to produce such a paradigm.

## NOTES .....

- 1 Samuel Huntington, *The Clash of Civilizations*. New York: Simon and Schuster, 1993, 29.
- 2 John Gray, "Global Utopias and Clashing Civilizations: Misunderstanding the Present." *International Affairs* 74, 1, 1998: 159.

- 3 *Ibid.*, 157.
- 4 Jack F. Matlock, "Can Civilizations Clash?" *Proceedings of the American Philosophical Society* 143, 3, 1999:439.



## READING 2

# The Clash of Civilizations?

**Samuel P. Huntington**

## The Next Pattern of Conflict

It is my hypothesis that the fundamental source of conflict in this new world will not be primarily ideological or primarily economic. The great divisions among humankind and the dominating source of conflict will be cultural. Nation states will remain the most powerful actors in world affairs, but the principal conflicts of global politics will occur between nations and groups of different civilizations. The clash of civilizations will dominate global politics. The fault lines between civilizations will be the battle lines of the future.

[...]

## The Nature of Civilizations

During the Cold War the world was divided into the First, Second and Third Worlds. Those divisions are no longer relevant. It is far more meaningful now to group countries not in terms of their political or economic systems or in terms of their level of economic development but rather in terms of their culture and civilization.

What do we mean when we talk of a civilization? A civilization is a cultural entity. Villages, regions, ethnic groups, nationalities, religious groups, all have distinct cultures at different levels of cultural heterogeneity. The culture of a village in southern Italy may be different from that of a village in northern Italy, but both will share in a common Italian culture that distinguishes them from German villages. European communities, in turn, will share cultural features that distinguish them from Arab or Chinese communities. Arabs, Chinese and Westerners, however, are not part of any broader cultural entity. They constitute civilizations.

A civilization is thus the highest cultural grouping of people and the broadest level of cultural identity people have short of that which distinguishes humans from other species. It is defined both by common objective elements, such as language, history, religion, customs, institutions, and by the subjective self-identification of people. People have levels of identity: a resident of Rome may define himself with varying degrees of intensity as a Roman, an Italian, a Catholic, a Christian, a European, a Westerner. The civilization to which he belongs is the broadest level of identification with which he intensely identifies. People can and do redefine their identities and, as a result, the composition and boundaries of civilizations change.

Civilizations may involve a large number of people, as with China ("a civilization pretending to be a state," as Lucian Pye put it), or a very small number of people, such as the Anglophone Caribbean. A civilization may include several nation states, as is the case with Western, Latin American and Arab civilizations, or only one, as is the case with Japanese civilization. Civilizations obviously blend and overlap, and may include subcivilizations. Western civilization has two major variants, European and North American, and Islam has its Arab, Turkic and Malay subdivisions. Civilizations are nonetheless meaningful entities, and while the lines between them are seldom sharp, they are real. Civilizations are dynamic; they rise and fall; they divide and merge. And, as any student of history knows, civilizations disappear and are buried in the sands of time.

Westerners tend to think of nation states as the principal actors in global affairs. They have been that, however, for only a few centuries. The broader reaches of human history have been the history of civilizations. In *A Study of History*, Arnold Toynbee identified 21 major civilizations; only six of them exist in the contemporary world.



## Why Civilizations will Clash

Civilization identity will be increasingly important in the future, and the world will be shaped in large measure by the interactions among seven or eight major civilizations. These include Western, Confucian, Japanese, Islamic, Hindu, Slavic-Orthodox, Latin American and possibly African civilization. The most important conflicts of the future will occur along the cultural fault lines separating these civilizations from one another.

Why will this be the case?

First, differences among civilizations are not only real; they are basic. Civilizations are differentiated from each other by history, language, culture, tradition and, most important, religion. The people of different civilizations have different views on the relations between God and man, the individual and the group, the citizen and the state, parents and children, husband and wife, as well as differing views of the relative importance of rights and responsibilities, liberty and authority, equality and hierarchy. These differences are the product of centuries. They will not soon disappear. They are far more fundamental than differences among political ideologies and political regimes. Differences do not necessarily mean conflict, and conflict does not necessarily mean violence. Over the centuries, however, differences among civilizations have generated the most prolonged and the most violent conflicts.

Second, the world is becoming a smaller place. The interactions between peoples of different civilizations are increasing; these increasing interactions intensify civilization consciousness and awareness of differences between civilizations and commonalities within civilizations. North African immigration to France generates hostility among Frenchmen and at the same time increased receptivity to immigration by "good" European Catholic Poles. Americans react far more negatively to Japanese investment than to larger investments from Canada and European countries. Similarly, as Donald Horowitz has pointed out, "An Ibo may be [...] an Owerri Ibo or an Onitsha Ibo in what was the Eastern region of Nigeria. In Lagos, he is simply an Ibo. In London, he is a Nigerian. In New York, he is an African." The interactions among peoples of different civilizations enhance the civilization-consciousness of people that, in turn, invigorates

differences and animosities stretching or thought to stretch back deep into history.

Third, the processes of economic modernization and social change throughout the world are separating people from longstanding local identities. They also weaken the nation state as a source of identity. In much of the world religion has moved in to fill this gap, often in the form of movements that are labeled "fundamentalist." Such movements are found in Western Christianity, Judaism, Buddhism and Hinduism, as well as in Islam. In most countries and most religions the people active in fundamentalist movements are young, college-educated, middle-class technicians, professionals and business persons. The "unsecularization of the world," George Weigel has remarked, "is one of the dominant social facts of life in the late twentieth century." The revival of religion, "la revanche de Dieu," as Gilles Kepel labeled it, provides a basis for identity and commitment that transcends national boundaries and unites civilizations.

Fourth, the growth of civilization-consciousness is enhanced by the dual role of the West. On the one hand, the West is at a peak of power. At the same time, however, and perhaps as a result, a return to the roots phenomenon is occurring among non-Western civilizations. Increasingly one hears references to trends toward a turning inward and "Asianization" in Japan, the end of the Nehru legacy and the "Hinduization" of India, the failure of Western ideas of socialism and nationalism and hence "re-Islamization" of the Middle East, and now a debate over Westernization versus Russianization in Boris Yeltsin's country. A West at the peak of its power confronts non-Wests that increasingly have the desire, the will and the resources to shape the world in non-Western ways.

In the past, the elites of non-Western societies were usually the people who were most involved with the West, had been educated at Oxford, the Sorbonne or Sandhurst, and had absorbed Western attitudes and values. At the same time, the populace in non-Western countries often remained deeply imbued with the indigenous culture. Now, however, these relationships are being reversed. A de-Westernization and indigenization of elites is occurring in many non-Western countries at the same time that Western, usually American, cultures, styles and habits become more popular among the mass of the people.

Fifth, cultural characteristics and differences are less mutable and hence less easily compromised and resolved than political and economic ones. In the former Soviet Union, communists can become democrats, the rich can become poor and the poor rich, but Russians cannot become Estonians and Azeris cannot become Armenians. In class and ideological conflicts, the key question was "Which side are you on?" and people could and did choose sides and change sides. In conflicts between civilizations, the question is "What are you?" That is a given that cannot be changed. And as we know, from Bosnia to the Caucasus to the Sudan, the wrong answer to that question can mean a bullet in the head. Even more than ethnicity, religion discriminates sharply and exclusively among people. A person can be half-French and half-Arab and simultaneously even a citizen of two countries. It is more difficult to be half-Catholic and half-Muslim.

Finally, economic regionalism is increasing. The proportions of total trade that were intraregional rose between 1980 and 1989 from 51 percent to 59 percent in Europe, 33 percent to 37 percent in East Asia, and 32 percent to 36 percent in North America. The importance of regional economic blocs is likely to continue to increase in the future. On the one hand, successful economic regionalism will reinforce civilization-consciousness. On the other hand, economic regionalism may succeed only when it is rooted in a common civilization.

[...]

As people define their identity in ethnic and religious terms, they are likely to see an "us" versus "them" relation existing between themselves and people of different ethnicity or religion. The end of ideologically defined states in Eastern Europe and the former Soviet Union permits traditional ethnic identities and animosities to come to the fore. Differences in culture and religion create differences over policy issues, ranging from human rights to immigration to trade and commerce to the environment. Geographical propinquity gives rise to conflicting territorial claims from Bosnia to Mindanao. Most important, the efforts of the West to promote its values of democracy and liberalism as universal values, to maintain its military predominance and to advance its economic interests engender countering responses from other civilizations. Decreasingly able to mobilize support and form coalitions on the

basis of ideology, governments and groups will increasingly attempt to mobilize support by appealing to common religion and civilization identity.

The clash of civilizations thus occurs at two levels. At the micro-level, adjacent groups along the fault lines between civilizations struggle, often violently, over the control of territory and each other. At the macro-level, states from different civilizations compete for relative military and economic power, struggle over the control of international institutions and third parties, and competitively promote their particular political and religious values.

## The Fault Lines between Civilizations

The fault lines between civilizations are replacing the political and ideological boundaries of the Cold War as the flash points for crisis and bloodshed. The Cold War began when the Iron Curtain divided Europe politically and ideologically. The Cold War ended with the end of the Iron Curtain. As the ideological division of Europe has disappeared, the cultural division of Europe between Western Christianity, on the one hand, and Orthodox Christianity and Islam, on the other, has reemerged.

[...]

Conflict along the fault line between Western and Islamic civilizations has been going on for 1,300 years.

[..-]

This centuries-old military interaction between the West and Islam is unlikely to decline. It could become more virulent. [...] Some openings in Arab political systems have already occurred. The principal beneficiaries of these openings have been Islamist movements. In the Arab world, in short, Western democracy strengthens anti-Western political forces. This may be a passing phenomenon, but it surely complicates relations between Islamic countries and the West.

Those relations are also complicated by demography. The spectacular population growth in Arab countries, particularly in North Africa, has led to increased migration to Western Europe. The movement within Western Europe toward minimizing internal boundaries has sharpened political sensitivities with respect to this development. In Italy, France and Germany,

racism is increasingly open, and political reactions and violence against Arab and Turkish migrants have become more intense and more widespread since 1990.

On both sides the interaction between Islam and the West is seen as a clash of civilizations.

[...]

Historically, the other great antagonistic interaction of Arab Islamic civilization has been with the pagan, animist, and now increasingly Christian black peoples to the south. In the past, this antagonism was epitomized in the image of Arab slave dealers and black slaves. It has been reflected in the on-going civil war in the Sudan between Arabs and blacks, the fighting in Chad between Libyan-supported insurgents and the government, the tensions between Orthodox Christians and Muslims in the Horn of Africa, and the political conflicts, recurring riots and communal violence between Muslims and Christians in Nigeria. The modernization of Africa and the spread of Christianity are likely to enhance the probability of violence along this fault line. Symptomatic of the intensification of this conflict was the Pope John Paul II's speech in Khartoum in February 1993 attacking the actions of the Sudan's Islamist government against the Christian minority there.

On the northern border of Islam, conflict has increasingly erupted between Orthodox and Muslim peoples, including the carnage of Bosnia and Sarajevo, the simmering violence between Serb and Albanian, the tenuous relations between Bulgarians and their Turkish minority, the violence between Ossetians and Ingush, the unremitting slaughter of each other by Armenians and Azeris, the tense relations between Russians and Muslims in Central Asia, and the deployment of Russian troops to protect Russian interests in the Caucasus and Central Asia. Religion reinforces the revival of ethnic identities and restimulates Russian fears about the security of their southern borders. This concern is well captured by Archie Roosevelt:

Much of Russian history concerns the struggle between the Slavs and the Turkic peoples on their borders, which dates back to the foundation of the Russian state more than a thousand years ago. In the Slavs' millennium-long confrontation with their eastern neighbors lies the key to an understanding not only of Russian history, but Russian character. To understand Russian realities today one has to have a concept of

the great Turkic ethnic group that has preoccupied Russians through the centuries.

The conflict of civilizations is deeply rooted elsewhere in Asia. The historic clash between Muslim and Hindu in the subcontinent manifests itself now not only in the rivalry between Pakistan and India but also in intensifying religious strife within India between increasingly militant Hindu groups and India's substantial Muslim minority. The destruction of the Ayodhya mosque in December 1992 brought to the fore the issue of whether India will remain a secular democratic state or become a Hindu one. In East Asia, China has outstanding territorial disputes with most of its neighbors. It has pursued a ruthless policy toward the Buddhist people of Tibet, and it is pursuing an increasingly ruthless policy toward its Turkic-Muslim minority. With the Cold War over, the underlying differences between China and the United States have reasserted themselves in areas such as human rights, trade and weapons proliferation. These differences are unlikely to moderate. A "new cold war," Deng Xiaoping reportedly asserted in 1991, is under way between China and America.

The same phrase has been applied to the increasingly difficult relations between Japan and the United States. Here cultural difference exacerbates economic conflict. People on each side allege racism on the other, but at least on the American side the antipathies are not racial but cultural. The basic values, attitudes, behavioral patterns of the two societies could hardly be more different. The economic issues between the United States and Europe are no less serious than those between the United States and Japan, but they do not have the same political salience and emotional intensity because the differences between American culture and European culture are so much less than those between American civilization and Japanese civilization.

The interactions between civilizations vary greatly in the extent to which they are likely to be characterized by violence. Economic competition clearly predominates between the American and European subcivilizations of the West and between both of them and Japan. On the Eurasian continent, however, the proliferation of ethnic conflict, epitomized at the extreme in "ethnic cleansing," has not been totally random. It has been most frequent and most violent between groups belonging to different civilizations. In Eurasia the great

historic fault lines between civilizations are once more aflame. This is particularly true along the boundaries of the crescent-shaped Islamic bloc of nations from the bulge of Africa to central Asia. Violence also occurs between Muslims, on the one hand, and Orthodox Serbs in the Balkans, Jews in Israel, Hindus in India, Buddhists in Burma and Catholics in the Philippines. Islam has bloody borders.

[...]

## The West versus the Rest

The West is now at an extraordinary peak of power in relation to other civilizations. Its superpower opponent has disappeared from the map. Military conflict among Western states is unthinkable, and Western military power is unrivaled. Apart from Japan, the West faces no economic challenge. It dominates international political and security institutions and with Japan international economic institutions. Global political and security issues are effectively settled by a directorate of the United States, Britain and France, world economic issues by a directorate of the United States, Germany and Japan, all of which maintain extraordinarily close relations with each other to the exclusion of lesser and largely non-Western countries. Decisions made at the UN Security Council or in the International Monetary Fund that reflect the interests of the West are presented to the world as reflecting the desires of the world community. The very phrase "the world community" has become the euphemistic collective noun (replacing "the Free World") to give global legitimacy to actions reflecting the interests of the United States and other Western powers. Through the IMF and other international economic institutions, the West promotes its economic interests and imposes on other nations the economic policies it thinks appropriate.

[•-.]

The West in effect is using international institutions, military power and economic resources to run the world in ways that will maintain Western predominance, protect Western interests and promote Western political and economic values.

That at least is the way in which non-Westerners see the new world, and there is a significant element of truth in their view. Differences in power and struggles

for military, economic and institutional power are thus one source of conflict between the West and other civilizations. Differences in culture, that is basic values and beliefs, are a second source of conflict. V. S. Naipaul has argued that Western civilization is the "universal civilization" that "fits all men." At a superficial level much of Western culture has indeed permeated the rest of the world. At a more basic level, however, Western concepts differ fundamentally from those prevalent in other civilizations. Western ideas of individualism, liberalism, constitutionalism, human rights, equality, liberty, the rule of law, democracy, free markets, the separation of church and state, often have little resonance in Islamic, Confucian, Japanese, Hindu, Buddhist or Orthodox cultures. Western efforts to propagate such ideas produce instead a reaction against "human rights imperialism" and a reaffirmation of indigenous values, as can be seen in the support for religious fundamentalism by the younger generation in non-Western cultures. The very notion that there could be a "universal civilization" is a Western idea, directly at odds with the particularism of most Asian societies and their emphasis on what distinguishes one people from another. Indeed, the author of a review of 100 comparative studies of values in different societies concluded that "the values that are most important in the West are least important worldwide." In the political realm, of course, these differences are most manifest in the efforts of the United States and other Western powers to induce other peoples to adopt Western ideas concerning democracy and human rights. Modern democratic government originated in the West. When it has developed in non-Western societies it has usually been the product of Western colonialism or imposition.

The central axis of world politics in the future is likely to be, in Kishore Mahbubani's phrase, the conflict between "the West and the Rest" and the responses of non-Western civilizations to Western power and values. Those responses generally take one or a combination of three forms. At one extreme, non-Western states can, like Burma and North Korea, attempt to pursue a course of isolation, to insulate their societies from penetration or "corruption" by the West, and, in effect, to opt out of participation in the Western-dominated global community. The costs of this course, however, are high, and few states have

pursued it exclusively. A second alternative, the equivalent of "band-wagoning" in international relations theory, is to attempt to join the West and accept its values and institutions. The third alternative is to attempt to "balance" the West by developing economic and military power and cooperating with other non-Western societies against the West, while preserving indigenous values and institutions; in short, to modernize but not to Westernize.

[...]

## Implications for the West

This article does not argue that civilization identities will replace all other identities, that nation states will disappear, that each civilization will become a single coherent political entity, that groups within a civilization will not conflict with and even fight each other. This paper does set forth the hypotheses that differences between civilizations are real and important; civilization-consciousness is increasing; conflict between civilizations will supplant ideological and other forms of conflict as the dominant global form of conflict; international relations, historically a game played out within Western civilization, will increasingly be de-Westernized and become a game in which non-Western civilizations are actors and not simply objects; successful political, security and economic international institutions are more likely to develop within civilizations than across civilizations; conflicts between groups in different civilizations will be more frequent, more sustained and more violent than conflicts between groups in the same civilization; violent conflicts between groups in different civilizations are the most likely and most dangerous source of escalation that could lead to global wars; the paramount axis of world politics will be the relations between "the West and the Rest"; the elites in some torn non-Western countries will try to make their countries part of the West, but in most cases face major obstacles to accomplishing this; a central focus of conflict for the immediate future will be between the West and several Islamic-Confucian states.

This is not to advocate the desirability of conflicts between civilizations. It is to set forth descriptive hypotheses as to what the future may be like. If these are plausible hypotheses, however, it is necessary to consider their implications for Western policy. These

implications should be divided between short-term advantage and long-term accommodation. In the short term it is clearly in the interest of the West to promote greater cooperation and unity within its own civilization, particularly between its European and North American components; to incorporate into the West societies in Eastern Europe and Latin America whose cultures are close to those of the West; to promote and maintain cooperative relations with Russia and Japan; to prevent escalation of local inter-civilization conflicts into major inter-civilization wars; to limit the expansion of the military strength of Confucian and Islamic states; to moderate the reduction of Western military capabilities and maintain military superiority in East and Southwest Asia; to exploit differences and conflicts among Confucian and Islamic states; to support in other civilizations groups sympathetic to Western values and interests; to strengthen international institutions that reflect and legitimate Western interests and values and to promote the involvement of non-Western states in those institutions.

In the longer term other measures would be called for. Western civilization is both Western and modern. Non-Western civilizations have attempted to become modern without becoming Western. To date only Japan has fully succeeded in this quest. Non-Western civilizations will continue to attempt to acquire the wealth, technology, skills, machines and weapons that are part of being modern. They will also attempt to reconcile this modernity with their traditional culture and values. Their economic and military strength relative to the West will increase. Hence the West will increasingly have to accommodate these non-Western modern civilizations whose power approaches that of the West but whose values and interests differ significantly from those of the West. This will require the West to maintain the economic and military power necessary to protect its interests in relation to these civilizations. It will also, however, require the West to develop a more profound understanding of the basic religious and philosophical assumptions underlying other civilizations and the ways in which people in those civilizations see their interests. It will require an effort to identify elements of commonality between Western and other civilizations. For the relevant future, there will be no universal civilization, but instead a world of different civilizations, each of which will have to learn to coexist with the others.



## READING 3

## Global Utopias and Clashing Civilizations: Misunderstanding the Present

John Gray

[...]

### Why Wars Are Not Conflicts among Civilizations

Samuel Huntington's thesis of the clash of civilizations is a necessary corrective to a powerful recent trend in thinking about the international system. American foreign policy has long affirmed that the pursuit of peace is linked with the projection of human rights and support for democratic institutions. More recently, a similar view has been adopted by several other Western governments. Never more than one strand in the foreign policy of any country, it is often marginalized by other, more practically immediate considerations. But as an influence on thinking about international relations it is probably stronger today than at any other time.

Huntington makes some acute criticisms of this view. He is right to note that the individualist values embodied in Western understandings of liberal democracy do not command universal assent. They express the ethical life of a few Western societies. They are not authoritative for all cultures. Foreign policies which presuppose an eventual global consensus on liberal values will be ineffectual. This is an incisive criticism of Fukuyama's neo-Wilsonian certainty that Western values are universal; but in arguing that fault-lines between civilizations are the source of war Huntington misunderstands the present as grievously as Fukuyama does. As a result he gives a mistaken diagnosis of both the potential for tragedy and the opportunities for cooperation that our present circumstances contain.

Now, as in the past, wars are commonly waged between (and within) nationalities and ethnicities, not between different civilizations. Whether or not they are waged by the agents of sovereign states, the old,

familiar logic of territories and alliances often impels members of the same 'civilization' into enmity and members of different 'civilizations' into making common cause. In the Armenia-Azerbaijan conflict, Iran threw in its lot with Christian Armenia, not with Islamic Azerbaijan. The kaleidoscope of shifting alliances in the Balkans tells a similar story. Again, some of this century's decisive conflicts have been 'intra-civilizational'. The Iran-Iraq war and the genocide of Tutsis by Hutus occurred within what Huntington understands as single civilizations. The First World War is commonly, and not inaptly, described as a European civil war. The Korean war and the Vietnam war were conflicts among states all of which justified their claims by reference to 'Western' ideologies. Huntington's typology of civilizations does not map on to the history of twentieth-century conflict. Moreover, it is an imprecise, even arbitrary taxonomy. What is it that justifies the honorific appellation of 'civilization'? Huntington seems to believe that the world today contains somewhere between six and nine civilizations - Sinic (Chinese), Japanese, Hindu, Islamic, Latin American, Buddhist, Orthodox, African, and, of course, Western. Yet he is not altogether confident in this enumeration. He exhibits some doubt as to where Latin America should be placed; after some hesitation he includes the Jews in a sort of appendix to 'Western civilization', while concluding that Greece is no part of it. If one seeks for the criterion Huntington tacitly invokes for identifying a civilization, one soon discovers that it is an artefact of American multiculturalism: for Huntington, a community or a culture qualifies as a civilization if it has established itself as an American minority. Otherwise it does not.

The narrowly domestic perspective that informs much of Huntington's analysis gives a clue as to its historical provenance. It is an attempt to give a theoretical framework to American thinking about foreign policy

in a context in which the sustaining ideological enmities of the Cold War have vanished. Unfortunately, Huntington's vision tells us more about contemporary American anxieties than it does about the late modern world. Huntington's watchword, 'Western civilization', is a familiar refrain in curricular debates in American universities. It has few points of contact with the world beyond American shores, in which 'Western' supremacy, and indeed the very idea of 'the West', are becoming anachronisms.

'The peoples of the West,' Huntington has warned, 'must hang together, or most assuredly they will hang separately.' This clarion call presupposes that Western civilization - 'the peoples of the West' - can be identified easily and unproblematically. Yet the old and familiar polarities of East and West never had a fixed or simple meaning. During the Cold War, 'the East' meant the Soviet bloc, which was animated by an unequivocally 'Western' ideology; in the Cold War's immediate aftermath, in former Yugoslavia and elsewhere, it came to refer to an older division between Eastern and Western Christianity; now it is being invoked, by Huntington and others, to capture America's relations with China and sections of the Arab world. When Huntington refers to 'Western civilization', he does not invoke an extended family of cultural traditions that has endured for centuries or millennia. He invokes a construction of the Cold War, with few points of leverage on the world that is taking shape around us.

Huntington is right to reject the view of the world, propagated by Fukuyama, in which modernization and westernization are one and the same. In many parts of the world, where countries are becoming modern by absorbing new technologies into their indigenous cultures, they are instead divergent developments. For some countries today, westernization of their economies and cultures would mean a step back from the late modern world: not modernization but a retreat from modernity.

The project of a global free market that is at present being advanced by many transnational organizations envisages reshaping economic life in every society so that it accords with the practices of a single type of capitalism - the Anglo-Saxon free market. But different kinds of capitalism reflect different cultures. There is no reason to think they will ever converge. Both the

critics of capitalism and its supporters in Western countries have taken for granted that capitalist economies everywhere produce, or express, individualist values. This assumption was reasonable so long as developed market economies were confined to parts of western Europe, North America and the Antipodes. But the link it postulated was an historical accident, not a universal law. The capitalisms of East Asia are not the products of individualist cultures, and there is no reason to think that they will ever engender such cultures. Different patterns of family relations and different religious traditions are not facets of private life, like tastes in ethnic cuisines, without consequences for economic behaviour. They produce radically different market economies.

As global markets grow, the world is not being unified by a single economic civilization. It is becoming more plural. The increasing intensity of global competition is often noted; less often perceived is the fact that as competition between different cultures increases the comparative economic advantages of their family structures and religious traditions become more important. It is rather unlikely that the advantage in this competition lies always with highly individualist cultures. What are the economic costs of individualist patterns of family life, in which marriage is valued as a vehicle of self-realization? How does the cultural understanding of childhood as a phase of life exempt from obligations, which is strong in some Western countries, affect educational achievement? In the economic rivalries of the coming century such cultural differences will be central. Contrary to Huntington, however, this does not mean that the world can be divided up into well-defined, static civilizations. The emergence of genuine world markets in many areas of economic life makes continuing interaction among cultures an irreversible global condition.

What is new in our current circumstances is the worldwide spread of industrial production and its concomitant, the end of the global hegemony of any Western state. What is not new is conflict over territory, religion and commercial advantage between sovereign states. We must hope that wise policy can avert a rerun of the Great Game in which the world's powers struggled for geostrategic advantage in Central Asia and the Caucasus. But it is great power rivalries for control of oil, not cultural differences among the peoples that

inhabit the eight nations of that region, that are likely to pose the most enduring risk to peace for its peoples.

Neither economic rivalries nor military conflicts can be understood when viewed through the distorting lens of civilizational conflict. Talk of clashing civilizations is supremely unsuited to a time when cultures - not least the extended family of peoples that Huntington loosely terms 'the West' - are in flux. In so far as such talk shapes the thinking of policy-makers it risks *making* cultural differences what they have been only rarely in the past - causes of war.

## International Relations and Conflicts within Morality

Cultural differences can make international conflicts harder to resolve. They may make liberal democratic institutions of the kinds we are familiar with in Western countries unachievable, or even undesirable. That is one reason why I share Huntington's scepticism about foreign policies that aim to make liberal values universal. But the greatest obstacle to such foreign policies does not come from the evident fact of cultural variety. It comes from the awkward truth that even humanly universal values can be rivals in practice.

I put aside here the suggestion that all human values are entirely cultural constructions. This once fashionable doctrine of cultural relativism seems to me not worth extended consideration. It may well be true that some goods that are centrally important in Western societies are not universally valuable. That does not mean that all human goods and evils are culturally variable.

Personal autonomy, the authorship of one's life by one's own choices, is an urgent and pervasive demand in late modern Western cultures. At the same time, I am unpersuaded that it is a necessary feature of the good life for humans. Most human beings who have ever lived good lives did so without having much of it. Even where having a wide domain of personal options is one of the necessary ingredients of individual well-being, it is never the only ingredient. The worth of the options available matters as well. Nor am I convinced that as societies become more modern, personal autonomy is generally accorded a higher value. This seems to be true in the case of Britain, but it is a

mistake to take ourselves as a model for modernization everywhere. Perhaps, as economic and other risks multiply in late modern societies, people will be more willing to trade off portions of their autonomy if they can thereby achieve greater security.

To be sure, such trade-offs will sometimes enhance the 'on-balance' value that autonomous choice has for people. In other cases there will be a real conflict of values in which some autonomy is given up for the sake of another good. Compulsory saving for pensions may enhance the worth of personal autonomy on balance over a lifetime; but those who propose restricting freedom of divorce, say, because the stability of family life might thereby be promoted, must recognize that the personal autonomy of marriage partners is being curtailed for the sake of the well-being of children. Every human value has its price in other values with which it can conflict. Those who think, as I do, that the good for humans is not singular but plural, that human values are many not one, will find it hard to be convinced that this conflict should always be resolved in favour of autonomy. Liberal political philosophies that treat personal autonomy as a universal and overriding value are, or should be, controversial. The value of personal autonomy may well be a cultural construction, not something that is grounded in our common human nature. But, precisely because there is a common human nature, it cannot be true of all our values that they are cultural constructions.

Consider the chief evils to which human beings are vulnerable. Violent death is everywhere an evil. So is untimely death through malnutrition. Slavery, torture and genocide inflict injuries on their victims that block their chance of living any kind of worthwhile human life. The damage to human well-being wrought by these evils does not vary culturally to any significant extent. One of the central problems of ethical theory, in so far as it applies to international relations, is to determine which values are truly universal and which belong only to particular ways of life. Liberal values derive their hold on contemporary opinion partly from the fact that some of their injunctions - those forbidding torture, slavery and genocide, for example - are plausible components of a universal morality. Nonetheless, to identify the universal content of morality with the injunctions of recent Western liberal thought is a dangerous delusion. The difficult question



is what is universal and what local in the morality of liberal regimes. This cannot be profitably discussed in the shop-soiled jargon of an incoherent debate about 'relativism'.

Cultural variations in political values do not generate the most serious of the ethical dilemmas that arise in international relations. The hardest question in the ethics of international relations is how to resolve conflicts among goods and bads that are indisputably universal. This is an issue that has been unduly neglected, partly owing to the revival of neo-Wilsonian ideas that attempt to deny its practical importance. Those who maintain that the foreign policies of liberal states should give a high priority to fostering democratic institutions throughout the world not only claim that liberal democracy has universal authority; they claim also that advancing democratic government promotes international stability. We are often reminded that liberal democracies rarely go to war with one another. As a natural, if tenuous inference from that fact, we are encouraged to believe that a world consisting only of liberal democratic regimes will be a world of perpetual peace. In this perspective promoting democracy can never conflict, save perhaps in the shortest term, with the pursuit of peace.

I do not think I have caricatured this conventional view. It marks a real correlation when it notes that wars sometimes arise from the domestic needs of tyrannies. Its cardinal defect is that the links that it affirms between peace and democracy are very far from being invariant. In the real world these two values are sometimes rivals. Nor are these conflicts so rare, or so trifling in their consequences, that they serve only to illustrate a limiting case. Consider a state in which populations of disparate nationalities and religious ancestries are held together in a dictatorial regime. Imagine that, for whatever combination of reasons, that regime begins to weaken, and demands for democratic institutions become politically irresistible. If the populations of such a dictatorial regime are territorially concentrated it is reasonable to expect the advance of democratic institutions to go in tandem with the fragmentation of the state.

We need not delve deeply into the literature of political science for an explanation. Functioning democracy requires high levels of trust. When populations are divided by memories of historical enmity trust is not

easy to establish. When democratic deliberation concerns issues of life and death it is hard to begin. Where secession seems a real option it is likely to win support in the populations that most fear being overruled in such issues. If such fears predominate, the goal of secessionist movements will be to constitute a state sufficiently homogenous for trust - and thereby democracy - to be feasible.

I do not present this abstract scenario as a historical account of the break-up of any state that has ever actually existed. There is nothing inevitable in the process I have outlined, and in any actual historical context a multitude of accidents will play a large, often a decisive part. Yet without a reasonable level of trust democratic institutions cannot be sustained. Perhaps that is one of the reasons why tyrannies can endure: they are able to economize on trust in ways that democracies cannot. When tyrannous states that have in the past been able to economize on trust begin to move towards popular participation in government they tend - if they contain peoples that are geographically concentrated - to become fissiparous. In fortunate circumstances these tendencies may work themselves out peacefully. In many, perhaps most, contexts they incur a risk of war.

This is only one illustration of a truth of some practical importance. Even if liberal political morality is universal, applying its principles involves confronting fundamental conflicts of values. Some such conflicts are tragic in that wrong will be done however they are resolved. Advancing democracy does not always foster political stability. Preserving peace does not always coincide with the promotion of human rights. These are not transitory difficulties which we can expect someday to leave behind. They are permanent ethical dilemmas, deeply rooted in conflicts that states will always confront, which will never be fully resolved.

Liberal values cannot give definitive guidance in such cases. These are not conflicts between morality and expediency but *within morality itself*. It is a mistake to think that the most serious ethical conflicts in international relations are conflicts in which the demands of morality collide with considerations of expediency. Such conflicts are doubtless recurring and familiar. But the hardest dilemmas for sovereign states are not conflicts between observing moral principles to which they have committed themselves and promoting the

economic interests of their citizens. They are conflicts among the moral principles to which they consider themselves committed. In confronting these inescapable ethical conflicts sovereign states are no different from any other moral agent.

Liberal political morality contains few solutions to the conflicts it generates. The goods that liberal principles protect are not always compatible. Promoting one often involves sacrificing others. We all know that the best foreign policies can have consequences that include significant collateral damage. I suggest that collateral damage is sometimes only another name for moral conflicts that are not wholly soluble. Consider the following examples. There is nothing in freedom of political association that is incompatible with strong government. Some states are fortunate enough to enjoy both. At the same time they are goods that do not always complement one another. Punctilious observation of the terms of its ultra-liberal constitution may have been one of the reasons why the Weimar Republic was short-lived. In that case, a weak democratic state was replaced by a genocidal totalitarian regime. Or consider a case from the world today. China has a long history of recurrent state disintegration. The evils flowing from anarchy are not hypothetical; they are a matter of common experience for hundreds of millions of Chinese now living. Memories of the interwar period and, even more, of the Cultural Revolution are widespread and vivid. Any regime which staves off the threat of anarchy in China has a potent source of political legitimacy in that achievement alone. Western opinion-formers who demand swift progress towards liberal democracy in China have not considered with sufficient seriousness the risks to freedom and security posed to ordinary Chinese by state disintegration. Yet preventing those evils of anarchy is a central feature of the liberal political morality that demands universal democracy. This is an ethical conflict that has no complete solution.

## Conclusion

The Enlightenment thinkers who inspire contemporary liberal thought believed that the ethical conflicts that arise from the incompatibility of universal goods could be overcome: at some future point in human progress the species would be rid of the burden of such tragic dilemmas. That Enlightenment belief is an illusion with disabling effects on thought and policy today. Conflicts among the universal goods and evils recognized by liberal morality are not symptoms of backwardness we can hope someday to have transcended. They are perennial and universal.

Viewing the world today through the lens of apocalyptic beliefs about the end of history and 'the West versus the rest' conceals these universal and perennial conflicts. It encourages the hope that the difficult choices and unpleasant trade-offs that have always been necessary in the relations of states will someday be redundant. For that hope there is no rational warrant.

A more reasonable aspiration is that by understanding that some conflicts of values are intractable we will be better able to cope with them. There is much that is new in our present circumstances. What they do not contain is relief from the task of thinking our way through difficulties - conflicts of interests and ideals, incompatibilities among the values we hold most dear - that have always beset relations among states. For some, perhaps, this will seem a rather depressing result. Certainly there is nothing in it that is especially novel, or original; and it contains little that will gratify the commendable need for moral hope. But perhaps these are not quite the defects we commonly imagine them to be. The greatest liberal thinker of our time [Isaiah Berlin] was fond of quoting an observation by the American philosopher, C.I. Lewis: 'There is no *a priori* reason for supposing that the truth, when it is discovered, will necessarily prove interesting'. Nor, I would add, for thinking that it will be particularly comforting.



## Can Civilizations Clash?

Jack F. Matlock, Jr

[...]

### Questionable Points

If we examine Huntington's application of the concept of multiple civilizations (as distinct from his discussion of its definition), we find several features that, upon close examination, seem highly dubious.

First, his assumption that there is a high degree of coherence within the civilizations he postulates, which is pervasive in the book despite occasional caveats, is ill founded. The image of civilizations interacting to the point of conflict is that of entities sufficiently close-knit to be independent actors on the global stage. But civilizations, even as Huntington defines them, are not that at all. Pitirim Sorokin's criticism of Arnold Toynbee's concept is relevant.

By "civilization" Toynbee means not a mere "field of historical study" but a united system, or the whole, whose parts are connected with one another by causal ties. Therefore, as in any causal system in his "civilization," parts must depend upon one another, upon the whole, and the whole upon its parts [ . . . ]

Is Toynbee's assumption valid? I am afraid it is not: his "*civilizations*" are not united systems but mere conglomerations of various civilizational objects and phenomena [ . . . ] united only by special adjacency but not by causal or meaningful bonds.

In practice, Huntington makes the same error Toynbee did in assuming that the many disparate elements that make up his "civilizations" comprise a coherent, interdependent whole. They clearly do not, even if there are more causal relationships among the various elements than Sorokin was willing to admit.

Second, while he repeatedly refers to his civilizations as "the broadest level of cultural identity" or "the

broadest cultural entities," he then assumes, without any real evidence, that breadth is correlated with intensity of loyalty. Why else would nations with similar cultures tend to cooperate, as he repeatedly asserts, while those with different cultures tend to fight? Why else should a state's "cultural identity" define its place in world politics?

Actually, there are at least as many conflicts within the civilizations Huntington postulates as there are between them, probably more, in fact. But even if this were not true, there is no reason to assume that a person's loyalty inevitably expands to encompass an area defined by some scholar as a civilization. Any attachment beyond the nation state is likely to be weak (if recognized at all) except in limited contexts, such as a feeling of religious solidarity.

Third, Huntington states repeatedly, without any convincing evidence, that cultural differentiation is increasing in today's world. This flies in the face of most observations of the impact of modernization, industrialization, and the communications revolution, all global phenomena. Huntington is surely correct when he argues that modernization should not be considered synonymous with "westernization," and also that its progress will not obliterate cultural differences. Let us hope and pray that this is the case, since cultural differences are not only sources of potential conflict; they are also the spice of life. Many differences are benign, even productive, and the variety they contribute to civilization in the singular enriches all mankind.

Nevertheless, while there is no reason to believe that we are rushing pell mell into some universal culture, it seems perverse to deny that present trends are creating cross-cultural ties and even uniformities that did not exist before. This is particularly true in those important areas of life such as the work people do, their access to information about the world beyond their locality, and the structure of institutions that shape their economic and civic life. Most human beings are in fact

becoming more alike in some parts of their lives, even as they retain and sometimes accentuate their differences in others.

I was bemused by many statements in Huntington's book, but none puzzled me more than the following: "Politicians in non-Western societies do not win elections by demonstrating how Western they are. Electoral competition instead stimulates them to fashion what they believe will be the most popular appeals, and those are usually ethnic, nationalist, and religious in character."

I can only wonder how Huntington would characterize electoral competition in the West, and where he believes non-Western countries acquired the idea of electing political leaders. I can't find it in the Koran or Confucius.

Fourth, despite his extensive discussion of the difference between a culture and a civilization, in practice Huntington uses these words interchangeably in much of his discussion. This leads to repeated confusions, since a conflict sparked or exacerbated by cultural differences may or may not represent a "civilizational" divide. Many of the conflicts in which culture has played a role have been *within* the civilizations he postulates, and yet we often see a part cited as if it were the whole, an evident logical fault.

Furthermore, the concentration on "civilizational" conflict obscures and sometimes totally masks the elements of culture that contribute to conflict. Often, it is cultural similarity, not a difference, that nurtures conflict. Cultures that justify the use of force in disputes with people who are perceived as somehow different are obviously more likely to resort to violence than are those that value accommodation. If two of the first type live in close proximity, the likelihood of conflict would be higher whether or not they belong to different "civilizations." Attributing conflicts to a priori intellectual constructs such as "civilizations" can mislead the observer about the real causes.

[...]

## Cultures, Not "Civilizations"

Huntington's thesis is not only deficient in predicting the most likely sources of conflict; by lumping cultures into broader civilizations, it obscures what we need to know if we are to understand the implications of

cultural differences and similarities. Francis Fukuyama gives a striking example in his recent book, *Trust: The Social Virtues and the Creation of Prosperity*. Discussing a boom in small-scale industry in central Italy in the 1970s and 1980s, he points out some cultural similarities with Hong Kong and Taiwan:

Though it may seem a stretch to compare Italy with the Confucian culture of Hong Kong and Taiwan, the nature of social capital is similar in certain respects. In parts of Italy and in the Chinese cases, family bonds tend to be stronger than other kinds of bonds not based on kinship, while the strength and number of intermediate associations between state and individual has been relatively low, reflecting a pervasive distrust of people outside the family. The consequences for industrial structure are similar: private sector firms tend to be relatively small and family controlled, while large-scale enterprises need the support of the state to be viable.

If we focus only on what Huntington calls "the broadest cultural entities," we lose the ability to detect and analyze specific cultural features that hold true across civilizations. And yet it is precisely such shared features that help us predict how rapidly specific institutions can spread from one culture to another, and what sort of modifications may result from their transplantation.

## A Useful Concept Nevertheless

The faults I have described raise the question whether the analysis of "civilizations" has any utility at all. If one's goal is to understand the behavior of states and nations, it is clearly more important to understand the culture of these units than to presuppose behavior based on some broader cultural conglomerate. But if we define a "civilization" as simply the subject of an intellectual inquiry, it can be a useful term. As Fernand Braudel put it, "A civilization is first of all a space, a cultural area," and he goes on to say, "Whatever the label, there is a distinct French civilization, a German one, an Italian, an English one, each with its own characteristics and internal contradictions. To study them all together under the heading of Western civilization seems to me to be too simple an approach."

Indeed, the broader the grouping, the more relevant detail is lost, and that which is lost may have a greater

effect on behavior than traits held in common. Nevertheless, the extent of the cultural area to be studied is not the main point. There is nothing inherently wrong with looking at "Western civilization," however defined, for common cultural traits, studying how they developed, and examining how they are distributed within the area and how they interact with those of other societies. When used to define the scope of a study, the definition of a "civilization" can be based on any criteria the investigator chooses. Braudel, for example, wrote a magisterial work on the Mediterranean world at the time of Philip II. It does not matter that this work fuses parts of three civilizations as defined by Toynbee or Huntington, since the area had its own coherence, one based on geography rather than religion or politics. As Braudel put it in his preface to the English translation, "I retain the firm conviction that the Turkish Mediterranean lived and breathed with the same rhythms as the Christian, that the whole sea shared a common destiny, a heavy one indeed, with identical problems and general trends if not identical consequences."

It is a mistake, however, to treat a hypothetical "civilization" as anything other than a convenient intellectual construct used to establish the boundaries of a field or topic of study. Even Toynbee, who treated his "civilizations" virtually as organisms, noted in his volume of *Reconsiderations*, "[I]f the use of hypotheses is indispensable, it also has at least one besetting danger: 'the habit of treating a mental convenience as if it were an objective thing.'" Unfortunately, Huntington's application of his concept of civilizations is tainted by this habit.

A civilization by any definition is infinitely more complex than, say, a garden. Nevertheless, describing it is in principle no different. Each garden is unique, yet some will have common characteristics not shared by others. Some plants will grow well in some soils and poorly if at all in others. Some plants may take over if moved to a different environment. Some gardens are laid out in a strict geometry; others may be left, in places at least, to resemble wild growth. If the gardener is not careful, the colors of some flowers may clash. Observers can classify gardens, compare them, discuss whether elements harmonize or not.

Gardens, like civilizations, can be described, analyzed and interpreted. But one thing is certain. It would be absurd to speak of a "clash of gardens." It is equally absurd to speak of a "clash of civilizations." If the concept were valid, it would provide a useful shortcut to understanding the tensions and potential conflicts in the world. But it is not a shortcut to understanding. Rather, it is a diversion leading to confusion. If we are to understand where future conflict is most likely and how it can best be averted or contained, we must keep our attention on the actors on the international scene: the states, the organized movements, the international alliances and institutions. Their cultures are relevant, but so are other factors such as geographical position, economic and military strength, and membership in or exclusion from international institutions. We gain nothing by lumping cultures into broader conglomerates, and we can be seriously misled if we assume that difference inevitably means hostility. Life, and politics, are not so simple.



## READING 5

# History Ends, Worlds Collide

**Chris Brown**

It is easy to pick holes in Huntington's work, especially the book-length version of his argument, which, precisely because it contains so much more detail is much more open to criticism - broad generalizations which pass muster in the enclosed context of a short

article are less tolerable when more space is available. Right from the outset his account of 'civilization' is *ad hoc* and muddled; civilizations are systems of ideas, and, as such, it is difficult to see how they could clash, although individuals and groups claiming to represent these ideas certainly can. Moreover, these systems of

ideas are not now, nor have they ever been, self-contained or impermeable, a fact that Huntington acknowledges, but the significance of which he, perhaps, underplays. On the other hand, he deserves considerable credit for attempting to break up what was becoming in the early 1990s a rather sterile debate about the post-Cold War world. In his response to critics 'If Not Civilizations, What?', Huntington suggests that the only alternative models for what he is interested in are the old statist paradigm and a new 'un-real' vision of one world united by globalization; this is to put the matter rather starkly, but there is some justice to this claim. In effect, Huntington is providing a non-statist, but nonetheless realist, account of the world, which is an interesting addition to the conceptual toolkit of contemporary international relations theory. Part of the problem with Huntington's analysis, though, is that, although not statist, it remains spatial/territorial.

The prevailing metaphor in that book is that there are physical 'fault-lines' between civilizations. There are two problems with this notion; first, the analysis underplays the extent to which key dividing lines are man-made and recent - in former Yugoslavia, for example, the recurrent crises of the 1990s owe more to the success of Milosevic in mobilizing political support behind the nationalist cause of Greater Serbia than they do to largely spurious ethnic and religious differences, much less historical divides that go back to the Middle Ages or earlier. Such differences and divides certainly exist and have always existed, but their current political significance is the result of contingency rather than some inevitable process. Second, and rather more important, the 'tectonic' notion of civilizations does not recognise sufficiently the extent to which civilizations

are already interpenetrated. The clash of civilizations, in so far as it exists at all, is more likely to take the form of the politics of multiculturalism and recognition in the major cities of the world than violent clashes on the so-called 'fault-lines'; policing problems in London are, thankfully, more characteristic of this politics than ethnic cleansing in Kosovo, horrifying though the latter maybe.

[...]

This set of choices does indeed convey some sense of what is going on but on the whole it obscures more than it illuminates. What is particularly damaging about the way in which these oppositions are set up is that they tend to define the most important questions about the future in terms of a choice between universalism and particularism, with the underlying assumption that the former is the progressive option, while the latter, though possibly unavoidable, is regressive and not to be desired.

[...]

Equally, whether 'civilizations' clash along particular fault-lines is going to depend on how the inhabitants of those key areas, and their neighbours, near and far, choose to define themselves or allow political entrepreneurs to define them, and this is a political process, not one that follows a cultural recipe book. More generally, the future of globalization will be a product of political practice rather than cultural or economic theory. In short, one way or another, the major questions about the future of world order which this article has addressed will be answered in the years to come, but they will not necessarily be answered in their own terms; the contingencies of political power may have the last word, as so often in the past.



## READING 6

# If Not Civilizations, What? Paradigms of the Post-Cold War World

**Samuel P. Huntington**

When people think seriously, they think abstractly; they conjure up simplified pictures of reality called

concepts, theories, models, paradigms. Without such intellectual constructs, there is, William James said,

only "a bloomin' buzzin' confusion." Intellectual and scientific advance, as Thomas Kuhn showed in his classic *The Structure of Scientific Revolutions*, consists of the displacement of one paradigm, which has become increasingly incapable of explaining new or newly discovered facts, by a new paradigm that accounts for those facts in a more satisfactory fashion. "To be accepted as a paradigm," Kuhn wrote, "a theory must seem better than its competitors, but it need not, and in fact never does, explain all the facts with which it can be confronted."

For 40 years students and practitioners of international relations thought and acted in terms of a highly simplified but very useful picture of world affairs, the Cold War paradigm. The world was divided between one group of relatively wealthy and mostly democratic societies, led by the United States, engaged in a pervasive ideological, political, economic, and, at times, military conflict with another group of somewhat poorer, communist societies led by the Soviet Union. Much of this conflict occurred in the Third World outside of these two camps, composed of countries which often were poor, lacked political stability, were recently independent and claimed to be nonaligned. The Cold War paradigm could not account for everything that went on in world politics. There were many anomalies, to use Kuhn's term, and at times the paradigm blinded scholars and statesmen to major developments, such as the Sino-Soviet split. Yet as a simple model of global politics, it accounted for more important phenomena than any of its rivals; it was an indispensable starting point for thinking about international affairs; it came to be almost universally accepted; and it shaped thinking about world politics for two generations.

The dramatic events of the past five years have made that paradigm intellectual history. There is clearly a need for a new model that will help us to order and to understand central developments in world politics. What is the best simple map of the post-Cold War world?

## A Map of the New World

"The Clash of Civilizations?" is an effort to lay out elements of a post-Cold War paradigm. As with any paradigm, there is much the civilization paradigm

does not account for, and critics will have no trouble citing events - even important events like Iraq's invasion of Kuwait - that it does not explain and would not have predicted (although it would have predicted the evaporation of the anti-Iraq coalition after March 1991). Yet, as Kuhn demonstrates, anomalous events do not falsify a paradigm. A paradigm is disproved only by the creation of an alternative paradigm that accounts for more crucial facts in equally simple or simpler terms (that is, at a comparable level of intellectual abstraction; a more complex theory can always account for more things than a more parsimonious theory). The debates the civilizational paradigm has generated around the world show that, in some measure, it strikes home; it either accords with reality as people see it or it comes close enough so that people who do not accept it have to attack it.

What groupings of countries will be most important in world affairs and most relevant to understanding and making sense of global politics? Countries no longer belong to the Free World, the communist bloc, or the Third World. Simple two-way divisions of countries into rich and poor or democratic and non-democratic may help some but not all that much. Global politics are now too complex to be stuffed into two pigeonholes. For reasons outlined in the original article, civilizations are the natural successors to the three worlds of the Cold War. At the macro level world politics are likely to involve conflicts and shifting power balances of states from different civilizations, and at the micro level the most violent, prolonged and dangerous (because of the possibility of escalation) conflicts are likely to be between states and groups from different civilizations. As the article pointed out, this civilization paradigm accounts for many important developments in international affairs in recent years, including the breakup of the Soviet Union and Yugoslavia, the wars going on in their former territories, the rise of religious fundamentalism throughout the world, the struggles within Russia, Turkey and Mexico over their identity, the intensity of the trade conflicts between the United States and Japan, the resistance of Islamic states to Western pressure on Iraq and Libya, the efforts of Islamic and Confucian states to acquire nuclear weapons and the means to deliver them, China's continuing role as an "outsider" great power, the consolidation of new democratic regimes

in some countries and not in others, and the escalating arms race in East Asia.

[...]

## America Undone?

One function of a paradigm is to highlight what is important (e.g., the potential for escalation in clashes between groups from different civilizations); another is to place familiar phenomena in a new perspective. In this respect, the civilizational paradigm may have implications for the United States. Countries like the Soviet Union and Yugoslavia that bestride civilizational fault lines tend to come apart. The unity of the United States has historically rested on the twin bedrocks of European culture and political democracy. These have been essentials of America to which generations of immigrants have assimilated. The essence of the American creed has been equal rights for the individual, and historically immigrant and outcast groups have invoked and thereby reinvigorated the principles of the creed in their struggles for equal treatment in American society. The most notable and successful effort was the civil rights movement led by Martin Luther King, Jr, in the 1950s and 1960s. Subsequently, however, the demand shifted from equal rights for individuals to special rights (affirmative action and similar measures) for blacks and other groups. Such claims run directly counter to the underlying principles that have been the basis of American political unity; they reject the idea of a "color-blind" society of equal individuals and instead promote a "color-conscious" society with government-sanctioned privileges for some groups. In a parallel movement, intellectuals and politicians began to push the ideology of "multiculturalism," and to insist on the rewriting of American political, social, and literary history from the viewpoint of non-European groups. At the extreme, this movement tends to elevate obscure leaders of minority groups to a level of importance equal to that of the Founding Fathers. Both the demands for special group rights and for multiculturalism encourage a clash of civilizations within the United States and encourage what Arthur M. Schlesinger, Jr, terms "the disuniting of America."

The United States is becoming increasingly diverse ethnically and racially. The Census Bureau estimates

that by 2050 the American population will be 23 percent Hispanic, 16 percent black and 10 percent Asian-American. In the past the United States has successfully absorbed millions of immigrants from scores of countries because they adapted to the prevailing European culture and enthusiastically embraced the American Creed of liberty, equality, individualism, democracy. Will this pattern continue to prevail as 50 percent of the population becomes Hispanic or nonwhite? Will the new immigrants be assimilated into the hitherto dominant European culture of the United States? If they are not, if the United States becomes truly multicultural and pervaded with an internal clash of civilizations, will it survive as a liberal democracy? The political identity of the United States is rooted in the principles articulated in its founding documents. Will the de-Westernization of the United States, if it occurs, also mean its de-Americanization? If it does and Americans cease to adhere to their liberal democratic and European-rooted political ideology, the United States as we have known it will cease to exist and will follow the other ideologically defined superpower onto the ash heap of history.

## Got a Better Idea?

A civilizational approach explains much and orders much of the "bloomin' buzzin' confusion" of the post-Cold War world, which is why it has attracted so much attention and generated so much debate around the world. Can any other paradigm do better? If not civilizations, what? The responses in *Foreign Affairs* to my article did not provide any compelling alternative picture of the world. At best they suggested one pseudo-alternative and one unreal alternative.

The pseudo-alternative is a statist paradigm that constructs a totally irrelevant and artificial opposition between states and civilizations: "Civilizations do not control states," says Fouad Ajami, "states control civilizations." But it is meaningless to talk about states and civilizations in terms of "control." States, of course, try to balance power, but if that is all they did, West European countries would have coalesced with the Soviet Union against the United States in the late 1940s. States respond primarily to perceived threats, and the West European states then saw a political and



ideological threat from the East. As my original article argued, civilizations are composed of one or more states, and "Nation states will remain the most powerful actors in world affairs." Just as nation states generally belonged to one of three worlds in the Cold War, they also belong to civilizations. With the demise of the three worlds, nation states increasingly define their identity and their interests in civilizational terms, and West European peoples and states now see a cultural threat from the South replacing the ideological threat from the East.

We do not live in a world of countries characterized by the "solitude of states" (to use Ajami's phrase) with no connections between them. Our world is one of overlapping groupings of states brought together in varying degrees by history, culture, religion, language, location and institutions. At the broadest level these groupings are civilizations. To deny their existence is to deny the basic realities of human existence.

The unreal alternative is the one-world paradigm that a universal civilization now exists or is likely to exist in the coming years. Obviously people now have and for millennia have had common characteristics that distinguish humans from other species. These characteristics have always been compatible with the existence of very different cultures. The argument that a universal culture or civilization is now emerging takes various forms, none of which withstands even passing scrutiny.

First, there is the argument that the collapse of Soviet communism means the end of history and the universal victory of liberal democracy throughout the world. This argument suffers from the Single Alternative Fallacy. It is rooted in the Cold War assumption that the only alternative to communism is liberal democracy and that the demise of the first produces the universality of the second. Obviously, however, there are many forms of authoritarianism, nationalism, corporatism and market communism (as in China) that are alive and well in today's world. More significantly, there are all the religious alternatives that lie outside the world that is perceived in terms of secular ideologies. In the modern world, religion is a central, perhaps *the* central, force that motivates and mobilizes people. It is sheer hubris to think that because Soviet communism has collapsed the West has won the world for all time.

Second, there is the assumption that increased interaction - greater communication and transportation - produces a common culture. In some circumstances this may be the case. But wars occur most frequently between societies with high levels of interaction, and interaction frequently reinforces existing identities and produces resistance, reaction and confrontation.

Third, there is the assumption that modernization and economic development have a homogenizing effect and produce a common modern culture closely resembling that which has existed in the West in this century. Clearly, modern urban, literate, wealthy, industrialized societies do share cultural traits that distinguish them from backward, rural, poor, undeveloped societies. In the contemporary world most modern societies have been Western societies. But modernization does not equal Westernization. Japan, Singapore and Saudi Arabia are modern, prosperous societies but they clearly are non-Western. The presumption of Westerners that other peoples who modernize must become "like us" is a bit of Western arrogance that in itself illustrates the clash of civilizations. To argue that Slovenes and Serbs, Arabs and Jews, Hindus and Muslims, Russians and Tajiks, Tamils and Sinhalese, Tibetans and Chinese, Japanese and Americans all belong to a single Western-defined universal civilization is to fly in the face of reality.

A universal civilization can only be the product of universal power. Roman power created a near-universal civilization within the limited confines of the ancient world. Western power in the form of European colonialism in the nineteenth century and American hegemony in the twentieth century extended Western culture throughout much of the contemporary world. European colonialism is over; American hegemony is receding. The erosion of Western culture follows, as indigenous, historically rooted mores, languages, beliefs and institutions reassert themselves.

Amazingly, Ajami cites India as evidence of the sweeping power of Western modernity. "India," he says, "will not become a Hindu state. The inheritance of Indian secularism will hold." Maybe it will, but certainly the overwhelming trend is away from Nehru's vision of a secular, socialist, Western, parliamentary democracy to a society shaped by Hindu fundamentalism. In India, Ajami goes on to say, "The vast middle class will defend it [secularism], keep the order intact

to maintain India's - and its own - place in the modern world of nations." Really? A long *New York Times* (September 23, 1993) story on this subject begins: "Slowly, gradually, but with the relentlessness of floodwaters, a growing Hindu rage toward India's Muslim minority has been spreading among India's solid middle class Hindus - its merchants and accountants, its lawyers and engineers - creating uncertainty about the future ability of adherents of the two religions to get along." An op-ed piece in the *Times* (August 3, 1993) by an Indian journalist also highlights the role of the middle class: "The most disturbing development is the increasing number of senior civil servants, intellectuals, and journalists who have begun to talk the language of Hindu fundamentalism, protesting that religious minorities, particularly the Muslims, have pushed them beyond the limits of patience." This author, Khushwant Singh, concludes sadly that while India may retain a secular facade, India "will no longer be the India we have known over the past 47 years" and "the spirit within will be that of militant Hinduism." In India, as in other societies, fundamentalism is on the rise and is largely a middle class phenomenon.

The decline of Western power will be followed, and is beginning to be followed, by the retreat of Western culture. The rapidly increasing economic power of East Asian states will, as Kishore Mahbubani asserted, lead to increasing military power, political influence and cultural assertiveness. A colleague of his has elaborated this warning with respect to human rights:

[E]fforts to promote human rights in Asia must also reckon with the altered distribution of power in the post-Cold War world [...] Western leverage over East and Southeast Asia has been greatly reduced [...] There is far less scope for conditionality and sanctions to force compliance with human rights [...]

For the first time since the Universal Declaration [on Human Rights] was adopted in 1948, countries not thoroughly steeped in the Judeo-Christian and natural law traditions are in the first rank: That unprecedented situation will define the new international politics of human rights. It will also multiply the occasions for conflict [...]

Economic success has engendered a greater cultural self-confidence. Whatever their differences, East and Southeast Asian countries are increasingly conscious of their own civilizations and tend to locate the

sources of their economic success in their own distinctive traditions and institutions. The self-congratulatory, simplistic, and sanctimonious tone of much Western commentary at the end of the Cold War and the current triumphalism of Western values grate on East and Southeast Asians.

Language is, of course, central to culture, and Ajami and Robert Bartley both cite the widespread use of English as evidence for the universality of Western culture (although Ajami's fictional example dates from 1900). Is, however, use of English increasing or decreasing in relation to other languages? In India, Africa and elsewhere, indigenous languages have been replacing those of the colonial rulers. Even as Ajami and Bartley were penning their comments, *Newsweek* ran an article entitled "English Not Spoken Here Much Anymore" on Chinese replacing English as the lingua franca of Hong Kong. In a parallel development, Serbs now call their language Serbian, not Serbo-Croatian, and write it in the Cyrillic script of their Russian kinsmen, not in the Western script of their Catholic enemies. At the same time, Azerbaijan, Turkmenistan, and Uzbekistan have shifted from the Cyrillic script of their former Russian masters to the Western script of their Turkish kinsmen. On the language front, Babelization prevails over universalization and further evidences the rise of civilization identity.

## Culture Is To Die For

Wherever one turns, the world is at odds with itself. If differences in civilization are not responsible for these conflicts, what is? The critics of the civilization paradigm have not produced a better explanation for what is going on in the world. The civilizational paradigm, in contrast, strikes a responsive chord throughout the world. In Asia, as one US ambassador reported, it is "spreading like wildfire." In Europe, European Community President Jacques Delors explicitly endorsed its argument that "future conflicts will be sparked by cultural factors rather than economics or ideology" and warned, "The West needs to develop a deeper understanding of the religious and philosophical assumptions underlying other civilizations, and the way other nations see their interests, to

identify what we have in common." Muslims, in turn, have seen "the clash" as providing recognition and, in some degree, legitimation for the distinctiveness of their own civilization and its independence from the West. That civilizations are meaningful entities accords with the way in which people see and experience reality.

History has not ended. The world is not one. Civilizations unite and divide humankind. The forces making for clashes between civilizations can be contained only if they are recognized. In a "world of

different civilizations," as my article concluded, each "will have to learn to coexist with the others." What ultimately counts for people is not political ideology or economic interest. Faith and family, blood and belief, are what people identify with and what they will fight and die for. And that is why the clash of civilizations is replacing the Cold War as the central phenomenon of global politics, and why a civilizational paradigm provides, better than any alternative, a useful starting point for understanding and coping with the changes going on in the world.

# Orientalism, Colonialism, and Postcolonialism

This chapter is concerned primarily with a topic, Orientalism, with roots in literary theory, but it also permits us to deal, at least briefly, with several other ideas closely related to globalization including colonialism and postcolonialism.

Literary theory involves, as its name suggests, studying, thinking about, and theorizing some body of literature. In the case of globalization, the most relevant body of literary theory involves the study of literature that was produced in, or is about, the experience of people who once lived in areas that were colonized, usually by the major Western powers (especially Britain). This literature is usually categorized under the heading of *postcolonialism*, or "a systematic discourse dedicated to investigating, analyzing, and deconstructing structures of knowledge, ideologies, power relations, and social identities that have been authored by and authorized by the imperial West in ruling and representing the non-West over the past 500 years."<sup>1</sup>

Edward Said's *Orientalism* is "the founding document of post-colonial thought."<sup>2</sup> While it was not written with the idea of globalization in mind, and was written before the current era of globalization, it has powerful implications for contemporary thinking on globalization.

*Orientalism* has several interrelated meanings for Said. First, it is an area of academic interest (a discipline)

with schools of "Oriental Studies." Thus, "the Orient was a scholar's word."<sup>3</sup> Second, it is a "style of thought based upon an ontological and epistemological distinction made between 'the Orient' and (most of the time) 'the Occident.'"<sup>4</sup> Third, and perhaps most importantly, Orientalism is a Western discourse "for dominating, restructuring, and having authority over the Orient."<sup>5</sup> It was the basis for the ways in which European culture "was able to manage - and even produce - the Orient politically, sociologically, militarily, ideologically, scientifically, and imaginatively."<sup>6</sup>

Orientalism was (and still is) a diverse cultural enterprise that included, among other things:

The imagination itself, the whole of India and the Levant, the Biblical texts and the Biblical lands, the spice trade, colonial armies and the long tradition of colonial administrators, a formidable scholarly corpus, innumerable Oriental "experts" and "hands," an Oriental professorate, a complex array of "Oriental" ideas (Oriental despotism, Oriental splendor, cruelty, sensuality), many Eastern sects, philosophies and wisdoms domesticated for local European use.<sup>8</sup>

In spite of this diversity, and although it is far more than just ideas/discourse, Orientalism is primarily a set of ideas expressed in a specific discourse. Following

Michel Foucault (and Friedrich Nietzsche), knowledge cannot be divorced from power; and it was to a large degree as a result of Orientalism that Europe and the West more generally were able to exercise power over the East. To get at Orientalism as ideas/discourse, Said examines a variety of "texts" including not only scholarly works on the topic "but also works of literature, political tracts, journalistic texts, travel books, religious and philological studies."<sup>9</sup> The Orient that emerges from these texts "is less a place than a *topos*, a set of references, a congeries of characteristics, that seems to have its origin in a quotation, or a fragment of a text, or a citation from someone's work on the Orient, or some bit of previous imagining, or an amalgam of all of these."<sup>10</sup> The ideas associated with Orientalism are largely repeatedly reproduced fictions (although they are not totally false) that are rarely, if ever, based on observation, let alone careful empirical study.

Said's basic problem with Orientalism, aside from its disastrous effects on those labeled Orientals, is that it is an idea characterized by biases, ignorance, lack of knowledge, stereotypes, standardized views, and fictions. Orientalism reflects the power of the West and has little to do with the realities of life in the Orient. Negative stereotypes of Orientals abounded and they were shaped by Westerners' stereotypes of themselves. Westerners produced biased and limited "texts" about the Orient and it was those texts, and not life as it really existed in the Orient, which came to be considered the basis of the "truth" about the Orient.

There are a variety of intellectual problems with Orientalism that result from it "disregarding, essentializing, denuding the humanity of another culture."<sup>11</sup> People in the Orient were not discussed in individual or humanistic terms, but rather in collective or abstract terms. Furthermore, the view of the Orient has remained more or less the same in terms of both time and place for those in the West who think about, analyze, manage, and seek to subdue it. It is as if nothing has changed, or will ever change, in the Orient. More generally, Said argues that: "The West is the spectator, the judge and jury, of every facet of Oriental behavior."<sup>12</sup> Knowledge of the Orient, often unchanged over great stretches of time, was accumulated in the West, and this was closely related to the accumulation of both the people and the territories of the Orient by the West.

Said reserves his most scathing indictment for Orientalism as it relates to Islam. It is characterized by its "retrogressive position when compared with the other human sciences (and even with the other branches of Orientalism), its general methodological and ideological backwardness, and its comparative insularity from developments both in the other humanities and in the real world of historical, economic, social and political circumstances."<sup>13</sup>

*Orientalism* was, and still is, a highly influential book, but it is also one that has been subjected to many criticisms. Sadik Jalal al-'Azm offers several of the most important of these criticisms. For one thing, Said is seen as not restricting his analysis to the modern world, but tracing Orientalism back to the ancient Greeks and then up to, and including, the work of Karl Marx. The problem with this is that instead of being a product of a particular history, Orientalism tends to become *essentialistic*. That is, Said's work "simply lends strength to the essentialistic categories of 'Orient' and 'Occident,' representing the ineradicable distinction between East and West, which Edward's [Said's] book is ostensibly set on demolishing."<sup>14</sup>

Perhaps a more important criticism is that Said gives literature, and culture more generally, too much power. He seems to suggest that they are the "real source of the West's political interest in the Orient."<sup>15</sup> Downplayed in all of this are the political and material interests in the West in conquering and controlling the Orient. Thus, for example, France and Britain were interested in controlling the Suez Canal not because of "Orientalism," but because of the political, military, and economic advantages such control gave them. As al-'Azm puts it: "If Academic Orientalism transmutes the reality of the Orient into the stuff of texts . . . then it would seem that Said sublimates the earthly realities of the Occident's interaction with the Orient into the ethereal stuff of the spirit."<sup>16</sup>

Rattansi puts *Orientalism* in the context of the post-colonial studies that it played a central role in creating. On the one hand, postcolonialism refers to a time period after the period of *colonialism*, that is after the colonies of the Western imperial powers gained their independence. (Colonialism is the creation by a colonial power of an administrative apparatus in the country or geographic area that has been colonized in order to run its internal affairs, including its settlements.)

On the other hand, postcolonialism is a "*distinctive form of theorization and analysis*" that is not restricted to that time period or to those particular places.<sup>17</sup> Thus, Rattansi seeks to distinguish between *postcolonialism* as a type of intellectual inquiry and *postcoloniality* as historical epochs. What is crucial about postcolonialism, i.e., postcolonial studies, is that they involve "*the investigation of the mutually constitutive role played by colonizer and colonized... in forming... the identities of both the dominant power and the subalterns involved in the imperial and colonial projects of the 'West.'*"<sup>18</sup> It is in this context that Rattansi argues that *Orientalism* can be seen as "the founding text of modern postcolonialist studies."<sup>19</sup>

Rattansi examines some key works in postcolonial studies. A first set deals with the mutual constitution of identities between colonizer and colonized. A second is concerned with the ambivalence surrounding the relationship between colonizer and colonized, as well as the resistance that arises, at least in part, out of the instabilities in that relationship.

Rattansi also examines the relationship between the colonial/postcolonial and a series of related ideas such as the imperial/postimperial, the neocolonial, and the anticolonial. Most importantly for our purposes, Rattansi looks at the relationship between the idea of *globalization* (referring, in this case, to the general process of time-space compression) and postcolonialism. He concludes that the concept of postcolonialism remains useful because it reminds us that "imperial expansion and colonialism were key constitutive features, and indeed set both globalization and Western capitalism in motion and acted as continual fuelling forces."<sup>20</sup>

Rattansi closes with a rejection of the idea that postcolonial studies are restricted to those done by scholars associated with the former colonizers; instead he argues that such studies have become a truly international enterprise. He rejects the idea that postcolonial studies have ignored material forces such as Western capitalism. However, Rattansi also expresses reservations about postcolonial studies, including the work of

Said. For example, he worries about the fact that this critical work fails to put forward an alternative vision of the future to that of the Orientalists and the colonialists. In spite of the fact that postcolonial studies have their weaknesses, they represent an important new body of work.

We close this chapter with Peter Marcuse's effort to relate Orientalism to today's world, especially globalization. More specifically, Marcuse seeks to relate Orientalism to what he calls "globalism." While "'Orientalism' was used to describe and categorize a specific geographic region, its people and its culture," "globalism" is employed "to suggest the way in which specific real processes at the international level, often lumped together under the term globalization, are discussed and portrayed in academic and popular circles."<sup>21</sup> Globalism is a specific view of globalization held by governments, scholars, and intellectuals. In this view, globalization tends to be seen as something new, dominant, involving a process free of individual choice, inevitable, and largely beneficial. As Marcuse puts it: "Globalism is to really existing globalization as Orientalism is to colonialism. Globalism is the hegemonic metaphor through which the actual process of globalization is seen/presented. It views development in the 'developing world' as inevitably following the superior path of development pursued by the 'developed world,' just as Orientalism sees the 'Orient' following (if it can) the superior form of development of the 'Occident.'"<sup>22</sup> Marcuse proceeds to iterate a number of other similarities between Orientalism and globalism. For example, just as Orientalism was a distorted lens through which to view the world, globalism is a distorted lens through which to view globalization. That is, globalization is seen as inevitable and is accepted unquestioningly. Such a view serves to defuse opposition to globalization. Said's work is seen as helpful here because it has been "a potent weapon on the side of social justice and the struggle for a humane world."<sup>23</sup> Marcuse sees a similar role for those who are critical of globalism such as those associated with the World Social Forum.

## NOTES.....

- 1 Shaobao Xie, "Postcolonialism." In Jan Aart Schölte and Roland Robertson, eds., *Encyclopedia of Globalization*. New York: MTM, 2007, 986-90.
- 2 Among other key figures are Homi Bhabha (*The Location of Culture*. London: Routledge, 1994) and Gayatri Chakravorty Spivak (*In Other Worlds: Essays in Cultural Politics*. New York: Routledge, 1987; *A Critique of Postcolonial Reason: Toward a History of the Vanishing Present*. Cambridge, MA: Harvard University Press, 1999).
- 3 Joan Acocella, "A Better Place." *New Yorker* February 2008: 68-9.
- 4 Edward W. Said, *Orientalism*. New York: Vintage, 1979/1994, 92.
- 5 *Ibid.*, 2.
- 6 *Ibid.*, 3.
- 7 *Ibid.*, 3.
- 8 *Ibid.*, 4.
- 9 *Ibid.*, 23.
- 10 *Ibid.*, 177.
- 11 *Ibid.*, 108.
- 12 *Ibid.*, 109.
- 13 *Ibid.*, 261.
- 14 Sadik Jalal al-'Azm, "Orientalism and Orientalism in Reverse." In A. L. Macfie, ed., *Orientalism: A Reader*. New York: New York University Press, 219.
- 15 *Ibid.*, 220.
- 16 *Ibid.*, 221.
- 17 AN Rattansi, "Postcolonialism and Its Discontents." *Economy and Society* 26, 4, 1997: 481, italics in original.
- 18 *Ibid.*, 481, italics in original.
- 19 *Ibid.*, 483.
- 20 *Ibid.*, 492.
- 21 Peter Marcuse, "Said's Orientalism: A Vital Contribution Today." *Antipode* 2004: 809.
- 22 *Ibid.*, 810.
- 23 *Ibid.*, 816.

 READING 7

## *Orientalism*: Introduction

Edward W. Said

I

On a visit to Beirut during the terrible civil war of 1975-6 a French journalist wrote regretfully of the gutted downtown area that "it had once seemed to belong to [...] the Orient of Chateaubriand and Nerval." He was right about the place, of course, especially so far as a European was concerned. The Orient was almost a European invention, and had been since antiquity a place of romance, exotic beings, haunting memories and landscapes, remarkable experiences. Now it was disappearing; in a sense it had happened, its time was over. Perhaps it seemed irrelevant that Orientals themselves had something at stake in the process, that even in the time of Chateaubriand and Nerval Orientals had lived there, and that now it was they who were suffering; the main thing for the European visitor was a European representation of the Orient and its contemporary fate, both of which had a privileged communal significance for the journalist and his French readers.

Americans will not feel quite the same about the Orient, which for them is much more likely to be associated very differently with the Far East (China and Japan, mainly). Unlike the Americans, the French and the British - less so the Germans, Russians, Spanish, Portuguese, Italians, and Swiss - have had a long tradition of what I shall be calling *Orientalism*, a way of coming to terms with the Orient that is based on the Orient's special place in European Western experience. The Orient is not only adjacent to Europe; it is also the place of Europe's greatest and richest and oldest colonies, the source of its civilizations and languages, its cultural contestant, and one of its deepest and most recurring images of the Other. In addition, the Orient has helped to define Europe (or the West) as its contrasting image, idea, personality, experience. Yet none of this Orient is merely imaginative. The Orient

is an integral part of European *material* civilization and culture. Orientalism expresses and represents that part culturally and even ideologically as a mode of discourse with supporting institutions, vocabulary, scholarship, imagery, doctrines, even colonial bureaucracies and colonial styles. In contrast, the American understanding of the Orient will seem considerably less dense, although our recent Japanese, Korean, and Indochinese adventures ought now to be creating a more sober, more realistic "Oriental" awareness. Moreover, the vastly expanded American political and economic role in the Near East (the Middle East) makes great claims on our understanding of that Orient.

It will be clear to the reader (and will become clearer still throughout the many pages that follow) that by Orientalism I mean several things, all of them, in my opinion, interdependent. The most readily accepted designation for Orientalism is an academic one, and indeed the label still serves in a number of academic institutions. Anyone who teaches, writes about, or researches the Orient - and this applies whether the person is an anthropologist, sociologist, historian, or philologist - either in its specific or its general aspects, is an Orientalist, and what he or she does is Orientalism. Compared with *Oriental studies* or *area studies*, it is true that the term *Orientalism* is less preferred by specialists today, both because it is too vague and general and because it connotes the high-handed executive attitude of nineteenth-century and early-twentieth-century European colonialism. Nevertheless books are written and congresses held with "the Orient" as their main focus, with the Orientalist in his new or old guise as their main authority. The point is that even if it does not survive as it once did, Orientalism lives on academically through its doctrines and theses about the Orient and the Oriental.

Related to this academic tradition, whose fortunes, transmigrations, specializations, and transmissions



are in part the subject of this study, is a more general meaning for Orientalism. Orientalism is a style of thought based upon an ontological and epistemological distinction made between "the Orient" and (most of the time) "the Occident." Thus a very large mass of writers, among whom are poets, novelists, philosophers, political theorists, economists, and imperial administrators, have accepted the basic distinction between East and West as the starting point for elaborate theories, epics, novels, social descriptions, and political accounts concerning the Orient, its people, customs, "mind," destiny, and so on. *This* Orientalism can accommodate Aeschylus, say, and Victor Hugo, Dante and Karl Marx. A little later in this introduction I shall deal with the methodological problems one encounters in so broadly construed a "field" as this.

The interchange between the academic and the more or less imaginative meanings of Orientalism is a constant one, and since the late eighteenth century there has been a considerable, quite disciplined - perhaps even regulated - traffic between the two. Here I come to the third meaning of Orientalism, which is something more historically and materially defined than either of the other two. Taking the late eighteenth century as a very roughly defined starting point Orientalism can be discussed and analyzed as the corporate institution for dealing with the Orient - dealing with it by making statements about it, authorizing views of it, describing it, by teaching it, settling it, ruling over it: in short, Orientalism as a Western style for dominating, restructuring, and having authority over the Orient. I have found it useful here to employ Michel Foucault's notion of a discourse, as described by him in *The Archaeology of Knowledge* and in *Discipline and Punish*, to identify Orientalism. My contention is that without examining Orientalism as a discourse one cannot possibly understand the enormously systematic discipline by which European culture was able to manage - and even produce - the Orient politically, sociologically, militarily, ideologically, scientifically, and imaginatively during the post-Enlightenment period. Moreover, so authoritative a position did Orientalism have that I believe no one writing, thinking, or acting on the Orient could do so without taking account of the limitations on thought and action imposed by Orientalism. In brief, because of Orientalism the Orient was not (and is not) a free subject of thought or action.

This is not to say that Orientalism unilaterally determines what can be said about the Orient, but that it is the whole network of interests inevitably brought to bear on (and therefore always involved in) any occasion when that peculiar entity "the Orient" is in question. How this happens is what this book tries to demonstrate. It also tries to show that European culture gained in strength and identity by setting itself off against the Orient as a sort of surrogate and even underground self.

Historically and culturally there is a quantitative as well as a qualitative difference between the Franco-British involvement in the Orient and - until the period of American ascendancy after World War II - the involvement of every other European and Atlantic power. To speak of Orientalism therefore is to speak mainly, although not exclusively, of a British and French cultural enterprise, a project whose dimensions take in such disparate realms as the imagination itself, the whole of India and the Levant, the Biblical texts and the Biblical lands, the spice trade, colonial armies and a long tradition of colonial administrators, a formidable scholarly corpus, innumerable Oriental "experts" and "hands," an Oriental professorate, a complex array of "Oriental" ideas (Oriental despotism, Oriental splendor, cruelty, sensuality), many Eastern sects, philosophies, and wisdoms domesticated for local European use - the list can be extended more or less indefinitely. My point is that Orientalism derives from a particular closeness experienced between Britain and France and the Orient, which until the early nineteenth century had really meant only India and the Bible lands. From the beginning of the nineteenth century until the end of World War II France and Britain dominated the Orient and Orientalism; since World War II America has dominated the Orient, and approaches it as France and Britain once did. Out of that closeness, whose dynamic is enormously productive even if it always demonstrates the comparatively greater strength of the Occident (British, French, or American), comes the large body of texts I call Orientalist.

It should be said at once that even with the generous number of books and authors that I examine, there is a much larger number that I simply have had to leave out. My argument, however, depends neither upon an exhaustive catalogue of texts dealing with the Orient

nor upon a clearly delimited set of texts, authors, and ideas that together make up the Orientalist canon. I have depended instead upon a different methodological alternative - whose backbone in a sense is the set of historical generalizations I have so far been making in this Introduction - and it is these I want now to discuss in more analytical detail.

## II

I have begun with the assumption that the Orient is not an inert fact of nature. It is not merely *there*, just as the Occident itself is not just *there* either. We must take seriously Vico's great observation that men make their own history, that what they can know is what they have made, and extend it to geography: as both geographical and cultural entities - to say nothing of historical entities - such locales, regions, geographical sectors as "Orient" and "Occident" are man-made. Therefore as much as the West itself, the Orient is an idea that has a history and a tradition of thought, imagery, and vocabulary that have given it reality and presence in and for the West. The two geographical entities thus support and to an extent reflect each other.

Having said that, one must go on to state a number of reasonable qualifications. In the first place, it would be wrong to conclude that the Orient was *essentially* an idea, or a creation with no corresponding reality. When Disraeli said in his novel *Tancred* that the East was a career, he meant that to be interested in the East was something bright young Westerners would find to be an all-consuming passion; he should not be interpreted as saying that the East was *only* a career for Westerners. There were - and are - cultures and nations whose location is in the East, and their lives, histories, and customs have a brute reality obviously greater than anything that could be said about them in the West. About that fact this study of Orientalism has very little to contribute, except to acknowledge it tacitly. But the phenomenon of Orientalism as I study it here deals principally, not with a correspondence between Orientalism and Orient, but with the internal consistency of Orientalism and its ideas about the Orient (the East as career) despite or beyond any correspondence, or lack thereof, with a "real" Orient. My point is that Disraeli's statement about the East refers

mainly to that created consistency, that regular constellation of ideas as the pre-eminent thing about the Orient, and not to its mere being, as Wallace Stevens's phrase has it.

A second qualification is that ideas, cultures, and histories cannot seriously be understood or studied without their force, or more precisely their configurations of power, also being studied. To believe that the Orient was created - or, as I call it, "Orientalized" - and to believe that such things happen simply as a necessity of the imagination, is to be disingenuous. The relationship between Occident and Orient is a relationship of power, of domination, of varying degrees of a complex hegemony, and is quite accurately indicated in the title of K. M. Panikkar's classic *Asia and Western Dominance*. The Orient was Orientalized not only because it was discovered to be "Oriental" in all those ways considered commonplace by an average nineteenth-century European, but also because it *could be* - that is, submitted to being - *made* Oriental. There is very little consent to be found, for example, in the fact that Flaubert's encounter with an Egyptian courtesan produced a widely influential model of the Oriental woman; she never spoke of herself, she never represented her emotions, presence, or history. *He* spoke for and represented her. He was foreign, comparatively wealthy, male, and these were historical facts of domination that allowed him not only to possess Kuchuk Hanem physically but to speak for her and tell his readers in what way she was "typically Oriental." My argument is that Flaubert's situation of strength in relation to Kuchuk Hanem was not an isolated instance. It fairly stands for the pattern of relative strength between East and West, and the discourse about the Orient that it enabled.

This brings us to a third qualification. One ought never to assume that the structure of Orientalism is nothing more than a structure of lies or of myths which, were the truth about them to be told, would simply blow away. I myself believe that Orientalism is more particularly valuable as a sign of European-Atlantic power over the Orient than it is as a veridic discourse about the Orient (which is what, in its academic or scholarly form, it claims to be). Nevertheless, what we must respect and try to grasp is the sheer knitted-together strength of Orientalist discourse, its very close ties to the enabling socio-economic and political

institutions, and its redoubtable durability. After all, any system of ideas that can remain unchanged as teachable wisdom (in academies, books, congresses, universities, foreign-service institutes) from the period of Ernest Renan in the late 1840s until the present in the United States must be something more formidable than a mere collection of lies. Orientalism, therefore, is not an airy European fantasy about the Orient, but a created body of theory and practice in which, for many generations, there has been a considerable material investment. Continued investment made Orientalism, as a system of knowledge about the Orient, an accepted grid for filtering through the Orient into Western consciousness, just as that same investment multiplied - indeed, made truly productive - the statements proliferating out from Orientalism into the general culture.

Gramsci has made the useful analytic distinction between civil and political society in which the former is made up of voluntary (or at least rational and non-coercive) affiliations like schools, families, and unions, the latter of state institutions (the army, the police, the central bureaucracy) whose role in the polity is direct domination. Culture, of course, is to be found operating within civil society, where the influence of ideas, of institutions, and of other persons works not through domination but by what Gramsci calls consent. In any society not totalitarian, then, certain cultural forms predominate over others, just as certain ideas are more influential than others; the form of this cultural leadership is what Gramsci has identified as *hegemony*, an indispensable concept for any understanding of cultural life in the industrial West. It is hegemony, or rather the result of cultural hegemony at work, that gives Orientalism the durability and the strength I have been speaking about so far. Orientalism is never far from what Denys Hay has called the idea of Europe, a collective notion identifying "us" Europeans as against all "those" non-Europeans, and indeed it can be argued that the major component in European culture is precisely what made that culture hegemonic both in and outside Europe: the idea of European identity as a superior one in comparison with all the non-European peoples and cultures. There is in addition the hegemony of European ideas about the Orient, themselves reiterating European superiority over Oriental backwardness, usually overriding the possibility that a

more independent, or more skeptical, thinker might have had different views on the matter.

In a quite constant way, Orientalism depends for its strategy on this flexible *positional* superiority, which puts the Westerner in a whole series of possible relationships with the Orient without ever losing him the relative upper hand. And why should it have been otherwise, especially during the period of extraordinary European ascendancy from the late Renaissance to the present? The scientist, the scholar, the missionary, the trader, or the soldier was in, or thought about, the Orient because he *could be there*, or could think about it, with very little resistance on the Orient's part. Under the general heading of knowledge of the Orient, and within the umbrella of Western hegemony over the Orient during the period from the end of the eighteenth century, there emerged a complex Orient suitable for study in the academy, for display in the museum, for reconstruction in the colonial office, for theoretical illustration in anthropological, biological, linguistic, racial, and historical theses about mankind and the universe, for instances of economic and sociological theories of development, revolution, cultural personality, national or religious character. Additionally, the imaginative examination of things Oriental was based more or less exclusively upon a sovereign Western consciousness out of whose unchallenged centrality an Oriental world emerged, first according to general ideas about who or what was an Oriental, then according to a detailed logic governed not simply by empirical reality but by a battery of desires, repressions, investments, and projections. If we can point to great Orientalist works of genuine scholarship like Silvestre de Sacy's *Chrestomathie arabe* or Edward William Lane's *Account of the Manners and Customs of the Modern Egyptians*, we need also to note that Renan's and Gobineau's racial ideas came out of the same impulse, as did a great many Victorian pornographic novels (see the analysis by Steven Marcus of "The Lustful Turk").

And yet, one must repeatedly ask oneself whether what matters in Orientalism is the general group of ideas overriding the mass of material - about which who could deny that they were shot through with doctrines of European superiority, various kinds of racism, imperialism, and the like, dogmatic views of "the Oriental" as a kind of ideal and unchanging

abstraction? - or the much more varied work produced by almost uncountable individual writers, whom one would take up as individual instances of authors dealing with the Orient. In a sense the two alternatives, general and particular, are really two perspectives on the same material: in both instances one would have to deal with pioneers in the field like William Jones, with great artists like Nerval or Flaubert. And why would it not be possible to employ both perspectives together, or one after the other? Isn't there an obvious danger of distortion (of precisely the kind that academic Orientalism has always been prone to) if either too general or too specific a level of description is maintained systematically?

My two fears are distortion and inaccuracy, or rather the kind of inaccuracy produced by too dogmatic a generality and too positivistic a localized focus. In trying to deal with these problems I have tried to deal with three main aspects of my own contemporary reality that seem to me to point the way out of the methodological or perspectival difficulties I have been discussing, difficulties that might force one, in the first instance, into writing a coarse polemic on so unacceptably general a level of description as not to be worth the effort, or in the second instance, into writing so detailed and atomistic a series of analyses as to lose all track of the general lines of force informing the field, giving it its special cogency. How then to recognize individuality and to reconcile it with its intelligent, and by no means passive or merely dictatorial, general and hegemonic context?

[...]

My idea is that European and then American interest in the Orient was political according to some of the obvious historical accounts of it that I have given here, but that it was the culture that created that interest, that acted dynamically along with brute political, economic, and military rationales to make the Orient the varied and complicated place that it obviously was in the field I call Orientalism.

Therefore, Orientalism is not a mere political subject matter or field that is reflected passively by culture, scholarship, or institutions; nor is it a large and diffuse collection of texts about the Orient; nor is it representative and expressive of some nefarious "Western" imperialist plot to hold down the "Oriental" world. It is rather a *distribution* of geopolitical awareness into

aesthetic, scholarly, economic, sociological, historical, and philological texts; it is an *elaboration* not only of a basic geographical distinction (the world is made up of two unequal halves, Orient and Occident) but also of a whole series of "interests" which, by such means as scholarly discovery, philological reconstruction, psychological analysis, landscape and sociological description, it not only creates but also maintains; it *is*, rather than expresses, a certain *will* or *intention* to understand, in some cases to control, manipulate, even to incorporate, what is a manifestly different (or alternative and novel) world; it is, above all, a discourse that is by no means in direct, corresponding relationship with political power in the raw, but rather is produced and exists in an uneven exchange with various kinds of power, shaped to a degree by the exchange with power political (as with a colonial or imperial establishment), power intellectual (as with reigning sciences like comparative linguistics or anatomy, or any of the modern policy sciences), power cultural (as with orthodoxies and canons of taste, texts, values), power moral (as with ideas about what "we" do and what "they" cannot do or understand as "we" do). Indeed, my real argument is that Orientalism is - and does not simply represent - a considerable dimension of modern political-intellectual culture, and as such has less to do with the Orient than it does with "our" world.

Because Orientalism is a cultural and a political fact, then, it does not exist in some archival vacuum; quite the contrary, I think it can be shown that what is thought, said, or even done about the Orient follows (perhaps occurs within) certain distinct and intellectually knowable lines. Here too a considerable degree of nuance and elaboration can be seen working as between the broad superstructural pressures and the details of composition, the facts of textuality. Most humanistic scholars are, I think, perfectly happy with the notion that texts exist in contexts, that there is such a thing as intertextuality, that the pressures of conventions, predecessors, and rhetorical styles limit what Walter Benjamin once called the "overtaxing of the productive person in the name of [...] the principle of 'creativity,'" in which the poet is believed on his own, and out of his pure mind, to have brought forth his work. Yet there is a reluctance to allow that political, institutional, and ideological constraints act in the

same manner on the individual author. A humanist will believe it to be an interesting fact to any interpreter of Balzac that he was influenced in the *Comédie humaine* by the conflict between Geoffroy Saint-Hilaire and Cuvier, but the same sort of pressure on Balzac of deeply reactionary monarchism is felt in some vague way to demean his literary "genius" and therefore to be less worth serious study. Similarly - as Harry Bracken has been tirelessly showing - philosophers will conduct their discussions of Locke, Hume, and empiricism without ever taking into account that there is an explicit connection in these classic writers between their "philosophic" doctrines and racial theory, justifications of slavery, or arguments for colonial exploitation. These are common enough ways by which contemporary scholarship keeps itself pure.

Perhaps it is true that most attempts to rub culture's nose in the mud of politics have been crudely iconoclastic; perhaps also the social interpretation of literature in my own field has simply not kept up with the enormous technical advances in detailed textual analysis. But there is no getting away from the fact that literary studies in general, and American Marxist theorists in particular, have avoided the effort of seriously bridging the gap between the superstructural and the base levels in textual, historical scholarship; on another occasion I have gone so far as to say that the literary-cultural establishment as a whole has declared the serious study of imperialism and culture off limits. For Orientalism brings one up directly against that question - that is, to realizing that political imperialism governs an entire field of study, imagination, and scholarly institutions - in such a way as to make its avoidance an intellectual and historical impossibility. Yet there will always remain the perennial escape mechanism of saying that a literary scholar and a philosopher, for example, are trained in literature and philosophy respectively, not in politics or ideological analysis. In other words, the specialist argument can work quite effectively to block the larger and, in my opinion, the more intellectually serious perspective.

Here it seems to me there is a simple two-part answer to be given, at least so far as the study of imperialism and culture (or Orientalism) is concerned. In the first place, nearly every nineteenth-century writer (and the same is true enough of writers in earlier periods) was extraordinarily well aware of the fact of empire: this is a

subject not very well studied, but it will not take a modern Victorian specialist long to admit that liberal cultural heroes like John Stuart Mill, Arnold, Carlyle, Newman, Macaulay, Ruskin, George Eliot, and even Dickens had definite views on race and imperialism, which are quite easily to be found at work in their writing. So even a specialist must deal with the knowledge that Mill, for example, made it clear in *On Liberty* and *Representative Government* that his views there could not be applied to India (he was an India Office functionary for a good deal of his life, after all) because the Indians were civilizationally, if not racially, inferior. The same kind of paradox is to be found in Marx, as I try to show in this book. In the second place, to believe that politics in the form of imperialism bears upon the production of literature, scholarship, social theory, and history writing is by no means equivalent to saying that culture is therefore a demeaned or denigrated thing. Quite the contrary: my whole point is to say that we can better understand the persistence and the durability of saturating hegemonic systems like culture when we realize that their internal constraints upon writers and thinkers were *productive*, not unilaterally inhibiting. It is this idea that Gramsci, certainly, and Foucault and Raymond Williams in their very different ways have been trying to illustrate. Even one or two pages by Williams on "the uses of the Empire" in *The Long Revolution* tell us more about nineteenth-century cultural richness than many volumes of hermetic textual analyses.

Therefore I study Orientalism as a dynamic exchange between individual authors and the large political concerns shaped by the three great empires - British, French, American - in whose intellectual and imaginative territory the writing was produced. What interests me most as a scholar is not the gross political verity but the detail, as indeed what interests us in someone like Lane or Flaubert or Renan is not the (to him) indisputable truth that Occidentals are superior to Orientals, but the profoundly worked over and modulated evidence of his detailed work within the very wide space opened up by that truth. One need only remember that Lane's *Manners and Customs of the Modern Egyptians* is a classic of historical and anthropological observation because of its style, its enormously intelligent and brilliant details, not because of its simple reflection of racial superiority, to understand what I am saying here.

The kind of political questions raised by Orientalism, then, are as follows: what other sorts of intellectual, aesthetic, scholarly, and cultural energies went into the making of an imperialist tradition like the Orientalist one? How did philology, lexicography, history, biology, political and economic theory, novel-writing, and lyric poetry come to the service of Orientalism's broadly imperialist view of the world? What changes, modulations, refinements, even revolutions take place within Orientalism? What is the meaning of originality, of continuity, of individuality, in this context? How does Orientalism transmit or reproduce itself from one epoch to another? In fine, how can we treat the cultural, historical phenomenon of Orientalism as a kind of *willed human work* - not of mere unconditioned ratiocination - in all its historical complexity, detail, and worth without at the same time losing sight of the alliance between cultural work, political tendencies, the state, and the specific realities of domination? Governed by such concerns a humanistic study can responsibly address itself to politics *and* culture. But this is not to say that such a study establishes a hard-and-fast rule about the relationship between knowledge and politics. My argument is that each humanistic investigation must formulate the nature of that connection in the specific context of the study, the subject matter, and its historical circumstances.

[...]

Much of the personal investment in this study derives from my awareness of being an "Oriental" as a child growing up in two British colonies. All of my education, in those colonies (Palestine and Egypt) and in the United States, has been Western, and yet that deep early awareness has persisted. In many ways my study of Orientalism has been an attempt to inventory the traces upon me, the Oriental subject, of the culture whose domination has been so powerful a factor in the life of all Orientals. This is why for me the Islamic Orient has had to be the center of attention. Whether what I have achieved is the inventory prescribed by Gramsci is not for me to judge, although I have felt it important to be conscious of trying to produce one. Along the way, as severely and as rationally as I have been able, I have tried to maintain a critical consciousness, as well as employing those instruments of historical, humanistic, and cultural research of which my education has made me the fortunate beneficiary. In

none of that, however, have I ever lost hold of the cultural reality of, the personal involvement in having been constituted as, "an Oriental."

The historical circumstances making such a study possible are fairly complex, and I can only list them schematically here. Anyone resident in the West since the 1950s, particularly in the United States, will have lived through an era of extraordinary turbulence in the relations of East and West. No one will have failed to note how "East" has always signified danger and threat during this period, even as it has meant the traditional Orient as well as Russia. In the universities a growing establishment of area-studies programs and institutes has made the scholarly study of the Orient a branch of national policy. Public affairs in this country include a healthy interest in the Orient, as much for its strategic and economic importance as for its traditional exoticism. If the world has become immediately accessible to a Western citizen living in the electronic age, the Orient too has drawn nearer to him, and is now less a myth perhaps than a place crisscrossed by Western, especially American, interests.

One aspect of the electronic, postmodern world is that there has been a reinforcement of the stereotypes by which the Orient is viewed. Television, the films, and all the media's resources have forced information into more and more standardized molds. So far as the Orient is concerned, standardization and cultural stereotyping have intensified the hold of the nineteenth-century academic and imaginative demonology of "the mysterious Orient." This is nowhere more true than in the ways by which the Near East is grasped. Three things have contributed to making even the simplest perception of the Arabs and Islam into a highly politicized, almost raucous matter: one, the history of popular anti-Arab and anti-Islamic prejudice in the West, which is immediately reflected in the history of Orientalism; two, the struggle between the Arabs and Israeli Zionism, and its effects upon American Jews as well as upon both the liberal culture and the population at large; three, the almost total absence of any cultural position making it possible either to identify with or dispassionately to discuss the Arabs or Islam. Furthermore, it hardly needs saying that because the Middle East is now so identified with Great Power politics, oil economics, and the simple-minded dichotomy of freedom-loving, democratic Israel and

evil, totalitarian, and terroristic Arabs, the chances of anything like a clear view of what one talks about in talking about the Near East are depressingly small.

My own experiences of these matters are in part what made me write this book. The life of an Arab Palestinian in the West, particularly in America, is disheartening. There exists here an almost unanimous consensus that politically he does not exist, and when it is allowed that he does, it is either as a nuisance or as an Oriental. The web of racism, cultural stereotypes, political imperialism, dehumanizing ideology holding in the Arab or the Muslim is very strong indeed, and it is this web which every Palestinian has come to feel as his uniquely punishing destiny. It has made matters worse for him to remark that no person academically involved with the Near East - no Orientalist, that is - has ever in the United States culturally and politically identified himself wholeheartedly with the Arabs; certainly there have been identifications on some level, but they have never taken an "acceptable" form as has liberal American identification with Zionism, and all too frequently they have been radically flawed by their association either with discredited political and economic interests (oil-company and State Department Arabists, for example) or with religion.

The nexus of knowledge and power creating "the Oriental" and in a sense obliterating him as a human

being is therefore not for me an exclusively academic matter. Yet it is an *intellectual* matter of some very obvious importance. I have been able to put to use my humanistic and political concerns for the analysis and description of a very worldly matter, the rise, development, and consolidation of Orientalism. Too often literature and culture are presumed to be politically, even historically innocent; it has regularly seemed otherwise to me, and certainly my study of Orientalism has convinced me (and I hope will convince my literary colleagues) that society and literary culture can only be understood and studied together. In addition, and by an almost inescapable logic, I have found myself writing the history of a strange, secret sharer of Western anti-Semitism. That anti-Semitism and, as I have discussed it in its Islamic branch, Orientalism resemble each other very closely is a historical, cultural, and political truth that needs only to be mentioned to an Arab Palestinian for its irony to be perfectly understood. But what I should like also to have contributed here is a better understanding of the way cultural domination has operated. If this stimulates a new kind of dealing with the Orient, indeed if it eliminates the "Orient" and "Occident" altogether, then we shall have advanced a little in the process of what Raymond Williams has called the "unlearning" of "the inherent dominative mode."

## READING 8

# Orientalism and Orientalism in Reverse

**Sadik Jalal al-'Azm**

## I Orientalism

In his sharply debated book, Edward Said introduces us to the subject of 'Orientalism' through a broadly historical perspective which situates Europe's interest in the Orient within the context of the general historical expansion of modern bourgeois Europe outside its traditional confines and at the expense of the rest of the world in the form of its subjugation, pillage, and exploitation. In this sense Orientalism may be seen as a

complex and growing phenomenon deriving from the overall historical trend of modern European expansion and involving: a whole set of progressively expanding institutions, a created and cumulative body of theory and practice, a suitable ideological superstructure with an apparatus of complicated assumptions, beliefs, images, literary productions, and rationalisations (not to mention the underlying foundation of commercial, economic and strategic vital interests). I shall call this phenomenon *Institutional Orientalism*.

Edward Said also deals with Orientalism in the more restricted sense of a developing tradition of disciplined learning whose main function is to 'scientifically research' the Orient. Naturally, this *Cultural-Academic Orientalism* makes all the usual pious claims about its 'disinterested pursuit of the truth' concerning the Orient, and its efforts to apply impartial scientific methods and value-free techniques in studying the peoples, cultures, religions, and languages of the Orient. The bulk of Edward's book is not unexpectedly devoted to Cultural-Academic Orientalism in an attempt to expose the ties which wed it to Institutional Orientalism.

In this way Said deflates the self-righteous claims of Cultural-Academic Orientalism to such traits as scholarly independence, scientific detachment, political objectivity etc. It should be made clear, however, that the author at no point seeks to belittle the genuine scholarly achievements, scientific discoveries, and creative contributions made by orientalists and orientalism over the years, particularly at the technical level of accomplishment. His main concern is to convey the message that the overall image of the Orient constructed by Cultural-Academic Orientalism, from the viewpoint of its own technical achievements and scientific contributions to the field, is shot through and through with racist assumptions, barely camouflaged mercenary interests, reductionistic explanations and anti-human prejudices. It can easily be shown that this image, when properly scrutinised, can hardly be the product of genuinely objective scientific investigation and detached scholarly discipline.

#### Critique of orientalism

One of the most vicious aspects of this image, as carefully pointed out by Said, is the deep rooted belief - shared by Cultural-Academic and Institutional Orientalism - that a fundamental ontological difference exists between the essential natures of the Orient and Occident, to the decisive advantage of the latter. Western societies, cultures, languages and mentalities are supposed to be essentially and inherently superior to the Eastern ones. In Edward Said's words, 'the essence of Orientalism is the ineradicable distinction between Western superiority and Oriental inferiority'. According to this reading of Said's initial thesis, Orientalism

(both in its institutional and cultural-academic forms) can hardly be said to have existed, as a structured phenomenon and organised movement, prior to the rise, consolidation and expansion of modern bourgeois Europe. Accordingly, the author at one point dates the rise of Academic Orientalism with the European Renaissance. But unfortunately the stylist and polemicist in Edward Said very often runs away with the systematic thinker. As a result he does not consistently adhere to the above approach either in dating the phenomenon of Orientalism or in interpreting its historical origins and ascent.

In an act of retrospective historical projection we find Said tracing the origins of Orientalism all the way back to Homer, Aeschylus, Euripides and Dante. In other words, Orientalism is not really a thoroughly modern phenomenon, as we thought earlier, but is the natural product of an ancient and almost irresistible European bent of mind to misrepresent the realities of other cultures, peoples, and their languages, in favour of Occidental self-affirmation, domination and ascendancy. Here the author seems to be saying that the 'European mind', from Homer to Karl Marx and A. H. R. Gibb, is inherently bent on distorting all human realities other than its own and for the sake of its own aggrandisement.

It seems to me that this manner of construing the origins of Orientalism simply lends strength to the essentialistic categories of 'Orient' and 'Occident', representing the ineradicable distinction between East and West, which Edward's book is ostensibly set on demolishing. Similarly, it lends the ontological distinction of Europe versus Asia, so characteristic of Orientalism, the kind of credibility and respectability normally associated with continuity, persistence, pervasiveness and distant historical roots. This sort of credibility and respectability is, of course, misplaced and undeserved. For Orientalism, like so many other characteristically modern European phenomena and movements (notably nationalism), is a genuinely recent creation - the product of modern European history - seeking to acquire legitimacy, credibility and support by claiming ancient roots and classical origins for itself. Certainly Homer, Euripides, Dante, St. Thomas and all the other authorities that one may care to mention held the more or less standard distorted views prevalent in their milieu about other cultures and peoples. However, it is equally certain that the two



forms of Orientalism built their relatively modern repertoires of systematic conventional wisdom by calling upon the views and biases of such prestigious figures as well as by drawing on ancient myth, legend, imagery, folklore and plain prejudice. Although much of this is well documented (directly and indirectly) in Said's book, still his work remains dominated by a unilinear conception of 'Orientalism' as somehow flowing straight through from Homer to Grunebaum. Furthermore, this unilinear, almost essentialistic, presentation of the origins and development of Orientalism renders a great disservice to the vital concerns of Edward's book, namely, preparing the ground for approaching the difficult question of 'how one can study other cultures and peoples from a libertarian, or nonrepressive and nonmanipulative, perspective,' and for eliminating, in the name of a common humanity, both 'Orient' and 'Occident' as ontological categories and classificatory concepts bearing the marks of racial superiority and inferiority. It seems to me that as a logical consequence of Said's tendency to view the origins and development of Orientalism in terms of such unilinear constancy, the task of combating and transcending its essentialistic categories, in the name of this common humanity, is made all the more difficult.

Another important result of this approach bears on Said's interpretation of the relationship supposedly holding between Cultural-Academic Orientalism as representation and disciplined learning on the one hand, and Institutional Orientalism as expansionary movement and socio-economic force on the other. In other words, when Said is leaning heavily on his unilinear conception of 'Orientalism' he produces a picture which says that this cultural apparatus known as 'Orientalism' is the real source of the West's political interest in the Orient, ie, that it is the real source of modern Institutional Orientalism. Thus, for him European and later on American political interest in the Orient was really created by the sort of Western cultural tradition known as Orientalism. Furthermore, according to one of his renderings, Orientalism is a distribution of the awareness that the world is made up of two unequal halves - Orient and Occident - into aesthetic, scholarly, economic, sociological, historical and philosophical texts. This awareness not only created a whole series of Occidental 'interests' (political,

economic, strategic etc) in the Orient, but also helped to maintain them. Hence for Said the relationship between Academic Orientalism as a cultural apparatus and Institutional Orientalism as economic interest and political force is seen in terms of a '*preposterous* transition' from 'a merely textual apprehension, formulation or definition of the Orient to the putting of all this into practice in the Orient'. According to this interpretation Said's phrase 'Orientalism overrode the Orient' could mean only that the Institutional Orientalism which invaded and subjugated the East was really the legitimate child and product of that other kind of Orientalism, so intrinsic, it seems, to the minds, texts, aesthetics, representations, lore and imagery of Westerners as far back as Homer, Aeschylus and Euripides! To understand properly the subjugation of the East in modern times, Said keeps referring us back to earlier times when the Orient was no more than an awareness, a word, a representation, a piece of learning to the Occident:

What we must reckon with is a large and slow process of appropriation by which Europe, or the European awareness of the Orient, transformed itself from being textual and contemplative into being administrative, economic, and even military.

Therefore Edward Said sees the 'Suez Canal idea' much more as 'the logical conclusion of Orientalist thought and effort' than as the result of Franco-British imperial interests and rivalries (although he does not ignore the latter).

One cannot escape the impression that for Said somehow the emergence of such observers, administrators and invaders of the Orient as Napoleon, Cromer and Balfour was made inevitable by 'Orientalism' and that the political orientations, careers and ambitions of these figures are better understood by reference to d'Herbelot and Dante than to more immediately relevant and mundane interests. Accordingly, it is hardly surprising to see Said, when touching on the role of the European Powers in deciding the history of the Near Orient in the early twentieth century, select for prominent notice the 'peculiar, epistemological framework through which the Powers saw the Orient', which was built by the long tradition of Orientalism. He then affirms that the Powers acted on the Orient the way

they did because of that peculiar epistemological framework. Presumably, had the long tradition of Cultural-Academic Orientalism fashioned a less peculiar, more sympathetic and truthful epistemological

framework, then the Powers would have acted on the Orient more charitably and viewed it in a more favourable light!

[...]

## E2 READING 9

# Postcolonialism and Its Discontents

Ali Rattansi

This paper's structure reflects its overall purpose: to provide a critical commentary on a fast-mushrooming area of research which I shall characterize as 'post-colonialism' or 'postcolonialist studies'. The paper is thus in two interrelated parts. The first will provide a provisional definition of the idea of the 'postcolonial' and explore some of the achievements of the field of 'postcolonialist' research as it has developed in cultural studies. The second part will highlight a number of key problematic areas in the field which have been the subject of considerable international debate.

## 1 In Praise of Postcolonialist Studies

Defining and theorizing the 'postcolonial'

Like all the 'posts' that are fashionable in current discourse, the idea of 'postcolonialism' faces formidable problems in mapping a terrain, an object of study, which is both coherent and can command consent among those supposedly working within the field. Many of the relevant problems are explored in the second half of this essay. For the present, a provisional set of delimiting boundaries and contents need to be defined.

Provisionally, *postcolonialism* may be marked out as a period in global time-space in which most of the former colonies of Western imperial powers have gained formal independence. It must be emphasized that there is no sense in which the 'postcolonial' is a singular moment. The reference must be to a *series* of transitions situated between and within the moments of colonization/decolonization. This emphasis on

multiplicity is crucial. While a certain British or Northern European ethnocentrism has been tempted to conflate the postcolonial with the post (second world) war era, one has only to think of the 'Latin' American and indeed the North American context to appreciate the significance of the internal heterogeneity of the postcolonial period, spanning a time-space from the late eighteenth century in the 'North' or 'West' to the globality of the twentieth century. As Said has reminded us in *Culture and Imperialism*, the 'West' held something like 85 per cent of the world in the form of various possessions on the eve of the First World War in 1914.

One of the peculiarities that postcolonialism shares with that other ubiquitous 'post', postmodernism, is that *it marks out a supposed historical period as well as a distinctive form of theorization and analysis*. The similarities do not end there, for as fields of investigation both eschew traditional disciplinary boundaries and conventional conceptions of time, narrative and spatiality. In the case of postcolonialist studies, a heady, eclectic mix of poststructuralism, psychoanalysis, feminism, Marxism and postmodernism itself populates the field in varying combinations. Fanon, Freud and Lacan, Foucault, Derrida, Kristeva, Jameson and Gramsci jostle for position in the works of the major postcolonialist writers - Said, Spivak and Bhabha for example. Elsewhere, in discussing postmodernism, Boyne and I have suggested that it is useful to distinguish between *postmodernism*, as a set of cultural and intellectual currents, and *postmodernity* as an epoch in historical time-space which would include postmodernism as one of its elements. A similar conceptual discrimination would help here too: thus I propose to *use postcolonialism*

and *postcolonialist studies* to refer to a particular form of intellectual inquiry and *postcoloniality* to index a set of historical epochs (the significance of the plural here will be clarified below).

*It is my argument that the central defining theme of postcolonialism or postcolonialist studies is the investigation of the mutually constitutive role played by colonizer and colonized, centre and periphery, the metropolitan and the 'native', informing, in part, the identities of both the dominant power and the subalterns involved in the imperial and colonial projects of the 'West'.* Thus postcolonialism views the "West" and the "Rest" as mutually imbricated, although with due attention to the fundamental axis of inequality which defined the imperial process. The formation of nations and 'national cultures' in the centre and in the peripheries is therefore analysed as a series of outcomes of the imperial project and the resistances to it, which led to formal independence for the colonies and the inauguration of the 'postcolonial' by way of a variety of time-spaces of 'postcoloniality'.

In positing a certain mutuality to the processes of subject and identity formation as between colonizer and colonized, in effect the project of postcolonialist studies deconstructs the Manichean view of a binary opposition between the imperial and the subaltern, for there is a dismantling of the often-held conception of colonialism and imperialism as processes which wounded and scarred the psyches, the cultures and the economies of the colonized while leaving the metropolitan centres economically enriched, and culturally as a dominant, stable and indeed stronger set of formations. To put it differently, postcolonialist studies take as a premise that the cultures and psyches of the colonizer were not already defined, and only waiting, as it were, to be imposed, fully formed, on the hapless victims of the colonial project. The idea of the 'West' as white, Christian, rational, civilized, modern, sexually disciplined and indeed *masculine* was put into place in a protracted process in which the colonized Others were defined in opposition to these virtues. It was in constructing the 'natives' as black, pagan, irrational, uncivilized, pre-modern, libidinous, licentious, effeminate and childlike that the self-conception of the European as superior, and as not only *fit* to govern but as having the positive *duty* to govern and 'civilize' came into being.

However, as we shall see, the idea of mutual imbrication of identities in fact goes further than this. For the postcolonialist contention is that what was involved was an even more complex intertwining of identities-information, in which the Others against whom European identities were played off were not only outside but also *inside* the nation-states of the centre. The processes which led to the formation of Western modernity also involved an inferiorization and government or regulation and disciplining of internal Others such as women, children and the rapidly growing urban working class. Thus, 'internal' questions of the forms of incorporation of these subalterns into the national culture and polity became conflated with and superimposed onto issues involving the forms in which the 'natives' of the colonies were to be discursively comprehended and ruled.

Now, it is quite clear that viewed in *this* light, the imperial and colonial projects cannot be reductively analysed simply by reference to a decisive economic logic which narrates the formation of colonial cultures and polities as just another version of the familiar transition from feudalism to capitalism, except this time imposed from above by the metropolitan powers, and in which class formation, class interests and class conflicts remain the main engines of transformation. A properly 'postcolonialist' analysis, on the contrary, requires the acknowledgement of a set of processes in which cultural formation is dispersed along a number of axes of potentially *commensurate* importance - class, certainly, but also sexuality and gender, racism, familial relations, religious discourses, conceptions of childhood and child-rearing practices, and requiring therefore also an understanding of underlying processes of psychic development and 'deformation'. The societies that came into being through colonial encounters can no longer be discursively appropriated through a grid which reads them as re-runs of an oft-told linear narrative of the transition from one mode of production to another, whether in Marxist or Weberian vocabulary, and certainly not as an equally straightforward story of 'modernization' as functionalist, mostly American sociology would have it.

Very importantly, what is true of *colonial* formations seems to be true of the *metropolitan* societies as well, and by the same token, so to speak, for how could the seminal role of sexuality, gender, race, nation, the familial and so on be ignored as axes of cultural and

political formation in the *centre* given the ever-growing understanding of the imperial project as involving *mutual imbrication* and *intertwining*? And there is, too, the question of how to understand the profound significance of the vast growth of 'knowledges' fostered in the processes of colonization and which appeared to have insinuated themselves at the heart of the forms of government through which colonial rule operated - anthropology, the systematizations of Oriental languages and histories, racial studies and eugenics for example - and which also appear to require a rethinking of received ideas of (material or economic) 'base' and (cultural and ideological) 'superstructure' which, even in the most sophisticated versions of the metaphor, cannot help but see such forms of knowledge, in the last instance, as epiphenomenal and thus miss their significance as *shaping* rather than merely *reflecting* the forms of colonial rule.

It is hardly surprising that in *Orientalism*, which can claim to be the founding text of modern postcolonialist studies, Said turned to the poststructuralism of Foucault to provide an alternative 'take' on questions of the relation between power and knowledge, given Foucault's attention to the imbrication between the formation of knowledges and their role in government, and also for the insights Foucault's work contains in analysing how European identities were formed in a process of what Foucault called 'normalization' which categorized and separated off a variety of internal figures that in the development of Western modernity came to be marked out as 'Other' - criminals, the supposedly insane, sections of the urban poor and so on. And it should be equally intelligible why, via Fanon especially, Freudian and Lacanian emphases have been prominent in a field of studies that has attempted to understand the profound psychological impact of colonial inferiorization on both the colonized and the colonizer. A variety of deployments of feminist approaches and appropriations of Freud, Lacan and Foucault, again, have quite understandably provided critical intellectual resources in attempts to unravel the complex relations between sexuality, class, race and relations of imperial and domestic domination and subordination, a task that has also been nourished by Gramscian insights on processes of hegemony and, in a different register, by Derridean theorizations of identity, alterity and *différance*.

However, it would be disingenuous, not to say naive, and certainly very un-poststructuralist to fail to register that all these theoretical resources have not simply been 'neutral' frames for the apprehension of the 'truth' of the effects of colonial encounters on colonizer and colonized. For the concepts that have structured the archive of postcolonialist studies have, of course, decisively influenced the distinctive manner in which the field has construed the nature of this relation between colonizer and colonized and in the way it has analysed postcolonial cultures as forms of displacement and postcolonial identities as particularly fragmented. There has not been, and there never can be, a simple relation of mirroring in which the 'truth' of colonial encounters can now be said to be *properly* narrated with the resources that had earlier not been used or - in the case of Foucault and to some extent even Freud - had simply not been available.

To put it differently, it should come as no surprise that the specificity of a postcolonial take on these issues has been the subject of sometimes quite acrimonious debate. I comment on these controversies in the second part of this paper. For the time being I point the reader to a significant exchange between O'Hanlan and Washbrook and Prakash where many of the issues around the legitimacy of specifically postcolonialist and Marxist 'takes' on narratives of colonialism and its aftermath are rehearsed in an illuminating manner.

#### Authority and identity

For the present, it is worth exploring, albeit very briefly, some 'typical' (*post-Orientalism*) postcolonialist investigations, to substantiate my claim that there are indeed elements worthy of praise in postcolonialist studies. The number of such studies is now extraordinarily large, in part because of the North American graduate studies machine which, with the participation of many students from the former colonies of Africa and India, has embraced the field and has begun to plough it with a not uncommon energy, enthusiasm and excellence. Some indication of the extent of the cultivation can be obtained from consulting the extensive, indeed daunting bibliography in a study such as Stoler's which refigures Foucault's work on sexuality in the light of postcolonialist studies and in Said's own sequel to *Orientalism*, *Culture and Imperialism*.

Investigations which exemplify the most general and fundamental theme of the field, that is, the complex ways in which aspects of the national cultures and identities of both the 'West' and the 'Rest' were formed by fateful colonial encounters, are an obvious starting point for (ap)praising postcolonialist studies.

Gauri Viswanathan's analysis of the formation of English literary studies in India and their subsequent growth in the academies of the imperial heartland is a particularly fruitful application and extension of Said's seminal arguments in *Orientalism*.

Viswanathan's research exemplifies the motifs of postcolonialism, for it demonstrates, among many other things, the following:

- (a) That the project of teaching English literature to a certain class of Indians in India in the mid nineteenth century was part of a project to *govern* India by giving some Indians access to and insight into the greatness and supposed infinite moral superiority of English culture while at the same time creating a much-needed cadre of English speaking 'native' administrators and civil servants.
- (b) That this was always also a self-conscious strategy to underwrite and mask the other British project of economically exploiting the subcontinent by giving it the veneer of a 'civilizing' mission.
- (c) That in devising an education in English, the British were well aware of the significance of education in the creation of hegemony, for this was a project under way in Britain where a whole variety of strategies were being put into motion to contain the potential threat of the growing urban working class, schooling being one of the key planks, although in this case the attempt was infused with a Christian ethos which the British were aware had to be treated with caution in the Indian context. Here one can see the point about the interrelationship between one of the bourgeois West's internal Others - the urban working class - and the attempt to govern and exploit a set of external Other threatening subalterns, with strategies of containment being learnt and mutually transferred between the two widely separated territories of governance.
- (d) That, ironically enough, it was the project of establishing English literary studies in *India*

which had a strong formative influence on the development of literary studies as a university subject in *Britain* in the last part of the nineteenth century, when English began to displace Latin and Greek languages and texts as the key medium for the education and disciplining of the middle and upper class Englishman.

This last point is particularly crucial. Given the manner in which English literature has functioned, and continues to work, to define Englishness, and given, too, the huge success of English literature as a university subject in India, and the significance of English literature in the education and Anglicization of contemporary middle-class Indians, the postcolonial point about the mutual imbrication of identities via the colonial encounter - although within the context of a fundamental asymmetry of power - seems thoroughly vindicated. And, of course, so too are the emphases on knowledge, power and governance, and their subject and identity-forming effects.

At various stages of the discussion so far I have alluded to the significance of both class and gender in postcolonial studies. For example, it is clear that, when one refers to the urban working class as an internal Other, the relation of alterity implies that the 'Otherness' operates dyadically *vis-à-vis* the dominant classes of Victorian Britain, or more generally of Europe. And that, given the gendered nature of educational access, the role of English, and education more generally, was of course of particular importance in the formation of imperial *masculinities* in the academy, although the way in which the imperial project shaped a particular conception of the role of *women* as reproducers of an imperial 'race' is also well documented. Moreover, the 'feminization' of the colonized male also of course occurred in the context of the masculinism of imperialism and the dominance of the male in the metropolitan order of things.

It is therefore appropriate to turn to another recent contribution to postcolonial literature in which many of these issues are particularly well highlighted. I refer here to the research of another Indian woman, Mrinalini Sinha, whose *Colonial Masculinity* offers a brilliant account of the changing configurations of Indian - and, more specifically, Bengali - masculinities and British imperial masculinities, set in the context

of complex economic, social class and governmental transformations in this part of colonial India. From what is a complex and dense narrative, it is only possible here to extract a number of relevant arguments:

- (a) That the conception of the 'effeminate' Bengali male in British colonial discourse in India - effeminization being a common enough, general discursive strategy of inferiorization in the imperial project - underwent, however, significant changes with the changing *class* structure of colonial Bengal. Effeminacy, from initially being attributed to all Indian men, then concentrated on Bengali men, and subsequently focused particularly on the Western-educated Bengali middle-class men who were beginning to make inconvenient political demands upon the colonial authorities. Interestingly enough, the Bengali male was not only ridiculed for his supposed lack of 'manliness', but also for his allegedly poor treatment of 'his' women! The combination was enough, in the eyes of the colonial authorities, to disqualify the hapless Bengali from participation in government.
- (b) That the Bengalis developed complex classifications around their own sense of masculinity and emasculation. This too was related to class, with the petty clerks and then the declining rentiers conceiving of themselves as effeminized by the subservient nature of their work and their impoverishment respectively, the latter in an indigenous cultural context where masculinity was powerfully tied to the ownership of property.
- (c) That, simultaneously, there was a process under way in the metropolis where English masculinity was being constructed around the public schools, Oxbridge, and so on, in deliberate contrast to what was regarded as the effeminacy of the colonial male. This was, to a significant degree, a specifically *English* rather than a British project, for there was considerable prejudice against recruiting civil servants from Scottish and Irish universities.

The research of Viswanathan and Sinha is only the tip of a veritable iceberg. A vast amount of other scholarship could be drawn upon to illustrate the interplay of class, gender, ethnicity, conceptions of the family, and so on, in the dynamics of the process which established

crucial elements of identity for both the colonizer and the colonized, in a wide variety of geographical and national-imperial contexts. While it is somewhat invidious to pick out particular pieces of research from such a rich field, it is perhaps worth citing some other work which bears out the general themes of postcolonialist studies: for example, Catherine Hall's work on the formation of British national culture and citizenship in relation to the construction of colonial 'experiences'; David Arnold's research on the construction of 'Indianized' Western medical knowledges and practices in the context of the implantation of Western medicine in India, and also the manner in which this was implicated in the formation of conceptions of Oriental and Occidental bodies; Niranjana's discussion of the way in which English identities as well as those of Indians were formed by particular translations of key Indian traditional texts, the English being able to construct Indianness and, in alterity, Englishness from a selective reading of these texts, with Indians being similarly fed a version of themselves which conformed to English conceptions of their venality; Mudimbe's explorations of Western conceptions of Africa and the problems of 'recovering' and constituting an authentic African knowledge; Martin Bernal's *Black Athena* which attempts to contest the crucial element of Greek as opposed to Egyptian origins in the formation of the West's identity; and the important essays in the collections edited by Breckenbridge and van der Veer, Prakash and Chambers and Curti. The continuing durability of colonial discourses in Western scientific, sociological, anthropological and administrative knowledges and practices are investigated in, for example, essays by Mohanty on Western writings on 'Third World Women', Watney on the Western narrativization of AIDS and Rattansi on the sexualized racism which governed the British state's response to immigration from the colonies in the immediate aftermath of the Second World War.

#### Ambivalence and resistance

If the idea of the mutual constitution of identities provides one major set of themes for the architecture of postcolonialist studies, notions of ambivalence and resistance furnish another. The discussions are wide ranging, encompassing Bhabha's explorations of

mimicry, speculations on the workings of imperialist sexual desire for the Other and readings of the specificities of white women's perceptions of the colonized.

It may seem inappropriate to bring together such a disparate body of work under the sign of ambivalence and resistance. But in my view what may be said to unite them is a specific element of postcolonialism which needs to be highlighted in a form that has not always been made explicit. That is, there is an aspect of this research which points to a chronic cultural and psychic instability at the heart of the colonial project, a sort of intrinsic dynamic of destabilization, whose mechanisms are formed around a complex interweaving of Self/Other relations as operationalized through sexuality and sexual difference. In the process of explicating this set of ideas in this way I shall be reading, or re-reading, some postcolonialist works, in particular those of Bhabha, in a form that is different from the explicit letter of the text or, to put it more accurately, I shall be adapting this work in ways more in keeping with my own interpretation of the psychic and sexual dynamics of colonization.

Elsewhere I have discussed what I call the sexualization of colonial discourses in much greater detail than is possible in this paper. Here I will only draw out the main lines of how sexuality and gender functioned to destabilize the relations between colonized and colonizer in ways which posed a constant threat to the strict division between the two on which the imperial project was inevitably premised.

Take, first, the forms of representation of 'primitive' sexuality among 'natives' of the lands of North America and Africa. The free and apparently natural sexual expressiveness that was supposedly 'observed' was a source of fascination, attraction, as well as fear and repulsion, with both male and female Africans and North American 'Indians' functioning as sexual Others, onto whom were projected the anxieties and *desires* of the European male. In pictorial representations the native land was often an attractive female, barely clothed, inviting European imperial penetration, while the native male was often depicted as effeminized - lacking bodily hair, in the case of the North American 'Indian', for example - and prey to the excessive sexuality of his woman.

This type of exotic eroticization of the native was an important element in the formation and reconstitution

of sexualities and gender relations at 'home'. The white woman was seen as closer to the native than to the white male in many ways. She supposedly shared the lower intelligence, over-emotionality and potential sexual excess of the native - especially if she happened to be working class - therefore needing the same subordination and control, but by the same token requiring 'protection' from men, and the native in the colony, and her own sexual desire for other and Other males, allowing a legitimization of patriarchal gender relations at home and abroad.

Arguably, what are evident here are projections of white male - especially upper-class male - desires and anxieties which constantly threatened to breach the all-important binary between the colonizer and the native and which in practice, of course, were breached by widespread sexual liaisons between the two which have increasingly become the object of investigation in recent years. Note, too, the significance of homoeroticism, sometimes under the surface, sometimes explicit as in the case of so many homosexuals who fled restrictions at home to fulfil their desires and fantasies in the Orient.

There is a sense in which the worst fears of the white colonial male were realized in the person of that curious creature, the white woman traveller who, in defiance of nineteenth-century expectations, decided to roam the colonies on her own, as it were, to 'see' for herself and then to commit the even greater transgression of writing about her 'experiences'. Women travellers to the colonies, imperial outposts and the 'virgin' territories soon to be colonized tended to write in a register different from that produced by the imperial gaze of the male 'discoverer' and adventurer. As Mills has pointed out, women's travel writing had more in common with that other tradition of travel writing which Pratt has categorized as deploying a 'sentimental' rhetoric in which the narrator is foregrounded and relationships with 'natives' become a crucial feature of the narrative. Women's travel writing, produced within the cracks of two conflicting subject positions - that relating to the private sphere of caring and emotional work and another which demanded a certain imperial authorial and authoritarian distance - was often that much more involved with and sympathetic to the 'natives'. As such it often functioned as a counter-discourse, and, although hegemonized by

imperial assumptions about the 'civilizing' mission and subject to considerable ambivalence, especially when the pull of the suffragette movement came into conflict with the demands of the campaign for the abolition of slavery, may be regarded as subverting the colonizer/colonized binary in a potentially destabilizing manner.

Quite what the response of the 'memsahibs' was to the Western-educated middle- and upper-class native in India is not entirely clear. But it is time to return to the significance of the effeminization of such native males, the theme which organized Sinha's work discussed earlier. The effeminization may be seen as an inferiorizing device to a very particular threat posed by such natives. Both the threat and the response to it need to be seen in the context of women and natives as Others who chronically functioned as potential nightmares for the upper-class colonial male's desire for control not only over Self/Other relations, but also over the potential fragmentation of the internally riven male self.

It is here that an adaptation of Bhabha's brilliant insights on the effects of 'mimicry' provide an understanding of other mechanisms which destabilized the colonial project from within. Macaulay's famous Minute on Indian Education, which was the immediate catalyst for the development of a form of education for the formation of 'a class of persons, Indian in blood and colour, but English in taste, opinions, in morals, and in intellect' who would act as 'interpreters between us and the millions whom we govern', as Macaulay himself put it, succeeded only too well, but not necessarily with all the consequences that he intended. For the Anglicized Indian, in acquiring the tastes and scaling some of the heights of English intellectual accomplishment, also implicitly brought into question the innateness of the native's inferiority. He may not have mastered the nuances, and especially not the pronunciation, but this only served to produce in the colonies what Bhabha calls the 'forked tongue of English colonialism', a source and form of chronic ambivalence, for the colonialist was now constantly confronted with a sort of grotesque shadow, who returned the gaze of the colonizer in a partially displacing mode. Mimicry, then, is both a successful outcome of a technology of power and discipline, an 'English education', but also a 'menace', a threat, which - and this is a point that

Bhabha leaves implicit - was no mean influence in the production of intellectuals who demanded the liberty that many who had opposed the teaching of English had feared would be the consequence of English education in the colonies. The history of nationalisms in the colonies could, with a little exaggeration, be narrated as the history of the production of subjects who, by way of 'English' education both in the colonies and in the centre, acquired some of the cultural resources to contest and finally overthrow the state of subjection. This is mimicry as agency and empowerment, initiated by a process that was almost inevitable, given the exigencies of imperial government. This having been said, one might quite legitimately entertain doubts about the political significance and effectiveness of ambivalence as a form of resistance - Bhabha remains symptomatically silent on this question.

And at this point we are immediately confronted by other difficulties, paradoxes and ironies: for the continuing influence of 'English' education in the ex-colonies, the differentiation of these societies as nation-states, and so on, also poses acutely the question of what meaning can really be given to the idea of 'postcoloniality' or 'postcolonialism' and forms a convenient bridge into the second part of my discussion, which poses a number of questions which threaten to undo the whole idea of 'post'colonialist studies.

## 2 The 'Post' and the 'Colonial' in Postcolonialist Studies: Some Awkward Questions

If examined more rigorously, the idea of the 'post-colonial' reveals a number of chronic difficulties, often shared with other 'posts' fashionable today, especially 'postmodernism' (of which more later).

Take, first, a certain apparent confusion between the 'imperial' and the 'colonial'. In the paper so far I have used the terms almost interchangeably. But, arguably, an important distinction is thus being elided. Indeed, for some analytical purposes it would seem important to differentiate between *colonialism* as a particular form of direct rule and, more often than not, involving settlement, by a foreign power, and *imperialism* which could be reserved to denote a more diffuse expansionism. Despite the obvious overlaps, the two could be argued



to have different dynamics and different consequences for the 'periphery' and the 'centre'. The usage would have to depend on particular contexts, for in many general discussions of course 'imperial' can be allowed to subsume the specificity of the 'colonial'.

But this only begs another question. Given that the term 'postcolonial' appears to have established itself over the more general 'postimperial', when does the 'postcolonial' moment supposedly begin? Some authors argue that it begins *at the same moment* as the *beginning* of the imperial, used synonymously with the 'colonial', for the 'post-' signifies, above all, resistance to and active differentiation from imperial imposition. For others the term is basically an alternative to the ubiquitous Western designation of 'postwar' (referring to the Second World War). It does not seem helpful to argue that at the moment of resistance to the imperial encounter, in other words, almost at the very inception of the imperialist thrust, we are already in some sort of 'postcolonial' time-space. This is to homogenize very complex historical structures and periods. While all conceptual distinctions can only be provisional, and are related to specific analytical projects, I would want to maintain that, unless there are strong arguments for doing otherwise, the concept of the 'postcolonial' should, in terms of historical periodization, be restricted to time-spaces inaugurated by the formal independence of former colonies of Western powers.

This implies that specifically 'postcolonialist' writing may properly be said to emerge after the end of formal colonialism. Before that formal severance, what we have are forms of *af*-colonial writing, which obviously cannot reflect upon the structures and events unleashed in the aftermath of independence. Arguably, even *historical* writings on colonialism undertaken after the end of formal colonialism will bear traces of the postcolonial experience and therefore may be said to be part of a postcolonial *oeuvre* although they may not always qualify as postcolonialist in the specific senses of 'postcolonialist studies' as delineated in the first part of this essay.

But is '*neo-colonial*' not a preferable term to postcolonial since it points up more explicitly the many forms of continuity between the periods of colonialism and formal independence? Moreover, the concept may have the advantage, as Young points out, of directing attention to the present, away from an endless

restaging of the colonial encounters of the eighteenth and nineteenth centuries. There is something in this argument. Nevertheless, I do not think that the reasons offered are compelling enough for 'neo-colonial' to supplant rather than supplement 'postcolonial'. For one thing, we are still learning much from the novel manner in which the colonial encounter is being re-staged in postcolonialist studies. For another, the problem with the term neo-colonial is its connotation of a relationship between the ex-colony and the former colonizer that appears to posit a more conspiratorial role for the imperial power in the new period, and one which implies far too passive a role for those who govern the now independent states of Africa, Asia and so on.

At this stage of the discussion it becomes pertinent to effect a reversal of the argument just considered, and ask whether the description 'postcolonial' for particular periods and nation states does not actually *over-value* the impact of colonialism on the societies of both the colonized and the colonizer. The simple answer to this, in my view, is that the term may indeed imply effectivities which are exaggerated. *Postcolonial*, as a designation, may draw attention away from the myriad other influences on the formation of these societies. This is an issue to which I will return in the conclusion to the paper. Incidentally, this is also an appropriate point at which to argue that, given the thesis of mutual imbrication of cultures and identities as developed in postcolonial studies, the term postcolonial has to be regarded as pertinent for the societies of *ex-colonial* powers as well as for the *ex-colonies*.

Now is the time to deal with another question that assumes relevance in this context. Is it helpful to lump together African, various Asian and Latin American societies/nation-states, and Australia, New Zealand and sometimes Canada and the USA as well, as 'postcolonial' when they have been formed by such very diverse histories and occupy such disparate time-spaces in the present cultural, economic and geo-political order of the world? *Patently, it is not. The concept of postcolonialism can provide only the most general framework of analysis.* Quite clearly, what is also required is an historical imagination and contemporary analysis which is aware, to take but one example, that the sense of marginality felt by white Australian and Canadian

writers in relation to the metropolitan centres is not of the same order as that experienced by indigenous African and Asian writers, although it is undoubtedly true that in being grouped together as part of something called 'Commonwealth Literature' they have all suffered a certain stigma of 'worthy but not quite' (to adapt a phrase from Bhabha's suggestive analysis of the status of the native 'mimic'). The point needs to be extended to any analysis of the general issue of comparative marginalization and peripheralization of the former White Dominions and those of black Africa and India in relation to Britain and the USA.

But the legitimacy of the term 'postcolonial' can still be seriously doubted when viewed from the perspective of the aboriginal populations of North and South America and Australia and New Zealand which are still fighting what they might see as *anti-colonial* struggles. This is where, again, extreme sensitivity to historical disjunctures and the specificities of time-spaces is crucial if the idea of the 'postcolonial' is to retain some analytical value. The point is to recognize the productiveness of the chronic ambivalence and potential destabilizations *within* the discourse of 'postcolonialism', an argument effectively explored in Prakash.

Finally, to bring this sort of conceptual ground clearing to a provisional close, one might ask whether *globalization* is a better concept than postcolonialism, especially given the fact that it is more inclusive, drawing into its ambit nation-states that have no significant formal recent history of colonialism but which nevertheless are participants in the present world order. However, in my view it would be a mistake to create this type of binary apposition. We need both concepts, one to signal a very general process of time-space compression - to borrow Harvey's inelegant but concise expression - and the other precisely to act as a reminder to those who insist on writing the narrative of globalization as if the process sprang from the internal dynamic of the transition from feudalism to capitalism in the West that imperial expansion and colonialism were key constitutive features, and indeed set both globalization and Western capitalism in motion and acted as continual fuelling forces.

The credentials of the idea of 'postcolonialism' have been provisionally established by the discussion so far, or at least so I would argue, although not without stripping it of certain pretensions which might otherwise

render the concept vulnerable to dismissal. Nevertheless, a number of difficult questions remain, and will continue to perplex those who intend to work in the terrain opened up by the insights of postcolonialist studies.

[...]

#### Something to end with

Not that this is the end of the story. Ahmad, for instance, has charged that much of what passes as postcolonial scholarship, so often carried out by academics whose origins lie in the former colonies and who are now comfortably established in some of the most élite metropolitan universities, has merely used post-structuralism as a ruse to ally with some of the most fashionable but ultimately non-threatening fashions. In the process this has enabled the academics to land lucrative posts and obtain prestige in the centre while getting further divorced from the realities and political involvements of their countries of origin. Others (for example Dirlik) go even further, for they argue that postcolonialism involves a serious neglect of the role of global capitalism in perpetuating global inequalities in the present and that postcolonial studies may merely serve the cultural requirements of global capitalism.

There is probably a grain of truth in all this carping. But no more than a grain. Postcolonial scholarship is an international enterprise, and one of its most impressive aspects is the manner in which it has galvanized younger scholars in and from the former colonies, and also younger metropolitan researchers, to undertake investigations into the colonial encounter which are strikingly novel and profound, and these are undertakings in which the holy trinity of Said, Bhabha and Spivak, to cite the most prominent target of censure, has served as an admirable source of inspiration. While there are always dangers of academic co-option, Ahmad's Marxism has hardly escaped this insidious institutionalization either. Moreover, Ahmad seriously undervalues the long-term significance of critical intellectual work. There is an important point about the disappearance of the general intellectual of an earlier kind, for example, Sartre or C.L.R. James, which Said grieves over in *Culture and Imperialism*, but this is an altogether more sophisticated argument than that advanced by Ahmad.

And, to turn to Dirlik's source of discontent, it is simply untrue to say that global capitalism has been ignored in postcolonial research, although obviously what postcolonial studies has been about is finding non-reductionist ways of relating global capitalism to the cultural politics of colonialism, and indeed finding frameworks which allow the imperial and colonial enterprise to be seen not as external appendages of global capitalism, but as major constitutive elements (see Hall for a detailed critical reading of Dirlik which shows up some of its internal contradictions). Said's *Culture and Imperialism*, Viswanathan's *Masks of Conquest*, Spivak's *In Other Worlds*, Niranjana's *Siting Translation*, Sinha's *Colonial Masculinity*, Chatterjee's *Nationalist Thought and the Colonial World* - to take only some of the works cited in my paper - display varying but definite degrees of emphasis on the constitutive relation between imperialism, colonialism, class relations and global capitalism.

However, there are some reservations I do wish to enter. Although postcolonialist researchers have been scathing about the consequences of nationalist politics in the former colonies, it is not clear what kind of alternative vision they wish to advance. In the last part of *Culture and Imperialism* Said makes a brave but in my view an ultimately weak attempt to promote a sort of politics of cultural hybridity, which attempts to muster some optimism and finds an important role for post-colonial intellectual work, but which remains vague and perhaps naive. On the other hand, it is also naive to expect a politics, emancipatory or conservative, to be read off from the framework of postcolonialism in the same way that there is no necessary political belonging to postmodernism (an argument Boyne and I have elaborated elsewhere). Nevertheless, relatedly, and this may be because so much of postcolonialist studies is undertaken by historians and literary critics,

little attempt is made to connect with contemporary problems of 'development'. However, this is where sociologists, anthropologists, political theorists and economists with a postcolonialist sensibility can make important contributions to a field, development studies, which is itself in crisis. Finally, it is worth pointing out that one must deflate any imperialistic mission on the part of postcolonial studies.

Postcolonialism is only one optic on the formation and dynamics of the contemporary world. It cannot be allowed to function as a totalizing perspective, indeed it is incapable of doing so, for it cannot remotely furnish all the intellectual frameworks required for any kind of cultural or any other kind of analysis. Take just one instance: there are only limited insights to be gained by designating contemporary Indian or African cinema 'postcolonial'. There is so much more to be said...

So, the enterprise of postcolonial studies is hardly unproblematic. But it is nevertheless the site of new, quite fundamental insights. At the risk of paradox, it might be said that it provides a non-essentialist but essential, non-foundationalist foundation on which to map the past, the present and the future in an age of transitions. The proliferation of so many 'posts' in the social sciences and the humanities is symptomatic of a widespread acknowledgement that the old categories will simply not do any more, even if the refusal to name anything positively, the tendency merely to gesture to the passing of something familiar bespeaks a deep uncertainty about how to map the future. And, to reinforce an argument made earlier, postcolonialism signals a more general de-centring of the West, from both within and without - an internal unravelling, as the Enlightenment project is questioned on several fronts, and an external transformation as the West's hegemony in the world order comes under severe pressure.



## READING 10

### Said's Orientalism: A Vital Contribution Today

**Peter Marcuse**

Edward Said's analysis of Orientalism was a powerful critique that showed how a concept, elaborated in

academic writings and popular discourse, achieved virtually hegemonic status although it was both wrong

and supportive of relations of domination and exploitation on an international scale. His conclusion hardly needs demonstration today, when near Eastern policy at high ranks of United States decision-makers is challenged as being undertaken "to gain empirical evidence to test an assumption" that "the Arab-Islamic world is inherently allergic to democracy". Said's *Orientalism*, perhaps his most important book, is a striking model of engaged intellectual work, in which the link between deep scholarly effort and immediate political reality is ever present. We can learn much by trying to apply the same critical approach to other hegemonic concepts of our time. What follows is an initial attempt to do this with the concept of Globalism.

I want to argue that the richness of Said's approach can be extended quite directly to an analysis of the concept of Globalism, which in this sense is the inheritor of Orientalism's mantle. Just as "Orientalism" was used to describe and categorize a specific geographic region, its people and its culture, I want to use the term "Globalism" to suggest the way in which specific real processes at the international level, often lumped together under the term globalization, are discussed and portrayed in academic and popular circles.

Edward Said defined Orientalism as the hegemonic view in the "West" of the inferiority of the "East", a view both anticipating and justifying a colonial relation between dominant and subordinate, manifest in culture, language, ideology, social science, media, and political discourse. In Said's very influential book with that title, he lays out, in vibrant and often polemical prose, the minute details of the way in which Orientalism pervaded the world view of the leaders of European and United States societies, not as an intentionally malicious racism but rather as an often unconscious and sometimes benevolently intended set of attitudes and preconceptions arising out of relations of power. While Orientalism preceded nineteenth and twentieth century colonialism by several millennia, its earlier expressions fueled its later direct use in support of imperial policies in England, France, and finally the United States. Said begins his analysis with a devastating look at a parliamentary speech of Arthur Balfour in 1910, in which the condescending treatment of "Orientals" and the unquestioned belief in "Western" superiority is explicit. He then goes on to trace the manifestations of those same views in an implicit and even concealed but nonetheless pervasive form in

literature, movies, public speeches, and works of art. Said's work is an outstanding example of what Pierre Bourdieu would call human capital in the service of power.

"Globalism" is an apt term for the latest manifestation of the infiltration of relations of power into the political and cultural understandings of our age. I use the term in a very specific and limited sense.

Globalism is the lens (trope, metaphor, set of implicit assumptions, world view, discourse) that underlies almost all current policies of most governments in the international arena. It sees the process of globalization as new, as the dominant feature of our time, a structural process independent of specific acts of choice, inevitable in its really existing form, and ultimately beneficial to all, although certain distributional inequities may be seen as needing correction. It is the lens through which a substantial portion of the scholarly and intellectual discussion of globalization sees its subject matter.

Globalization, in its really existing form, is the further internationalization of capital accompanied by and using substantial advances in communications and transportation technology, with identifiable consequences in cultural, internal and international political relations, changes in the capital/labor balance of power, work processes, roles of national government, urban patterns, etc.

Globalism is to really existing globalization as Orientalism is to colonialism. Globalism is the hegemonic metaphor through which the actual process of globalization is seen/presented. It views development in the "developing world" as inevitably following the superior path of development pursued by the "developed world", just as Orientalism sees the "Orient" following (if it can) the superior form of development of the "Occident". If we substitute the G7 for the Occident, and the Third World for the Orient, we can apply Said's insight with profit, keeping in mind the different roles of racism, geographic coverage, and cultural distortions involved in the parallels.

Globalism accepts as obviously true and not requiring proof the inevitable domination of global interests - specifically, globally organized capital - over all spheres of life and all countries of the world. As Orientalism paralleled and legitimated colonialism and imperialism and the domination of Western over "Third World" countries, so Globalism parallels

and legitimates the priority of global capitalism over all forms of social organization, and the domination of capital over labor. As Said, in a nuanced discussion, concedes the significant contribution Orientalist scholars have made to accumulating facts and advancing knowledge about other little known societies to an audience in the West, so the contribution of globalist scholars to increasing the knowledge and understanding of the range and modes of operation of global capital must be conceded. Nevertheless, the underlying assumptions in both cases parallel the needs of established power. Orientalism and Globalism in fact overlap in critical ways: implicit racism/chauvinism and unquestioning acceptance of the value systems of the industrial and financial powerful nations (implicit in the acceptance of what "development" means) fuel both, and serve to buttress domination both within nations and among them.

Globalism, like Orientalism, is effective precisely because it pretends not to be an ideology, but just scholarship or description of the world as it is. As Pierre Bourdieu put it, "it goes without saying because it comes without saying".

Just as Said argues that "the Orient" is an artificial concept, one created, largely, by scholars and writers to describe a subject that does not exist in reality - or rather, to shape something that does exist in reality into a form that makes it manageable and manipulable by dominant powers located largely in the Western industrialized countries - so is "Globalism" an artificial concept, wrapping a set of developments whose real etiology is concealed into a single something that must be accepted as a "force", an actor, to which a whole range of results can then be attributed for which no one or group is responsible, which simply becomes part of reality, a given object to be studied and understood, described and quantified. But globalization is not *an* object, any more than eastern-located countries are *an* object; they are both names, concepts, artificially created in a particular social and political and historical context, and serving a particular social and political and historical purpose. There is no more a "force" of globalization than there is a "place" called the Orient.

The role that Balfour plays in Said's account is comparable to that played by Margaret Thatcher and Ronald Reagan in Globalism's ascendancy, with policy

advisers such as the early Jeffrey Sachs and institutions such as the World Bank and International Monetary Fund, and discussions such as those at Davos, playing a leading role. In the social sciences, the lineage that Said painstakingly traces could be followed, in Globalism's case, with W. W. Rostow as an early representative and Manuel Castells, in his current work, or Anthony Giddens, today, as one of its latest and most sophisticated; Francis Fukuyama exposes the world view in cruder fashion, as does Thomas Friedman. The policies that Said tracks to the masters of the British Empire in the 19th century find their direct analogy in the masters of the Washington consensus at the end of the 20th and the beginning of the 21 st.

But the real contribution of Edward Said is not to document the explicit biases and stereotypes of the colonialists, but to trace the more subtle but pervasive and hegemonic parallels of colonialism in the language, the metaphors, the discourse, and the cultural production of their times. Indeed, language, metaphors, discourse, are points along an increasingly comprehensive spectrum of representation that is Said's underlying theme: a lens through which the world, or parts of it, are seen, is the simile he himself uses. Globalism deserves the same attention today, as the lens through which globalization is seen and represented. The problem lies not in the scholarship that examines the operations of global capital, as it was not in the scholarship that examined the history or culture of colonial societies. It lies rather in the unquestioning acceptance of the appropriateness of what is being examined, of the pervasiveness of its reality, in short of its inevitability. Granting the inevitability of the increasing domination of global capital over all other forms of economic and social organization contributes to that domination, just as granting the inevitability of imperial relations contributes to the continued domination of those relations.

The uses of Globalism are legion; they support and legitimate globalization, and defuse the opposition to it. Globalism is the answer emanating from the World Economic Forum at Davos to the challenge from the World Social Forum at Porto Alegre; where Porto Alegre's slogan is, "Another World is Possible", Davos answers, "TINA, There Is No Alternative: really existing globalization is inevitable". Globalism is the understanding that undergirds the World Trade

Organization's response to Seattle and its successors, that frames the defense of NAFTA and the FTAA in the United States, that empowers employers in their bargaining with labor unions everywhere, that justifies low wages in developing countries. Globalism can also be used locally, supporting an odd coalition in which purely locally based interests, such as property owners, local political leaders, or locally attached residents, support a place marketing strategy that emphasizes a locality's key position in global exchanges. That global and local pressures as often complement each other as diverge has been often enough pointed out; they both rely on Globalism when it is to their advantage, and neither is internally homogeneous.

Said's nuanced discussion of Orientalism suggests similar caution in describing the scholarship having to do with globalization. In both cases, there is an underlying and important reality calling out for examination, and in both cases key figures in their exploration have contributed much to knowledge of the subject. As Said praises Vico and the Napoleonic expedition writers, so scholars like Friedmann and Sassen contributed much to an understanding of new developments on the world stage. The issue is not so much the worth of that endeavor, but rather whether the undercurrent within it, here categorized as Globalism, has not undermined the very utility of the term. One thinks of a similar situation with the concept "underclass", which William Wilson used to describe real developments in the inner cities of the United States. After significant criticism, e.g. by Herbert Gans, and reflection, Wilson has dropped the term completely, substituting the less catchy but more delimited term "ghetto poor". In the same way, the term "globalization" might, in the absence of a hegemonic Globalism, slowly be abandoned in favor of the more accurate if also less elegant "internationalization of capitalism".

A problem, in this account, both of Orientalism by Said and of Globalism here, is that both the world view being criticized and the material for its criticism come from similar, sometimes even identical, sources. Much of the material Said cites comes from Westerners, from the Western side of the lens of Orientalism. In the same way, much of the material that provides the most damning criticism of Globalism comes from writers and researchers and activists who are on the side of the

victims of globalization. Their sympathies lie on the other side of the lens of Globalism, even as their "real" position is on the viewer side. So it is with Said: among the most trenchant material he cites is that which comes from acute Western observers, whose perspicacity he generously acknowledges. It is to be expected that the real representatives of the Orient would provide material for Said's indictment: why is so much that supports his position found in the work of Western scholars and leaders, from Christian writers of the eleventh century through Napoleon to the present? Franz Fanon one would expect; but the holders of endowed chairs at elite United States universities?

The answer perhaps lies in Said's use of the term "Orientalism" in some grammatical disjuncture with the term "Orientalist". It results from a differentiation I would wish to make explicit here. Much of the argument against Orientalism in fact comes from Orientalists; that term is rather used to denote those who study the discourse of Orientalism and the realities that are artificially subsumed under the term, rather than the exponents of the viewpoint of Orientalism. In the same way, many, including some of the most prominent writers on globalization, attack the implications of Globalism. One may, in both the Orientalist and Globalist case, distinguish three types of authors: (1) those who adopt the viewpoint of Orientalism or Globalism, the Balfours and the Rostows; while Said uses the term Orientalist more broadly, the term "Globalist" might be specifically applied to this group in the case of Globalism - the legitimators of globalization, the Globalists pure and simple; (2) those who study, describe, document, parse the processes going on in "the Orient" or in "globalization", who implicitly accept the tenets of the subject but may be critical of its results and may provide accurate and useful information for its understanding; also Orientalists in Said's usage, perhaps (a bit more awkwardly) the "scholars of globalization" here; and (3) students, writers, and activists on issues raised by Orientalism and Globalism who devote themselves to its critique - the critics of Globalism who however often move in circles overlapping those of the scholars. Said would certainly consider himself also an Orientalist, but in the sense of a critic of Orientalism, an Orientalist in the sense of (3), not (1), but moving in many of the same circles as (2), the scholars of the Orient. And certainly

many dealing with globalization consider themselves concerned with the same issues and moving in the same circles as the scholars of globalization.

The dividing lines here are not sharp. Globalists celebrate globalization, and have no doubts as to its existence, but their work may involve scholarly examination of aspects of the underlying reality. Scholars of globalization may expose one or another of its negative realities, but largely do not question its fundamental tenets in their work; and critics of Globalism often contribute to its scholarly analysis. But at the extremes, the roles are clear.

Said speaks of Orientalism as a view of the colonies from the outside, as a Western lens shaped to meet Western needs. If there is a reality to the difference between "the West" and "the Orient" - and there is - is there any parallel with viewpoints on Globalism? It is Westerners that look through the lens of Orientalism from one side, seeing a distorted reality on the other; they are not on both sides of the lens. None of us, in "developed" or "developing" countries, are outside the reality of globalization that lies on the other side of the lens of Globalism, the reality of the internationalization of capital that does in fact infect all economies, all politics, all cultures, all languages, all ways of life, if in quite different forms. But the lens of Globalism is not a generalized one, created without actors, serving no particular purpose. It is a view from above, from those in power, able to dominate and exploit. They are active in "developing" countries as in "developed", just as Orientalists are as often found in the countries of the East as of the West. The purpose it serves is to distort the reality of those who are dominated and exploited, the oppressed, those below. There is a reality the proponents of Globalism do not share, do not know. As with Said's Orientalism, this lens is one shaped well before the lens in its present form and use are perfected, well before the talk of some who are globalizers and some who are globalized. It builds on a view of the poor by the rich or their apologists that has evolved over centuries: on the distinction between the worthy and unworthy poor, the pictures of slum life that Jacob Riis described as depraved, the lumpen proletariat characterizations of Karl Marx, the culture of poverty thesis of Oscar Lewis, the descriptions of the poor and of criminals that Frances Piven and Michel Foucault so accurately describe and that Bertold Brecht so tellingly

limns. Were one as erudite as Said, one might go even further back and look at the representations of the poor in Victor Hugo, or in Shakespeare's *Coriolanus*, or perhaps even in Cicero; I do not believe it can be found in the classical Greeks, for here the poor, as slaves, were simply excluded from consideration. In any event, today, through the lens of Globalism, the representation of the poor is transformed into a discourse about the included and the excluded, the developed and the under-developed, the industrialized and the not yet industrialized, the rich and the poor - and thus, the global and the not-global or the globalizing.

It would seem churlish to press the parallel further, and to say, of the students of poverty, that their aim is to facilitate the control of "the poor", as the aim of the Orientalists (in sense 1) was to facilitate the control of "the Orient". But there are parallels. In the Manhattan Institute's attack on homelessness, the approach is to categorize the poor in order to bring them under control by addressing the disturbing characteristics of each separately; not even a bow in the direction of housing market inequities or desperate poverty is visible. The same may be said of some early studies of poverty, and even of some projects, such as the settlement houses (certainly the almshouses) of the past. Loic Wacquant makes a slashing attack on some current studies of poverty along the same lines, although he fails to discriminate between intent or motive and objective effect. But then the motivations of many Orientalists were also benevolent. To the extent that the poor are portrayed as exotic, studied as strange objects in the early British studies and the Pittsburgh study, the parallel holds. But of course the critical view is also strong; thus Barbara Ehrenreich's recent book is directly aimed precisely at de-exoticizing the poor.

The projects of Orientalism seem quite clear, from the Napoleonic expedition to Egypt to the British actions in the near East at the beginning of the century. So do the projects of Globalism, from the Bretton Woods agreements to the World Trade Organization, the International Monetary Fund, and the World Bank. Oddly enough, the actions of the Bush administration in Afghanistan and Iraq today seem closer to Said's Orientalism than to Davos' Globalism; Palestine policy even more so. Is the drive to Empire the successor to Globalism? Indeed, it seems in many ways to run counter to the earlier Globalist policies; its unilateralism,

reliance on crude force, protectionism at home, contradict what Globalists have long advocated. Is the drive to Empire merely a temporary aberration, or does it now represent a new constellation of forces, and if so, one within or supplanting the relations of Globalism?

Since the process is one connected with real historical movements, it is also one of counter-movements, exposure of distortion, and presentation of alternate representations. Said also played a vital role in this counter-movement.

One of Edward Said's signal contributions was to clarify the intellectual substructure on which the colonial relations between the "West" and the "East",

the imperial and the colonial powers, have been (and are being) built. The Orientalist world view continues in the period of globalization; it is not replaced by Globalism, but rather supplemented by it. In the ongoing conflict between the forces of exploitation and domination, Edward Said's many-faceted contributions have been a potent weapon on the side of social justice and the struggle for a humane world. The struggle against Globalism, exemplified by movements such as those represented in the World Social Forum, are not a replacement but a continuation of the struggle in which Said played such a prominent role. We miss him already.



# Neoliberalism

While it came under severe attack in the global economic crisis that raged beginning in late 2007, neoliberalism has arguably been the most influential theory in globalization studies (and underlies the next chapter on structural adjustment). It has both strong adherents and vociferous critics. However, the critics have now gained the upper hand, at least for the moment, with much of that economic crisis being linked to the neoliberal belief in, and policies of, the free market and deregulation. It was the deregulation of the banks, financial institutions, and various markets that led to the high-risk ventures (subprime mortgages, credit default swaps, derivatives, etc.) that collapsed and led to the crisis. Nevertheless, one cannot understand globalization without understanding neoliberalism. It was a key factor in the emergence of the global age and the problems it created certainly had global implications. As the crisis deepened in Europe, French President Nicolas Sarkozy said: "It [neoliberalism] is a worldwide problem, and it should get a worldwide response."<sup>1</sup>

Neoliberalism is a theory that has implications for globalization in general, as well as for many of its elements. It is particularly applicable to the economics (especially the market and trade) and the politics (the nation-state and the need to limit its involvement in, and control over, the market and trade) of globalization.

Not only is it important in itself, but it has also strongly influenced other thinking and theorizing about both of those domains, as well as globalization in general.

A number of well-known scholars, especially economists, are associated with neoliberalism. We begin this chapter with some of the ideas of one neoliberal economist - William Easterly - in order to give the reader a sense of this perspective.

Easterly is opposed to any form of collectivism and state planning as they were espoused and practiced in the Soviet Union or are today by the UN, other economists, and so on.<sup>2</sup> Collectivism failed in the Soviet Union and, in Easterly's view, it will fail today. It will fail because it inhibits, if not destroys, freedom; and freedom, especially economic freedom, is highly correlated with economic success. This is the case because economic freedom "permits the decentralized search for success that is the hallmark of free markets."<sup>3</sup> Economic freedom and the free market are great favorites of neoliberal economists.

Easterly offers several reasons why economic freedom is related to economic success. First, it is extremely difficult to know in advance what will succeed and what will fail. Economic freedom permits a multitude of attempts and the failures are weeded out. Over time, what remains, in the main, are the successes and they serve to facilitate a high standard of living. Central

planners can never have nearly as much knowledge as myriad individuals seeking success and learning from their failures and those of others. Second, markets offer continuous feedback on what is succeeding and failing; central planners lack such feedback. Third, economic freedom leads to the ruthless reallocation of resources to that which is succeeding; central planners often have vested interests that prevent such reallocation. Fourth, economic freedom permits large and rapid increases in scale by financial markets and corporate organizations; central planners lack the flexibility to make large-scale changes rapidly. Finally, because of sophisticated contractual protections, individuals and corporations are willing to take great risks; central planners are risk-averse because of their personal vulnerability if things go wrong.

Much of the contemporary critique of neoliberalism, especially as it relates to economics, is traceable to the work of Karl Polanyi and his 1944 book *The Great Transformation: the Political and Economic Origins of Our Time*. He is the great critic of a limited focus on the economy, especially the focus of economic liberalism on the self-regulating, or unregulated, market, as well as on basing all on self-interest. In his view, these are not universal principles, but rather were unprecedented developments associated with the advent of capitalism. Polanyi shows that the *laissez-faire* system came into existence with the help of the state and it was able to continue to function as a result of state actions. Furthermore, if the *laissez-faire* system was left to itself, it threatened to destroy society. Indeed, it was such threats, as well as real dangers, that led to counter-reactions by society and the state (e.g. socialism, communism, the New Deal) to protect themselves from the problems of a free market, especially protection of its products and of those who labored in it. The expansion of the *laissez-faire* market and the reaction against it is called the *double movement*. While economic liberalism saw such counter-reactions (including any form of protectionism) as "mistakes" that disrupted the operation of the economic markets, Polanyi saw them as necessary and desirable reactions to the evils of the free market. Polanyi pointed to "the inherent absurdity of the idea of a self-regulating market."<sup>4</sup> He also described as mythical the liberal idea that socialists, communists, New Dealers, and so on were involved in a conspiracy against liberalism and the free market.

Rather than being a conspiracy, what took place was a natural, a "spontaneous," collective reaction by society and its various elements that were threatened by the free market. In his time, Polanyi sees a reversal of the tendency for the economic system to dominate society: "Within the nations we are witnessing a development under which the economic system ceases to lay down the law to society and the primacy of society over that system is secured." This promised to end the evils produced by the dominance of the free market system, and also to produce *more*, rather than less, freedom. That is, Polanyi believed that collective planning and control would produce more freedom, more freedom for all, than was then available in the liberal economic system.

David Harvey argues that among the problems with neoliberalism as a theory is the fact that it assumes that everyone in the world wants very narrow and specific types of economic wellbeing (to be well-off economically, if not rich) and political freedom (democracy). The fact is that there are great cultural differences in the ways in which wellbeing (e.g. not to have to work very hard) and freedom (e.g. to be unfettered by the state even if it is not democratically chosen) are defined. Neoliberalism very often comes down to the North, the US, and/or global organizations (e.g. World Bank, International Monetary Fund) seeking to impose *their* definitions of wellbeing and freedom on other parts of the world. Furthermore, there is great variation on this among individuals in each of these societies, with the result that these definitions are different from at least some of theirs, but are nonetheless imposed on them.

Another problem lies in the fact that the theory conceals or obscures the social and material interests of those who push such an economic system with its associated technological, legal, and institutional systems. These are *not* being pursued because everyone in the world wants them or will benefit from them, but because *some*, usually in the North, are greatly advantaged by them and therefore push them.

Harvey offers a number of other criticisms of neoliberalism including the fact that it has produced financial crises in various countries throughout the world (e.g. Mexico, Argentina, and now globally); its economic record has been dismal since it has redistributed wealth (from poor to rich) rather than generating new wealth; it has commodified *everything*; it has helped

to degrade the environment; and so on. Furthermore, there are signs that it is failing such as deficit financing in the US and China, symptoms of more immediate crisis (e.g. burgeoning budget deficits, the bailout of financial institutions, the current recession), and evidence that US global hegemony is crumbling.

Aiwha Ong makes an important contribution to our thinking about neoliberalism by distinguishing between neoliberalism as exception and exceptions to neoliberalism. One example of *neoliberalism as exception* involves the creation in various parts of the world of special economic zones which are largely separated from the rest of society and free from government control, and within which the market is given more-or-less free reign. These are "exceptions" because the market is not nearly as free elsewhere in society. For example, early in its move away from a communist economic system, China set up "special economic zones" and "special administrative regions" (as well as "urban development zones") characterized by "special spaces of labor markets, investment opportunities, and relative administrative freedom."<sup>6</sup> While the state retained formal control over these zones, *de facto* power rested with multinational corporations (MNCs) that set up shop within them. It was those corporations that controlled

migration into the zones as well as the ways in which people in the zones lived and worked.

Ong calls the political result of constructing these zones *graduated sovereignty*. That is, instead of governing the entire geographic area of the nation-state, the national government retains full control in some areas, but surrenders various degrees of control in others to corporations and other entities. While the creation of these zones may bring a series of economic advantages, it also can create problems for the nation-state that is no longer in full control of its own borders. (This is yet another indication of the decline of the nation-state: see chapter 6.)

Ong is primarily concerned with neoliberalism as exception, but she also deals with *exceptions to neoliberalism*. These can be double-edged. On the one hand, such exceptions can be used by the state to protect its citizens from the ravages of neoliberalism. For example, subsidized housing can be maintained even if a city's budgetary practices come to be dominated by neoliberal entities and processes. On the other hand, they can be used to worsen the effects of neoliberalism. For example, corporations can exclude certain groups (e.g. migrant workers) from improvements in the standard of living associated with a market-driven economy.

## NOTES

- 1 Edward Cody, "No Joint European Strategy on Banks." *Washington Post* October 5, 2008: A20.
- 2 [www.freetheworld.com/release.html](http://www.freetheworld.com/release.html).
- 3 William Easterly, "Chapter 2: Freedom versus Collectivism in Foreign Aid." *Economic Freedom of the World: 2006 Annual Report* 35.
- 4 Karl Polanyi, *The Great Transformation: the Political and Economic Origins of Our Time*. Boston, MA: Beacon, 1944, 145. This much quoted observation has been reworded in the edition excerpted in the present book.
- 5 *Ibid.*, 251.
- 6 Aiwha Ong, *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty*. Durham, NO. Duke University Press, 2006, 19.



# Freedom versus Collectivism in Foreign Aid

William Easterly

## 1 The New Collectivism

Marx was right about at least one thing: "History repeats itself, first as tragedy, second as farce." The 21<sup>st</sup> century has seen a farcical version of the collectivist Utopian fantasies that led to such disasters in the 20<sup>th</sup> century. Fortunately, the new collectivism is far more tepid - less extreme, less powerful, and less coercive - than the ideologies that caused so much tragedy in the Communist bloc in the 20<sup>th</sup> century. The collapse of communism in Europe with the fall of the Berlin Wall, and the great success of the movement away from central planning towards markets in other places like China and Vietnam that remain nominally Communist (along with the poverty of the unrepentant Communist states in Cuba and North Korea) discredited the Communist notion of comprehensive central planning once and for all. Yet, by an irony that is not so amusing for its intended beneficiaries, the new farcical collectivism is still alive for the places that can afford it the least - the poorest nations in the world that receive foreign aid. Instead of the Berlin Wall, we have an "Aid Wall," behind which poor nations are supposed to achieve their escape from poverty through a collective, top-down plan. Instead of the individual freedom to prosper in markets, the successful approach of the nations that are now rich, the poor must let the international experts devise the collective solution to their miseries.

Jeffrey Sachs and *The End of Poverty*

Lest you think I exaggerate, consider some of the statements of the most prominent and extreme spokesman of the new collectivism for poor nations, Jeffrey Sachs. In his 2005 book, *The End of Poverty*, he says in the opening pages:

I have [...] gradually come to understand through my scientific research and on the ground advisory work the awesome power in our generation's hands to end the massive suffering of the extreme poor [...] Although introductory economics textbooks preach individualism and decentralized markets, our safety and prosperity depend at least as much on collective decisions to fight disease, promote good science and widespread education, provide critical infrastructure, and act in unison to help the poorest of the poor [...] Collective action, through effective government provision of health, education, infrastructure, as well as foreign assistance when needed, underpins economic success.

Sachs says that each poor country should have five plans, such as an "Investment Plan, which shows the size, timing, and costs of the required investments" and a "Financial Plan to fund the Investment Plan, including the calculation of the Millennium Development Goals Financing Gap, the portion of financial needs the donors will have to fill." These plans will be helpfully supported by the "international community":

each low income country should have the benefit of a united and effective United Nations country team, which coordinates in one place the work of the UN specialized agencies, the IMF, and the World Bank. In each country, the UN country team should be led by a single United Nations resident coordinator, who reports to the United Nations Development Program, who in turn reports to the UN secretary-general.

Everything will fit together in one great global plan run by "the UN Secretary General, [who] should ensure that the global compact is put into operation".

Like his collectivist predecessors, Sachs sees the achievement of prosperity as mostly a technical problem: "I believe the single most important reason why

prosperity spread, and why it continues to spread, is the transmission of technologies and the ideas underlying them [...] science-based ideas to organize production". "Africa's problems [...] are [...] solvable with practical and proven technologies".

He sees one kind of scientific expert - the medical doctor - as the model for how to solve the problems of poverty:

Development economics today is not like modern medicine, but it should strive to be so. It can improve dramatically if development economists take on some of the key lessons of modern medicine, both in the development of the underlying science and in the systematization of clinical practice, the point where science is brought to bear on a particular patient.

Of course, there are such things as public goods, which require solving a collective action problem to supply them. There is a role for government to supply such goods. However, Sachs (and the other collective approaches described below) seem to make little distinction between a lack of public goods and a lack of private goods, which is called poverty.

#### The United Nations' Millennium Development Goals

The United Nations is the main official sponsor of today's collectivist fantasies. These are called the Millennium Development Goals (MDGs), described on the United Nations' web site as follows:

The eight Millennium Development Goals (MDGs) - which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 - form a blueprint agreed to by all the world's countries and all the world's leading development institutions. They have galvanized unprecedented efforts to meet the needs of the world's poorest.

Secretary-General Kofi Annan uses the collectivist "we":

We will have time to reach the Millennium Development Goals - worldwide and in most, or even all, individual countries - but only if we break with business as usual. We cannot win overnight. Success will

require sustained action across the entire decade between now and the deadline. It takes time to train the teachers, nurses and engineers; to build the roads, schools and hospitals; to grow the small and large businesses able to create the jobs and income needed. So we must start now. And we must more than double global development assistance over the next few years. Nothing less will help to achieve the Goals.

The Secretary-General uses "grow" as an active verb applied to business, something that "we must start now." Somehow collective action will create jobs and income, as opposed to the decentralized efforts of individual entrepreneurs and firms operating in free markets.

Insofar as the MDG campaign mentions private entrepreneurs, they are "partners" subject to "our" resolve:

We resolve further: [...] To develop and implement strategies that give young people everywhere a real chance to find decent and productive work [...] To develop strong partnerships with the private sector and with civil society organizations in pursuit of development and poverty eradication.

Part of the reason for this campaign is not just to help the world's poor, but to help the UN, as Kofi Annan made clear at the September 2005 World Summit on the MDGs: "it is also a chance to revitalize the United Nations itself." In this it has been successful, at least at the World Bank and the IMF. These two organizations have long preached the virtues of free markets and ignored UN bureaucrats preaching statist rhetoric. Inexplicably, the World Bank and IMF have since 2000 embraced the UN MDG exercise and a lot of its planning. An OECD-DAC document explains this palace coup in favor of collectivist planning as follows.

In the 1990s, the field of international development entered an era of reform and reformulation as the disparities between rich and poor countries increased. World leaders, in collaboration with the UN and other multilateral institutions, recognized the need for drastic measures to ensure that developing countries benefited from globalization and that development assistance funds were used equitably and effectively to achieve the global development aims embodied in the

Millennium Development Goals (MDGs) and other national development goals.

In their *Global Monitoring Report 2006: Millennium Development Goals: Strengthening Mutual Accountability, Aid, Trade, and Governance*, the IMF and World Bank make clear their embrace of the whole MDG planning exercise: "Donors and the international financial institutions must increase aid flows, improve aid quality, and better align their support with country strategies and systems." How would this be done? The World Bank and IMF reaffirm a commitment to "accountability for achieving results," which they note was already reaffirmed four years earlier in the UN Monterrey Summit. On the same page, the report notes without irony that "international financial institutions [such as the World Bank and IMF] still emphasize loans and reports rather than development outcomes." They are still having some difficulty, as a few pages later they cannot keep themselves from emphasizing loans, apologizing that "in 2005 lending through the concessional and non-concessional windows of the MDBs declined."

They plan to change their ways by "Implementing the results agenda":

The 2004 Marrakech Roundtable on Results called for a monitoring system to assess the results orientation of the multilateral development banks (MDBs); that system is COMPAS, the Common Performance Assessment System, which draws on MDB frameworks and action plans to implement managing for development results (MfDR).

#### Managing for Development Results (MfDR)

Exactly what is MfDR? It is summed up in *Managing for Development Results Principles in Action: Sourcebook on Emerging Good Practice* (MfDR Sourcebook), prepared by the OECD and the World Bank. To clear up any confusion, the MfDR Sourcebook notes that "Performance management is a holistic, cultural change." When it does get a tad more concrete, MfDR seems to involve a lot of central planning, such as the following:

*At the national level*, MfDR is used in the planning and implementation of results-based national plans, budgets,

and antipoverty strategies. International agencies may support this process with technical assistance.

*In sector programs and projects*, partner countries and development agencies use MfDR in planning assistance programs or individual projects that are based on country outcomes and priorities defined in national or sector development plans.

It doesn't get any better reading the rest of the MfDR Sourcebook. In [a] table [in] the MfDR Sourcebook is the sensible principle: "Keep results measurement and reporting as simple, cost-effective, and user-friendly as possible." [Shown here] is an excerpt from the table giving the recipe for simple, cost-effective, and user-friendly results measurement and reporting. The old collectivists were lethal; the new collectivists just bury life and death issues under six layers of bureaucracy.

#### Examples of tools being used to manage for results in development agencies

- M&E systems, plans and guidelines (incorporating MIS)
- Audit and risk management frameworks
- Performance measurement frameworks
- Program/project monitoring frameworks
- Audit guidelines and tools
- Evaluation guidelines and tools
- Risk analysis guidelines and tools
- Training and guidelines for indicator design, data collection, and analysis

All the MDG planners use the word "accountability" frequently, but without understanding what "accountability" is. Unlike the individual accountability that each producer faces in free markets (you satisfy the customers or you go out of business), the MDG exercise has something called "mutual accountability." This murky notion appears to involve accountability, not to the intended beneficiaries, but to the other bureaucracies involved in the MDG plan, all of whom have a stake in the current system continuing regardless of results. Instead of individual accountability, we have collective responsibility: "Development agencies are creating results-based country assistance strategies in close dialogue with national governments [...]. During

this process, multiple agencies negotiate a process for working together to support country outcomes." A system in which everyone (multiple agencies and governments) are collectively responsible is equivalent to one in which nobody is individually responsible. If there are disappointing results, you can always blame someone else. Collective responsibility is to accountability what collective farms are to individual property rights.

## 2 Freedom versus Collectivism in Economic Development: the Empirical Record

The empirical record on the difference between the economic performance of freedom and that of collectivism is fairly clear to anybody following events of the last half century. There was a period from the 1930s through the 1950s when the rapid growth of the Soviet Union (since found to have been greatly exaggerated) made observers unsure as to which system delivered superior economic results. Unfortunately, these were the formative years of development economics and foreign aid policies, which led many of the early development economists to recommend that poor countries imitate the collectivist model, stressing forced saving and investment to achieve growth, and to advocate national economic planning (somewhere in the netherworld in between central planning and free markets). Although the World Bank and the IMF had abandoned central planning as the recommended approach to poor countries by the 1980s, foreign aid has never been able to shake its collectivist origins. For one thing, the World Bank and the IMF continued to function as large planning organizations; it was just that now the top-down expert-driven plans included adoption of freemarket liberalization (known as "structural adjustment"). The top-down planning by foreign experts and bureaucrats of how you should implement free markets did not lead to good results in the areas where it was most intensively practiced - Africa, the Middle East, Latin America, and (ironically) the former Soviet Union. This led to the unfortunate backlash against free markets that we are seeing today in many parts of those regions. The aid organizations retreated for self-protection into the MDG planning exercise described in the first section.

This is ironic, because the fall of the Berlin Wall and more access to information about the Soviet Union and its satellites made clear just how badly the most extreme version of collectivism had failed. Even prior to this, it was rather obvious that free societies were dramatically out-performing collectivist ones, as the most casual acquaintance with comparisons between East and West Germany, North and South Korea, or between the Soviet Union and the United States made clear.

### The correlation between economic success and economic freedom

Today, long after the collapse of communism, there is still a huge amount of variation from free to unfree societies. To formalize the obvious, economic success is strongly correlated with economic freedom. I use the 2002 measure published in *Economic Freedom of the World: 2004 Annual Report* to match the last year for which a large sample of data on income is available.

Of course, there is a large problem of potential reverse causality - richer people might demand more economic freedom. Critics of the measures published in *Economic Freedom of the World* also might allege that they are constructed by those with strong prior beliefs that economic freedom is associated with prosperity and, hence, the indices might be unconsciously skewed to give higher scores to countries known to be success stories. (I don't know of any reason to doubt the Index published in *Economic Freedom of the World*, which uses only third-party data and includes no subjective judgments, but I bend over backwards to anticipate possible critiques.) Any such skewing would introduce a second kind of reverse causality. To address these possible objections, I show an instrumental variables regression in Table 1. Since the institutions of economic freedom originated in Europe and then spread to other temperate regions where Europeans settled (with some exceptions), I use distance from the equator as one instrument for economic freedom. Since different legal traditions (especially the British) favored economic freedom while others did not (obviously the socialist legal tradition), I use legal origin as another set of instruments for freedom. The test statistics on the validity of the instruments are mostly satisfactory, and we still show a very strong association between economic freedom and per-capita income.

Table 1 IV regression of log per-capita income (lpcy) in 2002 on economic freedom ratings

	lpcy2002
Economic freedom in the world, 2002 (from <i>Economic Freedom of the World: 2004 Annual Report</i> )	1.343 (8.48)**
Constant	-0.495 (-0.47)
Observations	86
Sargan over-identification test: p-value	0.0654
First-stage F-statistic on excluded instruments	8.25

Instruments for economic freedom: distance from equator, British, French, Socialist, or German legal origin.

\* Significant at 5%; \*\* significant at 1%.

### The "poverty trap" and the "big push"

Although economic freedom seems well established as a path to prosperity, advocates of collectivist solutions to world poverty allege that poor countries are in a "poverty trap." The poverty trap would prevent poor nations from experiencing economic growth even if they do have economic freedom, requiring a collectivist rescue operation. It is, again, Sachs who is the leading exponent of the "poverty trap" hypothesis. In *The End of Poverty*, he suggests three principal mechanisms. The first is that poor people do not save enough.

When people are [...] utterly destitute, they need their entire income, or more, just to survive. There is no margin of income above survival that can be invested for the future. This is the main reason why the poorest of the poor are most prone to becoming trapped with low or negative economic growth rates. They are too poor to save for the future and thereby accumulate the capital that could pull them out of their current misery.

Sachs' second reason for a poverty trap "is a demographic trap, when impoverished families choose to have lots of children." Population growth is so high that it outpaces saving (which was already too low, according to the first reason).

The third element is increasing returns to capital at low initial capital per person (and low income per person):

An economy with twice the capital stock per person means an economy with roads that work the year round, rather than roads that are washed out each rainy season; electrical power that is reliable twenty-four hours each day, rather than electric power that is sporadic and unpredictable; workers who are healthy and at their jobs, rather than workers who are chronically absent with disease. The likelihood is that doubling the human and physical capital stock will actually more than double the income level, at least at very low levels of capital per person.

Sachs gives the example of a road with half of the road paved and half impassable due to missing bridges or washed out sections. Repairing the impassable sections would double the length of road but would much more than double the output from the road. "This is an example of a threshold effect, in which the capital stock becomes useful only when it meets a minimum standard."

The role of foreign aid is to increase the capital stock enough to cross the threshold level, in what became known as "the Big Push": "if the foreign assistance is substantial enough, and lasts long enough, the capital stock rises sufficiently to lift households above subsistence [...] Growth becomes self-sustaining through household savings and public investments supported by taxation of households." Without foreign aid, according to Sachs, "many reasonably well governed countries are too poor to make the investments to climb the first steps of the ladder."

Even before testing this hypothesis, it is worth noting that these ideas are not new. In fact, they were part of the founding ideas of development economics in the 1940s and 1950s and development economists used them to insist foreign aid was necessary for economic growth then, just as Sachs does now half a century later. After \$568 billion in aid to Africa combined with the continent's economic stagnation over the past four decades, combined with the success of poor countries getting much smaller amounts of aid as a percent of their income in East Asia, one might have thought a little skepticism was in order before repeating the ideas of the 1950s.

Given the publicity that these revived, old ideas about foreign aid are receiving, let us test the hypothesis of the poverty trap and the necessity of the "Big



Table 2 Test of poverty-trap and economic-freedom hypotheses for economic growth

Instrumental variables regression	Dependent variable: per-capita growth, 1960-2002
Economic freedom in the world, averaged over 1970-2002	0.022 (2.63)*
Log of initial per-capita income	-0.014 (2.21)*
Constant	0.001 (-0.05)
Observations	85
Sargan over-identification test: p-value	0.0542
First-stage F-statistic on excluded instruments	9.63

Instruments for economic freedom: distance from equator, British, French, Socialist, or German legal origin.

\* Significant at 5%; \*\* significant at 1 %.

Push" against the explanation that countries prosper because of economic freedom. The poverty-trap hypothesis would say that poor countries have low growth and rich countries have high growth, so there would be a positive association between initial income and growth. This positive association should hold up when we control for whether the country is "reasonably well governed" (such as whether the government facilitates economic freedom). So I do a regression combining economic freedom with initial income; as before I need to instrument for economic freedom to address possible reverse causality. A high value of (the average level of) economic freedom relative to initial income indicates that income potential is high (if the economic-freedom hypothesis is correct) compared to actual income and so would predict faster growth.

The results are shown in Table 2. The poverty-trap hypothesis loses out decisively to the economic-freedom explanation as to who prospers. Actually, initially poor countries grow *faster* than rich ones, once you control for economic freedom.

What about the role of foreign aid in launching the growth out of poverty? Does a "Big Push" of foreign aid lead to growth? There is a huge empirical literature on foreign aid and growth, with the latest verdicts being that foreign aid does *not* have any measurable impact on growth. I go back to the well one more time

to see how aid flows affect the simple hypothesis testing introduced in Table 2.

In Table 3, I add foreign aid received as a ratio to Gross National Income of the recipient as an explanatory variable. Once again, there is the problem of reverse causality. I use the log of population size as an instrument for aid, taking advantage of a quirk in the aid system such that small countries receive large shares of their income as aid, unrelated to their economic performance or needs. Instrumenting for two right-hand-side variables at once leads to more complicated problems of identification and weak instruments, so let us treat this exercise as illustrative rather than definitive.

Controlling only for initial income and not for economic freedom, aid has no significant effect on economic growth. Once you control for economic freedom, aid has a negative and significant effect on growth. I am hesitant to stress this result too strongly, as the previous literature has generally found a zero effect of aid on growth, not negative. Much greater robustness testing is needed before the negative result can be taken too seriously, and the problem of weak instruments also needs much more examination. At the very least, however, this illustrative exercise is consistent with the previous literature that aid does not have a *positive* effect on growth.

Table 3 Per-capita growth 1960-2002 as function of aid, initial income, and economic freedom: instrumental variables regressions

	Regression 1	Regression 2
Aid/GNI 1960-2001	-0.001 (-1.43)	-0.003 (3.32)**
Log of initial income, 1960	-0.001 (-0.29)	-0.024 (2.68)**
Economic freedom in the world. averaged 1970-2002		0.024 (2.09)*
Constant	0.025 (-0.95)	0.081 (-1.95)
Observations	94	65
Sargan over-identification test: p-value		0.5718

Instrument for aid: log of population in 1980.

Instruments for economic freedom: distance from equator, British, French, Socialist, or German legal origin.

\* Significant at 5%; \*\* significant at 1%.

### 3 Hayek and the iPod: Why a World of Uneven and Unpredictable Economic Success Needs Economic Freedom

What the collectivist vision always misses is that success is rare, failure is common. Economic success is always very uneven and unpredictable, across almost any possible unit of analysis one might consider. Economic freedom permits the decentralized search for success that is the hallmark of free markets. It is seldom known in advance what will succeed. Many thousands of searchers mount myriads of different trials as to what will please consumers. A free-market system gives rapid feedback as to which products are succeeding and which are not, and searchers adjust accordingly. Those activities that succeed attract more financing and more factors of production so that they can be scaled up enormously; those activities that fail to please consumers are discontinued. Planners don't have a search-and-feedback mentality; rather, they implement a preconceived notion of what will work and keep implementing it whether it is working or not.

Economic success stories are often unexpected and unpredicted. MP3 players were invented several years ago and seemed to offer great promise as a great new

way for music lovers to listen to large amounts of their favorite music. Despite this promise, none of the early MP3 players caught consumers' fancy. (I was an "early adopter," buying one of these at a high price so I could see it die quickly.) Apple Computer, Inc., was known mainly for its strange failures in the PC market. It was a surprise when Apple Computer suddenly found a huge hit in the iPod mobile digital device, which as of March 2006 had 78% of the market for MP3 players. So far, Apple has sold 50 million iPods. The matching iTunes application program for selling songs on-line via download to an iPod accounts for 87% of the legal music downloads in the United States.

Ray Kroc was a salesman in the 1950s peddling Multimixers, a machine that mixed six milk shakes at a time. His original idea was to sell as many Multimixers as possible. In 1954, he visited a restaurant called "McDonald's" in San Bernadino, California. He noticed that the McDonald brothers kept eight Multimixers operating at full capacity around the clock. At first, he wanted to recommend their methods to his other clients, increasing the demand for his Multimixers. But then he changed his mind: he saw that preparing hamburgers, fries, and milk shakes on an assembly line was a way to run a successful chain of fast-food restaurants. He forgot all about Multimixers and the rest is

Golden Arches stretching as far as the eye can see. How many Ray Krocs has foreign aid lost by its emphasis on Plans?

Many consumer markets in the United States are similarly dominated by a small number of successful brands. The Coca-Cola and Pepsi-Cola companies together have 75% of the American market for carbonated soft drinks. Dr Pepper/Seven Up is in third place with another 15%. The remaining 10% of the market is split up among a large number of much smaller firms. Casual observation suggests many examples of brand dominance: Microsoft\*, Starbucks\*, Amazon.com\*, Borders\*, Barnes and Noble", and so on. While brand dominance may reflect many factors about industrial organization, it also shows the incredible unevenness of product success associated with particular firms (as we will see in a minute), perhaps reflecting the kind of serendipity illustrated by the iPod and McDonald's\*.

The uneven success of products is closely related to the uneven success of firms. Just 0.3% of firms in the United States accounted for 65% of all firm sales in 2002. Firm size is well known to follow Zipf's law (also known as a power law), in which the log of the size is a negative linear function of the frequency of this size occurring (or equivalently the rank). Power laws have generated a lot of hype; for the purposes of this paper, it is enough to point out how large-scale success is rare, while failure is common. In other words, the frequency distribution of firms (or whatever unit we are interested in) has a fat and long right-hand side tail, of which there are many special cases such as a log-normal distribution and a power law (Pareto distribution). In other words, most of the distribution is concentrated at some mediocre level, then there are a small number of firms that are just totally off the charts - way above what something like a standard bell curve would predict.

Even though large firms dominate the marketplace, it is not so easy to be a large firm. Of the world's largest 100 companies in 1912, some like Procter & Gamble\* and British Petroleum were many times larger in 1995. However, they were the exception, as 1912's big 100 firms also included such dinosaurs as Central Leather and Cudahy Packing in the United States. Only 19 of the top 100 in 1912 were still in the top 100 in 1995, and 48 of 1912's big 100 had disappeared altogether by 1995. Business books lay out the secrets for success of a few large companies celebrated by the author, only

to see the firms fall upon hard times after the book is published. Business writers celebrated Enron\* for its innovative approach right up to the last minute. Even the most successful business gurus have their embarrassments: Tom Peters' 1982 mega-best-seller, *In Search of Excellence*, included among its celebrated companies some that would later go bankrupt such as Atari Corporation, Wang Laboratories, and Delta Air Lines.

The difficulty of achieving and maintaining success is not peculiar to large firms. Every year about 10% of existing firms of all sizes go out of business. Not that it is so easy to start a new firm to replace the ones that go out of business. More than half of new firms fail within four years of the founding in the United States.

The economic success and failure of individuals is also well known to follow the same skewed tendencies. The distribution of individual income within countries generally follows a log-normal distribution for most of the range of income (covering 97-99 percent of individuals), with a power law covering the upper 1-3 percent of income earners.

Moving to international data, economic development is of course spectacularly uneven across countries, as well as across time. Observations of high average income are confined to a few countries in recent periods, with large parts of the world and large parts of human history bereft of this kind of success. A small minority of episodes attain very high income but this falls off almost vertically as we move down the ranks.

#### Manufacturing exports per capita

An indicator of development that shows even greater variation across countries is manufacturing exports per capita. This reflects many different factors: the transition from agriculture to manufacturing as countries develop, the many factors that influence openness to international trade and competitiveness in international markets, the gravity model of trade flows, and so on. At some more basic level than as a trade indicator, however, manufacturing exports reflects something that all countries can potentially do, and they are all competing in the same global marketplace. As an indicator, it also has the advantage of being evaluated at world market prices, unlike national incomes with different domestic prices, which are notoriously difficult to compare. Moreover, manufacturing exports are

overwhelmingly dominated by the private sector and face a market test, unlike some of the components of GDP, such as a large government sector that is measured at cost rather than according to the value that individuals place on it. Success at exporting manufactures ranges all the way from Singapore's over \$25,000 per capita to Burundi's 2¢ per capita (Table 4).

Whatever the advantages and disadvantages of manufacturing exports as a measure of success, manufacturing exports per capita are themselves highly correlated with the log of per-capita GDP. Not only is manufacturing export success itself spectacularly uneven across countries, it is also very uneven within each country across product categories. Data is available on manufacturing exports at the 6-digit product-classification level. Countries export as many as 2,236 different manufacturing products, with the average in the sample being 1,177. The top three out of this array of products account, on average, for 35% of export value, while the top 1% of products account for over half of exports. The distribution of export value across products is log normal, with the value within the top 20% of products (accounting for 94% of export value) following a power law.

In other words, the big difference between Ireland and Burundi (both small populations, with Burundi larger) is not that Ireland performs better on everything, but that it found three manufacturing export products (parts and accessories of data processing equipment, monolithic integrated circuits except digital, and sound recordings other than photographic products) that earned it \$15 billion, while Burundi's top three (automobile spark ignition engine of 1,500-3,000 cc, sheet/tile and asbestos/cellulose fibre cement, and corrugated sheets of asbestos/cellulose fibre cement) earned it \$151,000.

How do you achieve large-scale success on a few products? Again it is economic freedom that fosters success, finding the particular niche in international markets where the country can achieve enormous scale in exports. Burundi has one of the world's worst scores on economic freedom, while Ireland has one of the best. Economic freedom is highly correlated with manufacturing exports per capita. When we address causality by using the same instruments as above for economic freedom, we still find that economic freedom predicts success at manufacturing exports.

Why is economic freedom so conducive to large-scale manufacturing exports and to development in general? Why do planners fail so badly? In a world of great uncertainty and unpredictability, economic freedom succeeds for the following reasons:

- 1 There is a tremendous difficulty in knowing what will succeed. Economic freedom fosters competition and multiple attempts to find things that work, and weeds out the many failures. After a while, the economy consists mostly of the big successes, which facilitates a high standard of living. Planners cannot have enough knowledge of the complexities of success; moreover, they suffer from the delusion that they already know the answers.
- 2 Economic freedom gives markets, which are great feedback mechanisms for learning what is succeeding and what is failing. Central planning lacks feedback.
- 3 Economic freedom ruthlessly reallocates resources away from what is failing towards what is succeeding. Planning bureaucracies have departments that each constitute a vested interest resisting reallocation.
- 4 Economic freedom makes it possible to increase the scale of a successful activity rapidly and by a huge magnitude. Financial markets allocate funds to finance an expansion in scale and the organizational form of the corporation permits replication of the same activity that worked on a small scale on a much larger scale. Financial markets and corporations require economic freedom to function well. Planning bureaucracies seldom show much flexibility in expanding successful activities on a large scale.
- 5 Economic freedom makes possible sophisticated contracts that allow individuals and firms to deal with uncertainty. Given the rarity of success and the likelihood of failure, individuals and firms will only be willing to bet on finding a big hit if they have the ability to diversify risk and are protected against catastrophic consequences from failure. Limited liability in corporations, bankruptcy law, and financial markets help achieve these tasks in the world shaped by economic freedom. Risk-averse planning bureaucracies opt for low-risk, low-return activities.

Table 4 Ranking of countries by manufacturing exports per capita (Manfexppc)

Exporter	Manfexppc	Rank	Exporter	Manfexppc	Rank	Exporter	Manfexppc	Rank
Singapore	\$25,335.56	1	Cyprus	\$419.24	50	Venezuela	\$37.76	99
Hong Kong	\$23,345.09	2	Kuwait	\$408.61	51	Bolivia	\$37.00	100
Ireland	\$11,714.59	3	Philippines	\$401.97	52	Peru	\$32.62	101
Belgium	\$9,230.09	4	Tunisia	\$387.58	53	Bangladesh	\$30.22	102
Luxembourg	\$7,687.62	5	Swaziland	\$382.05	54	Rep. of Moldova	\$30.19	103
Switzerland	\$7,667.51	6	Greece	\$369.04	55	Panama	\$24.48	104
Netherlands	\$6,331.30	7	Barbados	\$362.31	56	Kazakhstan	\$20.45	105
Sweden	\$5,650.80	8	Belarus	\$351.22	57	Madagascar	\$19.92	106
Malta	\$5,229.30	9	Romania	\$284.20	58	Ecuador	\$19.46	107
Macao	\$4,954.83	10	Macedonia	\$265.09	59	Egypt	\$17.71	108
Denmark	\$4,901.73	11	Latvia	\$263.87	60	Armenia	\$16.97	109
Finland	\$4,813.37	12	Bulgaria	\$243.14	61	Côte d'Ivoire	\$16.83	110
Germany	\$4,639.47	13	Fiji	\$228.84	62	Zimbabwe	\$16.22	111
Austria	\$4,540.26	14	Antigua	\$225.11	63	Georgia	\$15.80	112
Canada	\$4,451.37	15	Turkey	\$212.77	64	Zambia	\$15.09	113
France	\$3,216.17	16	Polynesia	\$179.70	65	Turkmenistan	\$14.93	114
Japan	\$3,128.05	17	Lesotho	\$176.12	66	Gabon	\$14.61	115
United Kingdom	\$3,033.86	18	Trinidad	\$168.23	67	India	\$14.57	116
Slovenia	\$2,953.41	19	South Africa	\$148.02	68	Kyrgyzstan	\$14.50	117
Italy	\$2,821.06	20	Argentina	\$147.09	69	Honduras	\$12.55	118
Malaysia	\$2,810.36	21	Jordan	\$142.34	70	Nepal	\$11.66	119
Rep. of Korea	\$2,569.26	22	China	\$135.91	71	Azerbaijan	\$11.50	120
Israel	\$2,529.26	23	Uruguay	\$135.34	72	Suriname	\$10.54	121
Hungary	\$2,134.28	24	Morocco	\$128.73	73	Iran	\$9.71	122
USA	\$1,924.84	25	Brazil	\$123.48	74	Paraguay	\$9.69	123
Czech Rep.	\$1,828.87	26	Maldives	\$117.37	75	Papua New Guinea	\$9.10	124
Norway	\$1,760.31	27	Indonesia	\$105.25	76	Senegal	\$8.67	125
Spain	\$1,698.14	28	Saudi Arabia	\$100.43	77	Kenya	\$5.25	126
Estonia	\$1,607.54	29	Botswana	\$93.58	78	Cuba	\$5.21	127
Portugal	\$1,546.50	30	Belize	\$88.85	79	Niger	\$5.16	128
Slovakia	\$1,270.32	31	Russia	\$87.83	80	Nicaragua	\$4.58	129
Mexico	\$1,221.76	32	Serbia	\$82.59	81	Ghana	\$3.19	130
Qatar	\$1,092.43	33	St Vincent	\$80.61	82	Togo	\$2.91	131
Mauritius	\$855.41	34	Jamaica	\$75.55	83	Sudan	\$2.72	132
Bahamas	\$782.86	35	Cambodia	\$74.78	84	Algeria	\$2.60	133
Costa Rica	\$778.15	36	Ukraine	\$71.13	85	Gambia	\$1.69	134
New Zealand	\$687.16	37	Chile	\$70.73	86	Mali	\$1.39	135
Thailand	\$676.73	38	New Caledonia	\$67.94	87	Burkina Faso	\$1.34	136
Bahrain	\$626.52	39	El Salvador	\$64.44	88	Mozambique	\$1.12	137
Australia	\$594.48	40	Saint Lucia	\$63.98	89	Comoros	\$0.91	138
Croatia	\$563.68	41	Greenland	\$62.61	90	Uganda	\$0.70	139
Iceland	\$554.48	42	Colombia	\$61.06	91	Guinea	\$0.66	140
Lithuania	\$534.74	43	Albania	\$59.54	92	Benin	\$0.62	141
Saint Kitts	\$492.98	44	Lebanon	\$50.10	93	Central Afr. Rep.	\$0.59	142
Poland	\$492.14	45	Cape Verde	\$46.99	94	Tanzania	\$0.54	143
Andorra	\$474.97	46	Mongolia	\$44.36	95	São Tomé	\$0.44	144
Oman	\$452.07	47	Guatemala	\$43.93	96	Nigeria	\$0.25	145
Grenada	\$447.46	48	Namibia	\$40.19	97	Ethiopia	\$0.07	146
Dominica	\$426.75	49	Guyana	\$38.58	98	Burundi	\$0.02	147

### Individual freedom and progress

The idea that individual freedom leads to more progress than state planning is not new. It is part of a long intellectual tradition opposing top-down collectivist engineering in favor of bottom-up searching for solutions that goes back to Adam Smith and Edmund Burke. F.A. Hayek presciently noted more than 60 years ago how the complexity of knowledge required economic freedom and made planning impossible. A representative quotation is:

The interaction of individuals, possessing different knowledge and different views, is what constitutes the life of thought. The growth of reason is a social process based on the existence of such differences. It is of essence that its results cannot be predicted, that we cannot know which views will assist this growth and which will not - in short, that this growth cannot be governed by any views which we now possess without at the same time limiting it. To "plan" or "organize" the growth of mind, or for that matter, progress in general, is a contradiction in terms [...] The tragedy of collectivist thought is that, while it starts out to make reason supreme, it ends by destroying reason because it misconceives the process on which the growth of reason depends [. . .] Individualism is thus an attitude of humility before this social process and of tolerance to other opinions and is the exact opposite of that intellectual hubris which is at the root of the demand for comprehensive direction of the social process.

This is not to say that economic freedom is easy to achieve. Even when such principles as private property, freedom of choice of occupation, protection against state expropriation, freedom of entry and competition in markets, prices determined by markets and not by state fiat are understood, it is difficult to implement the principles in practice. These principles rest upon a complex assortment of social norms, informal networks,

formal laws, and effective institutions. To the extent that planners understand some of these principles, their characteristic mistake is to try to introduce everything at once from the top down in the self-contradictory combination of a "market plan." (Sachs, in an earlier incarnation, was the father of "shock therapy" for the ex-Communist countries, which tried to do exactly this.) Economic freedom is something that can only grow gradually within societies, with a lot of bottom-up searching for effective piecemeal reforms by political and economic actors - which helps explain why success at economic development is also relatively uncommon.

## 4 Conclusions

Alas, foreign aid has never been able to escape its collectivist origins. Today's collectivist fantasies such as the Big Push to achieve the Millennium Development Goals will fail just as badly as past varieties of collectivism. Indeed, the UN itself reports that they are already failing (it creatively sees this as a reason to solicit yet more funding for the Big Push). A peek inside the patterns of economic success shows the complexity of knowledge required to succeed, which dooms planning efforts and makes clear why economic freedom is so reliably associated with economic success.

Foreign aid could create new opportunities for the world's poorest people by getting them some of such essentials as medicines, education, and infrastructure, but only if foreign aid itself imitates the successful approach of economic freedom, by adopting a search and feedback approach with individual accountability instead of the current collectivist planning model. Even with these changes, outside aid cannot achieve the grandiose goal of transforming other societies to escape poverty into prosperity. Only home-grown gradual movements towards more economic freedom can accomplish that for the world's poor. Fortunately, that is already happening.



## *The Great Transformation: The Political and Economic Origins of Our Time*

**Karl Polanyi**

[...]

### Birth of the Liberal Creed

Economic liberalism was the organizing principle of society engaged in creating a market system. Born as a mere penchant for nonbureaucratic methods, it evolved into a veritable faith in man's secular salvation through a self-regulating market. Such fanaticism was the result of the sudden aggravation of the task it found itself committed to: the magnitude of the sufferings that had to be inflicted on innocent persons as well as the vast scope of the interlocking changes involved in the establishment of the new order. The liberal creed assumed its evangelical fervor only in response to the needs of a fully deployed market economy.

To antedate the policy of *laissez-faire*, as is often done, to the time when this catchword was first used in France in the middle of the eighteenth century would be entirely unhistorical; it can be safely said that not until two generations later was economic liberalism more than a spasmodic tendency. Only by the 1820s did it stand for the three classical tenets: that labor should find its price on the market; that the creation of money should be subject to an automatic mechanism; that goods should be free to flow from country to country without hindrance or preference; in short, for a labor market, the gold standard, and free trade.

To credit François Quesnay with having envisaged such a state of affairs would be little short of fantastic. All that the Physiocrats demanded in a mercantilistic world was the free export of grain in order to ensure a better income to farmers, tenants, and landlords. For the rest their *ordre naturel* was no more than a directive principle for the regulation of industry and agriculture by a supposedly all-powerful and omniscient

government. Quesnay's *Maximes* were intended to provide such a government with the viewpoints needed to translate into practical policy the principles of the *Tableaux* on the basis of statistical data which he offered to have furnished periodically. The idea of a self-regulating system of markets had never as much as entered his mind.

In England, too, *laissez-faire* was interpreted narrowly; it meant freedom from regulation in production; trade was not comprised. Cotton manufactures, the marvel of the time, had grown from insignificance into the leading export industry of the country - yet the import of printed cottons remained forbidden by positive statute. Notwithstanding the traditional monopoly of the home market an export bounty for calico or muslin was granted. Protectionism was so ingrained that Manchester cotton manufacturers demanded, in 1800, the prohibition of the export of yarn, though they were conscious of the fact that this meant loss of business to them. An act passed in 1791 extended the penalties for the export of tools used in manufacturing cotton goods to the export of models or specifications. The free-trade origins of the cotton industry are a myth. Freedom from regulation in the sphere of production was all the industry wanted; freedom in the sphere of exchange was still deemed a danger.

One might suppose that freedom of production would naturally spread from the purely technological field to that of the employment of labor. However, only comparatively late did Manchester raise the demand for free labor. The cotton industry had never been subject to the Statute of Artificers and was consequently not hampered either by yearly wage assessments or by rules of apprenticeship. The Old Poor Law, on the other hand, to which latter-day liberals so fiercely objected, was a help to the manufacturers; it not only supplied

them with parish apprentices, but also permitted them to divest themselves of responsibility towards their dismissed employees, thus throwing much of the burden of unemployment on public funds. Not even the Speenhamland system was at first unpopular with the cotton manufacturers; as long as the moral effect of allowances did not reduce the productive capacity of the laborer, the industry might have well regarded family endowment as a help in sustaining that reserve army of labour which was urgently required to meet the tremendous fluctuations of trade. At a time when employment in agriculture was still on a year's term, it was of great importance that such a fund of mobile labor should be available to industry in periods of expansion. Hence the attacks of the manufacturers on the Act of Settlement which hampered the physical mobility of labor. Yet not before 1795 was the reform of that act carried - only to be replaced by more, not less, paternalism in regard to the Poor Law. Pauperism still remained the concern of squire and countryside; and even harsh critics of Speenhamland like Burke, Bentham, and Malthus regarded themselves less as representatives of industrial progress than as proponents of sound principles of rural administration.

Not until the 1830s did economic liberalism burst forth as a crusading passion and laissez-faire become a militant creed. The manufacturing class was pressing for the amendment of the Poor Law, since it prevented the rise of an industrial working class which depended for its income on achievement. The magnitude of the venture implied in the creation of a free labor market now became apparent, as well as the extent of the misery to be inflicted on the victims of improvement. Accordingly, by the early 1830s a sharp change of mood was manifest. An 1817 reprint of Townsend's *Dissertation* contained a preface in praise of the foresight with which the author had borne down on the Poor Laws and demanded their complete abandonment; but the editors warned of his "rash and precipitate" suggestion that outdoor relief to the poor should be abolished within so short a term as *ten* years. Ricardo's *Principles*, which appeared in the same year, insisted on the necessity of abolishing the allowance system, but urged strongly that this should be done only very gradually. Pitt, a disciple of Adam Smith, had rejected such a course on account of the innocent suffering it would entail. And as late as 1829, Peel "doubted whether

the allowance system could be safely removed otherwise than gradually." Yet after the political victory of the middle class, in 1832, the Poor Law Amendment Bill was carried in its most extreme form and rushed into effect without any period of grace. Laissez-faire had been catalyzed into a drive of uncompromising ferocity.

A similar keying up of economic liberalism from academic interest to boundless activism occurred in the two other fields of industrial organization: *currency* and *trade*. In respect to both, laissez-faire waxed into a fervently held creed when the uselessness of any other but extreme solutions became apparent.

The currency issue was first brought home to the English community in the form of a general rise in the cost of living. Between 1790 and 1815 prices doubled. Real wages fell and business was hit by a slump in foreign exchanges. Yet not until the 1825 panic did sound currency become a tenet of economic liberalism, i.e., only when Ricardian principles were already so deeply impressed on the minds of politicians and businessmen alike that the "standard" was maintained in spite of the enormous number of financial casualties. This was the beginning of that unshakable belief in the automatic steering mechanism of the gold standard without which the market system could never have got under way.

International free trade involved no less an act of faith. Its implications were entirely extravagant. It meant that England would depend for her food supply upon overseas sources; would sacrifice her agriculture, if necessary, and enter on a new form of life under which she would be part and parcel of some vaguely conceived world unity of the future: that this planetary community would have to be a peaceful one, or, if not, would have to be made safe for Great Britain by the power of the Navy; and that the English nation would face the prospects of continuous industrial dislocations in the firm belief in its superior inventive and productive ability. However, it was believed that if only the grain of all the world could flow freely to Britain, then her factories would be able to undersell all the world. Again, the measure of the determination needed was set by the magnitude of the proposition and the vastness of the risks involved in complete acceptance. Yet less than complete acceptance spelled certain ruin.



The Utopian springs of the dogma of laissez-faire are but incompletely understood as long as they are viewed separately. The three tenets - competitive labor market, automatic gold standard, and international free trade - formed one whole. The sacrifices involved in achieving any one of them were useless, if not worse, unless the other two were equally secured. It was everything or nothing.

Anybody could see that the gold standard, for instance, meant danger of deadly deflation and, maybe, of fatal monetary stringency in a panic. The manufacturer could, therefore, hope to hold his own only if he was assured of an increasing scale of production at remunerative prices (in other words, only if wages fell at least in proportion to the general fall in prices, so as to allow the exploitation of an everexpanding world market). Thus the Anti-Corn Law Bill of 1846 was the corollary of Peel's Bank Act of 1844, and both assumed a laboring class which, since the Poor Law Amendment Act of 1834, was forced to give its best under the threat of hunger, so that wages were regulated by the price of grain. The three great measures formed a coherent whole.

The true implications of economic liberalism can now be taken in at a glance. Nothing less than a self-regulating market on a world scale could ensure the functioning of this stupendous mechanism. Unless the price of labor was dependent upon the cheapest grain available, there was no guarantee that the unprotected industries would not succumb in the grip of the voluntarily accepted taskmaster, gold. The expansion of the market system in the nineteenth century was synonymous with the simultaneous spreading of international free trade, competitive labor market, and gold standard; they belonged together. No wonder that economic liberalism turned almost into a religion once the great perils of this venture were evident.

There was nothing natural about laissez-faire; free markets could never have come into being merely by allowing things to take their course. Just as cotton manufactures - the leading free trade industry - were created by the help of protective tariffs, export bounties, and indirect wage subsidies, laissez-faire itself was enforced by the state. The thirties and forties saw not only an outburst of legislation repealing restrictive regulations, but also an enormous increase in the administrative functions of the state, which was now being endowed with a central bureaucracy able to fulfil

the tasks set by the adherents of liberalism. To the typical utilitarian, economic liberalism was a social project which should be put into effect for the greatest happiness of the greatest number; laissez-faire was not a method to achieve a thing, it was the thing to be achieved. True, legislation could do nothing directly, except by repealing harmful restrictions. But that did not mean that *government* could do nothing, especially indirectly. On the contrary, the utilitarian liberal saw in government the great agency for achieving happiness. In respect to material welfare, Bentham believed, the influence of legislation "is as nothing" in comparison with the unconscious contribution of the "minister of the police." Of the three things needed for economic success - inclination, knowledge, and power - the private person possessed only inclination. Knowledge and power, Bentham taught, can be administered much cheaper by government than by private persons. It was the task of the executive to collect statistics and information, to foster science and experiment, as well as to supply the innumerable instruments of final realization in the field of government. Benthamite liberalism meant the replacing of parliamentary action by action through administrative organs.

For this there was ample scope. Reaction in England had not governed - as it did in France - through administrative methods but used exclusively Parliamentary legislation to put political repression into effect. "The revolutionary movements of 1785 and of 1815-1820 were combated, not by departmental action, but by Parliamentary legislation. The suspension of the Habeas Corpus Act, the passing of the Libel Act, and of the 'Six Acts' of 1819, were severely coercive measures; but they contain no evidence of any attempt to give a Continental character to administration. In so far as individual liberty was destroyed, it was destroyed by and in pursuance of Acts of Parliament." Economic liberals had hardly gained influence on government, in 1832, when the position changed completely in favor of administrative methods. "The net result of the legislative activity which has characterized, though with different degrees of intensity, the period since 1832, has been the building up piecemeal of an administrative machine of great complexity which stands in as constant need of repair, renewal, reconstruction, and adaptation to new requirements as the plant of a modern manufactory." This growth

of administration reflected the spirit of utilitarianism. Bentham's fabulous Panopticon, his most personal **Utopia**, was a star-shaped building from the center of which prison wardens could keep the greatest number of jailbirds under the most effective supervision at the smallest cost to the public. Similarly, in the utilitarian state his favorite principle of "inspectability" ensured that the minister at the top should keep effective control over all local administration.

The road to the free market was opened and kept open by an enormous increase in continuous, centrally organized and controlled interventionism. To make Adam Smith's "simple and natural liberty" compatible with the needs of a human society was a most complicated affair. Witness the complexity of the provisions in the innumerable enclosure laws; the amount of bureaucratic control involved in the administration of the New Poor Laws which for the first time since Queen Elizabeth's reign were effectively supervised by central authority; or the increase in governmental administration entailed in the meritorious task of municipal reform. And yet all these strongholds of governmental interference were erected with a view to the organizing of some simple freedom - such as that of land, labor, or municipal administration. Just as, contrary to expectation, the invention of labor-saving machinery had not diminished but actually increased the uses of human labor, the introduction of free markets, far from doing away with the need for control, regulation, and intervention, enormously increased their range. Administrators had to be constantly on the watch to ensure the free working of the system. Thus even those who wished most ardently to free the state from **all** unnecessary duties, and whose whole philosophy demanded the restriction of state activities, could not but entrust the self-same state with the new powers, organs, and instruments required for the establishment of *laissez-faire*.

This paradox was topped by another. While *laissez-faire* economy was the product of deliberate State action, subsequent restrictions on *laissez-faire* started in a spontaneous way. *Laissez-faire* was planned; planning was not. The first half of this assertion was shown above to be true, if ever there was conscious use of the executive in the service of a deliberate government-controlled policy, it was on the part of the Benthamites in the heroic period of *laissez-faire*. The other half was

first mooted by that eminent Liberal, Dicey, who made it his task to inquire into the origins of the "anti-*laissez-faire*" or, as he called it, the "collectivist" trend in English public opinion, the existence of which was manifest since the late 1860s. He was surprised to find that no evidence of the existence of such a trend could be traced *save the acts of legislation themselves*. More exactly, no evidence of a "collectivist trend" in public opinion *prior* to the laws which appeared to represent such a trend could be found. As to later "collectivist" opinion, Dicey inferred that the "collectivist" legislation itself might have been its prime source. The upshot of his penetrating inquiry was that there had been complete absence of any deliberate intention to extend the functions of the state, or to restrict the freedom of the individual, on the part of those who were directly responsible for the restrictive enactments of the 1870s and 1880s. The legislative spearhead of the countermovement against a self-regulating market as it developed in the half century following 1860 turned out to be spontaneous, undirected by opinion, and actuated by a purely pragmatic spirit.

Economic liberals must strongly take exception to such a view. Their whole social philosophy hinges on the idea that *laissez-faire* was a natural development, while subsequent anti-*laissez-faire* legislation was the result of purposeful action on the part of the opponents of liberal principles. In these two mutually exclusive interpretations of the double movement, it is not too much to say, the truth or untruth of the liberal creed is involved today.

Liberal writers like Spencer and Sumner, Mises and Lippmann offer an account of the double movement substantially similar to our own, but they put an entirely different interpretation on it. While in our view the concept of a self-regulating market was Utopian, and its progress was stopped by the realistic self-protection of society, in their view all protectionism was a mistake due to impatience, greed, and shortsightedness, but for which the market would have resolved its difficulties. The question as to which of these two views is correct is perhaps the most important problem of recent social history, involving as it does no less than a decision on the claim of economic liberalism to be the basic organizing principle in society. Before we turn to the testimony of the facts, a more precise formulation of the issue is needed.

Undoubtedly, our age will be credited with having seen the end of the self-regulating market. The 1920s saw the prestige of economic liberalism at its height. Hundreds of millions of people had been afflicted by the scourge of inflation; whole social classes, whole nations had been expropriated. Stabilization of currencies became the focal point in the political thought of peoples and governments; the restoration of the gold standard became the supreme aim of all organized effort in the economic field. The repayment of foreign loans and the return to stable currencies were recognized as the touchstone of rationality in politics; and no private suffering, no restriction of sovereignty, was deemed too great a sacrifice for the recovery of monetary integrity. The privations of the unemployed made jobless by deflation; the destitution of public servants dismissed without a pittance; even the relinquishment of national rights and the loss of constitutional liberties were judged a fair price to pay for the fulfillment of the requirement of sound budgets and sound currencies, these *a priori* of economic liberalism.

The 1930s lived to see the absolutes of the 1920s called in question. After several years during which currencies were practically restored and budgets balanced, the two most powerful countries, Great Britain and the United States, found themselves in difficulties, dismissed the gold standard, and started out on the management of their currencies. International debts were repudiated wholesale and the tenets of economic liberalism were disregarded by the wealthiest and most respectable. By the middle of the 1930s France and some other states still adhering to gold were actually forced off the standard by the Treasuries of Great Britain and the United States, formerly jealous guardians of the liberal creed.

In the 1940s economic liberalism suffered an even worse defeat. Although Great Britain and the United States departed from monetary orthodoxy, they retained the principles and methods of liberalism in industry and commerce, the general organization of their economic life. This was to prove a factor in precipitating the war and a handicap in fighting it, since economic liberalism had created and fostered the illusion that dictatorships were bound for economic catastrophe. By virtue of this creed, democratic governments were the last to understand the implications of managed currencies and directed trade, even when

they happened by force of circumstances to be practicing these methods themselves; also, the legacy of economic liberalism barred the way to timely rearmament in the name of balanced budgets and stable exchanges, which were supposed to provide the only secure foundations of economic strength in war. In Great Britain budgetary and monetary orthodoxy induced adherence to the traditional strategic principle of limited commitments upon a country actually faced with total war; in the United States vested interests - such as oil and aluminium - entrenched themselves behind the taboos of liberal business and successfully resisted preparations for an industrial emergency. But for the stubborn and impassioned insistence of economic liberals on their fallacies, the leaders of the race as well as the masses of free men would have been better equipped for the ordeal of the age and might perhaps even have been able to avoid it altogether.

But secular tenets of social organization embracing the whole civilized world are not dislodged by the events of a decade. Both in Great Britain and in the United States millions of independent business units derived their existence from the principle of *laissez-faire*. Its spectacular failure in one field did not destroy its authority in all. Indeed, its partial eclipse may have even strengthened its hold since it enabled its defenders to argue that the incomplete application of its principles was the reason for every and any difficulty laid to its charge.

This, indeed, is the last remaining argument of economic liberalism today. Its apologists are repeating in endless variations that but for the policies advocated by its critics, liberalism would have delivered the goods; that not the competitive system and the self-regulating market, but interference with that system and interventions with that market are responsible for our ills. And this argument does not find support in innumerable recent infringements of economic freedom only, but also in the indubitable fact that the movement to spread the system of self-regulating markets was met in the second half of the nineteenth century by a persistent countermove obstructing the free working of such an economy.

The economic liberal is thus enabled to formulate a case which links the present with the past in one coherent whole. For who could deny that government intervention in business may undermine confidence?

Who could deny that unemployment would sometimes be less if it were not for out-of-work benefit provided by law? That private business is injured by the competition of public works? That deficit finance may endanger private investments? That paternalism tends to damp business initiative? This being so in the present, surely it was no different in the past. When around the 1870s a general protectionist movement - social and national - started in Europe, who can doubt that it hampered and restricted trade? Who can doubt that factory laws, social insurance, municipal trading, health services, public utilities, tariffs, bounties and subsidies, cartels and trusts, embargoes on immigration, on capital movements, on imports - not to speak of less-open restrictions on the movements of men, goods, and payments - must have acted as so many hindrances to the functioning of the competitive system, protracting business depressions, aggravating unemployment, deepening financial slumps, diminishing trade, and damaging severely the self-regulating mechanism of the market? The root of all evil, the liberal insists, was precisely this interference with the freedom of employment, trade and currencies practiced by the various schools of social, national, and monopolistic protectionism since the third quarter of the nineteenth century; but for the unholy alliance of trade unions and labor parties with monopolistic manufacturers and agrarian interests, which in their shortsighted greed joined forces to frustrate economic liberty, the world would be enjoying today the fruits of an almost automatic system of creating material welfare. Liberal leaders never weary of repeating that the tragedy of the nineteenth century sprang from the incapacity of man to remain faithful to the inspiration of the early liberals; that the generous initiative of our ancestors was frustrated by the passions of nationalism and class war, vested interests, and monopolists, and above all, by the blindness of the working people to the ultimate beneficence of unrestricted economic freedom to all human interests, including their own. A great intellectual and moral advance was thus, it is claimed, frustrated by the intellectual and moral weaknesses of the mass of the people; what the spirit of Enlightenment had achieved was put to nought by the forces of selfishness. In a nutshell this is the economic liberal's defense. Unless it is refuted, he will continue to hold the floor in the contest of arguments.

Let us focus the issue. It is agreed that the liberal movement, intent on the spreading of the market system, was met by a protective countermovement tending toward its restriction; such an assumption, indeed, underlies our own thesis of the double movement. But while we assert that the application of the absurd notion of a self-regulating market system would have inevitably destroyed society, the liberal accuses the most various elements of having wrecked a great initiative. Unable to adduce evidence of any such concerted effort to thwart the liberal movement, he falls back on the practically irrefutable hypothesis of covert action. This is the myth of the anti-liberal conspiracy which in one form or another is common to all liberal interpretations of the events of the 1870s and 1880s. Commonly the rise of nationalism and of socialism is credited with having been the chief agent in that shifting of the scene; manufacturers' associations and monopolists, agrarian interests and trade unions are the villains of the piece. Thus in its most spiritualized form the liberal doctrine hypostasizes the working of some dialectical law in modern society stultifying the endeavors of enlightened reason, while in its crudest version it reduces itself to an attack on political democracy, as the alleged mainspring of interventionism.

The testimony of the facts contradicts the liberal thesis decisively. The anti-liberal conspiracy is a pure invention. The great variety of forms in which the "collectivist" countermovement appeared was not due to any preference for socialism or nationalism on the part of concerted interests, but exclusively to the broad range of the vital social interests affected by the expanding market mechanism. This accounts for the all but universal reaction of predominantly practical character called forth by the expansion of that mechanism. Intellectual fashion played no role whatever in this process; there was, accordingly, no room for the prejudice which the liberal regards as the ideological force behind the anti-liberal development. Although it is true that the 1870s and 1880s saw the end of orthodox liberalism, and that all crucial problems of the present can be traced back to that period, it is incorrect to say that the change to social and national protectionism was due to any other cause than the manifestation of the weaknesses and perils inherent in a self-regulating market system. This can be shown in more than one way.

Firstly, there is the amazing diversity of the matters on which action was taken. This alone would exclude the possibility of concerted action. Let us cite from a list of interventions which Herbert Spencer compiled in 1884, when charging liberals with having deserted their principles for the sake of "restrictive legislation." The variety of the subjects could hardly be greater. In 1860 authority was given to provide "analysts of food and drink to be paid out of local rates"; there followed an Act providing "the inspection of gas works"; an extension of the Mines Act "making it penal to employ boys under twelve not attending schools and unable to read or write." In 1861 power was given "to poor law guardians to enforce vaccination"; local boards were authorized "to fix rates of hire for means of conveyance"; and certain locally formed bodies "had given them powers of taxing the locality for rural drainage and irrigation works, and for supplying water to cattle." In 1862 an act was passed making illegal "a coal-mine with a single shaft"; an act giving the Council of Medical Education exclusive right "to furnish a Pharmacopoeia, the price of which is to be fixed by the Treasury." Spencer, horror struck, filled several pages with an enumeration of these and similar measures. In 1863 came the "extension of compulsory vaccination to Scotland and Ireland." There was also an act appointing inspectors for the "wholesomeness, or unwholesomeness of food"; a Chimney-Sweeper's Act, to prevent the torture and eventual death of children set to sweep too narrow slots; a Contagious Diseases Act; a Public Libraries Act, giving local powers "by which a majority can tax a minority for their books." Spencer adduced them as so much irrefutable evidence of an anti-liberal conspiracy. And yet each of these acts dealt with some problem arising out of modern industrial conditions and was aimed at the safeguarding of some public interest against dangers inherent either in such conditions or, at any rate, in the market method of dealing with them. To an unbiased mind they proved the purely practical and pragmatic nature of the "collectivist" countermove. Most of those who carried these measures were convinced supporters of laissez-faire, and certainly did not wish their consent to the establishment of a fire brigade in London to imply a protest against the principles of economic liberalism. On the contrary, the sponsors of these legislative acts were as a rule uncompromising opponents of socialism, or any other form of collectivism.

Secondly, the change from liberal to "collectivist" solutions happened sometimes over night and without any consciousness on the part of those engaged in the process of legislative rumination. Dicey adduced the classic instance of the Workmen's Compensation Act dealing with the employers' liability for damage done to his workmen in the course of their employment. The history of the various acts embodying this idea, since 1880, showed consistent adherence to the individualist principle that the responsibility of the employer to his employee must be regulated in a manner strictly identical with that governing his responsibility to others, e.g., strangers. With hardly any change in opinion, in 1897, the employer was suddenly made the insurer of his workmen against any damage incurred in the course of their employment, a "thoroughly collectivistic legislation," as Dicey justly remarked. No better proof could be adduced that no change either in the type of interests involved, or in the tendency of the opinions brought to bear on the matter, caused the supplanting of a liberal principle by an anti-liberal one, but exclusively the evolving conditions under which the problem arose and a solution was sought.

Thirdly, there is the indirect, but most striking proof provided by a comparison of the development in various countries of a widely dissimilar political and ideological configuration. Victorian England and the Prussia of Bismarck were poles apart, and both were very much unlike the France of the Third Republic or the Empire of the Hapsburgs. Yet each of them passed through a period of free trade and laissez-faire, followed by a period of anti-liberal legislation in regard to public health, factory conditions, municipal trading, social insurance, shipping subsidies, public utilities, trade associations, and so on. It would be easy to produce a regular calendar setting out the years in which analogous changes occurred in the various countries. Workmen's compensation was enacted in England in 1880 and 1897, in Germany in 1879, in Austria in 1887, in France in 1899; factory inspection was introduced in England in 1833, in Prussia in 1853, in Austria in 1883, in France in 1874 and 1883; municipal trading, including the running of public utilities, was introduced by Joseph Chamberlain, a Dissenter and a capitalist, in Birmingham in the 1870s; by the Catholic "Socialist" and Jew-baiter, Karl Lueger, in the Imperial Vienna of the 1890s; in German and French municipalities by a variety of local coalitions. The supporting forces were

in some cases violently reactionary and antisocialist as in Vienna, at other times "radical imperialist" as in Birmingham, or of the purest liberal hue as with the Frenchman, Edouard Herriot, Mayor of Lyons. In Protestant England, Conservative and Liberal cabinets labored intermittently at the completion of factory legislation. In Germany, Roman Catholics and Social Democrats took part in its achievement; in Austria, the Church and its most militant supporters; in France, enemies of the Church and ardent anticlericals were responsible for the enactment of almost identical laws. Thus under the most varied slogans, with very different motivations a multitude of parties and social strata put into effect almost exactly the same measures in a series of countries in respect of a large number of complicated subjects. There is, on the face of it, nothing more absurd than to infer that they were secretly actuated by the same ideological preconceptions or narrow group interests as the legend of the antiliberal conspiracy would have it. On the contrary, everything tends to support the assumption that objective reasons of a stringent nature forced the hands of the legislators.

Fourthly, there is the significant fact that at various times economic liberals themselves advocated restrictions on the freedom of contract and on laissez-faire in a number of well-defined cases of great theoretical and practical importance. Antiliberal prejudice could, naturally, not have been their motive. We have in mind the principle of the association of labor on the one hand, the law of business corporations on the other. The first refers to the right of workers to combine for the purpose of raising their wages; the latter, to the right of trusts, cartels, or other forms of capitalistic combines, to raise prices. It was justly charged in both cases that freedom of contract or laissez-faire was being used in restraint of trade. Whether workers' associations to raise wages, or trade associations to raise prices were in question, the principle of laissez-faire could be obviously employed by interested parties to narrow the market for labor or other commodities. It is highly significant that in either case consistent liberals from Lloyd George and Theodore Roosevelt to Thurman Arnold and Walter Lippmann subordinated laissez-faire to the demand for a free competitive market; they pressed for regulations and restrictions, for penal laws and compulsion, arguing as any "collectivist" would that the freedom of contract was being

"abused" by trade unions, or corporations, whichever it was. Theoretically, laissez-faire or freedom of contract implied the freedom of workers to withhold their labor either individually or jointly, if they so decided; it implied also the freedom of businessmen to concert on selling prices irrespective of the wishes of the consumers. But in practice such freedom conflicted with the institution of a self-regulating market, and *in such a conflict the self-regulating market was invariably accorded precedence*. In other words, if the needs of a self-regulating market proved incompatible with the demands of laissez-faire, the economic liberal turned against laissez-faire and preferred - as any antiliberal would have done - the so-called collectivist methods of regulation and restriction. Trade union law as well as antitrust legislation sprang from this attitude. No more conclusive proof could be offered of the inevitability of antiliberal or "collectivist" methods under the conditions of modern industrial society than the fact that even economic liberals themselves regularly used such methods in decisively important fields of industrial organization.

Incidentally, this helps to clarify the true meaning of the term "interventionism" by which economic liberals like to denote the opposite of their own policy, but merely betray confusion of thought. The opposite of interventionism is laissez-faire, and we have just seen that economic liberalism cannot be identified with laissez-faire (although in common parlance there is no harm in using them interchangeably). Strictly, economic liberalism is the organizing principle of a society in which industry is based on the institution of a self-regulating market. True, once such a system is approximately achieved, less intervention of one type is needed. However, this is far from saying that market system and intervention are mutually exclusive terms. For as long as that system is not established, economic liberals must and will unhesitatingly call for the intervention of the state in order to establish it, and once established, in order to maintain it. The economic liberal can, therefore, without any inconsistency call upon the state to use the force of law; he can even appeal to the violent forces of civil war to set up the preconditions of a self-regulating market. In America the South appealed to the arguments of laissez-faire to justify slavery; the North appealed to the intervention of arms to establish a free labor market. The accusation of interventionism on the part of liberal writers is thus an empty slogan,

implying the denunciation of one and the same set of actions according to whether they happen to approve of them or not. The only principle economic liberals can maintain without inconsistency is that of the self-regulating market, whether it involves them in interventions or not.

To sum up. The countermove against economic liberalism and *laissez-faire* possessed all the unmistakable characteristics of a spontaneous reaction. At innumerable disconnected points it set in without any traceable links between the interests directly affected or any ideological conformity between them. Even in the settlement of one of the same problem as in the case of workmen's compensation, solutions switched over from individualistic to "collectivistic," from liberal to antiliberal, from "*laissez-faire*" to interventionist forms without any change in the economic interest, the ideological influences or political forces in play, merely as a result of the increasing realization of the nature of the problem in question. Also it could be shown that a closely similar change from *laissez-faire* to "collectivism" took place in various countries at a definite stage of their industrial development, pointing to the depth and independence of the underlying causes of the process so superficially credited by economic liberals to changing moods or sundry interests. Finally, analysis reveals that not even radical adherents of economic liberalism could escape the rule which makes *laissez-faire* inapplicable to advanced industrial conditions; for in the critical case of trade union law and antitrust regulations extreme liberals themselves had to call for manifold interventions of the state, in order to secure against monopolistic compacts the preconditions for the working of a self-regulating market. Even free trade and competition required intervention to be workable. The liberal myth of the "collectivist" conspiracy of the 1870s and 1880s is contrary to all the facts.

Our own interpretation of the double movement on the other hand is borne out by the evidence. For if market economy was a threat to the human and natural components of the social fabric, as we insisted, what else would one expect than an urge on the part of a great variety of people to press for some sort of protection? This was what we found. Also, one would expect this to happen without any theoretical or intellectual preconceptions on their part, and irrespective

of their attitudes toward the principles underlying a market economy. Again, this was the case. Moreover, we suggested that comparative history of government might offer quasi-experimental support of our thesis if particular interests could be shown to be independent of the specific ideologies present in a number of different countries. For this also we could adduce striking evidence. Finally, the behavior of liberals themselves proved that the maintenance of freedom of trade - in our terms, of a self-regulating market - far from excluding intervention, in effect, demanded such action, and that liberals themselves regularly called for compulsory action on the part of the state as in the case of trade union law and anti-trust laws. Thus nothing could be more decisive than the evidence of history as to which of the two contending interpretations of the double movement was correct: that of the economic liberal who maintained that his policy never had a chance, but was strangled by shortsighted trade unionists, Marxist intellectuals, greedy manufacturers, and reactionary landlords; or that of his critics, who can point to the universal "collectivist" reaction against the expansion of market economy in the second half of the nineteenth century as conclusive proof of the peril to society inherent in the Utopian principle of a self-regulating market.

## Freedom in a Complex Society

Nineteenth-century civilization was not destroyed by the external or internal attack of barbarians; its vitality was not sapped by the devastations of World War I nor by the revolt of a socialist proletariat or a fascist lower middle class. Its failure was not the outcome of some alleged laws of economics such as that of the falling rate of profit or of underconsumption or overproduction. It disintegrated as the result of an entirely different set of causes: the measures which society adopted in order not to be, in its turn, annihilated by the action of the self-regulating market. Apart from exceptional circumstances such as existed in North America in the age of the open frontier, the conflict between the market and the elementary requirements of an organized social life provided the century with its dynamics and produced the typical strains and stresses which ultimately

destroyed that society. External wars merely hastened its destruction.

After a century of blind "improvement" man is restoring his "habitation." If industrialism is not to extinguish the race, it must be subordinated to the requirements of man's nature. The true criticism of market society is not that it was based on economics - in a sense, every and any society must be based on it - but that its economy was based on self-interest. Such an organization of economic life is entirely unnatural, in the strictly empirical sense of *exceptional*. Nineteenth-century thinkers assumed that in his economic activity man strove for profit, that his materialistic propensities would induce him to choose the lesser instead of the greater effort and to expect payment for his labor; in short, that in his economic activity he would tend to abide by what they described as economic rationality, and that all contrary behavior was the result of outside interference. It followed that markets were natural institutions, that they would spontaneously arise if only men were let alone. Thus, nothing could be more normal than an economic system consisting of markets and under the sole control of market prices, and a human society based on such markets appeared, therefore, as the goal of all progress. Whatever the desirability or undesirability of such a society on moral grounds, its practicability - this was axiomatic - was grounded in the immutable characteristics of the race.

Actually, as we now know, the behavior of man both in his primitive state and right through the course of history has been almost the opposite from that implied in this view. Frank H. Knight's "no specifically human motive is economic" applies not only to social life in general, but even to economic life itself. The tendency to barter, on which Adam Smith so confidently relied for his picture of primitive man, is not a common tendency of the human being in his economic activities, but a most infrequent one. Not only does the evidence of modern anthropology give the lie to these rationalistic constructs, but the history of trade and markets also has been completely different from that assumed in the harmonistic teachings of nineteenth century sociologists. Economic history reveals that the emergence of national markets was in no way the result of the gradual and spontaneous emancipation of the economic sphere from governmental control. On the contrary, the market has been the outcome of a conscious and often violent

intervention on the part of government which imposed the market organization on society for noneconomic ends. And the self-regulating market of the nineteenth century turns out on closer inspection to be radically different from even its immediate predecessor in that it relied for its regulation on economic self-interest. *The congenital weakness of nineteenth-century society was not that it was industrial but that it was a market society.* Industrial civilization will continue to exist when the Utopian experiment of a self-regulating market will be no more than a memory.

Yet the shifting of industrial civilization onto a new nonmarketing basis seems to many a task too desperate to contemplate. They fear an institutional vacuum or, even worse, the loss of freedom. Need these perils prevail?

Much of the massive suffering inseparable from a period of transition is already behind us. In the social and economic dislocation of our age, in the tragic vicissitudes of the depression, fluctuations of currency, mass unemployment, shiftings of social status, spectacular destruction of historical states, we have experienced the worst. Unwittingly we have been paying the price of the change. Far as mankind still is from having adapted itself to the use of machines, and great as the pending changes are, the restoration of the past is as impossible as the transferring of our troubles to another planet. Instead of eliminating the demonic forces of aggression and conquest, such a futile attempt would actually ensure the survival of those forces, even after their utter military defeat. The cause of evil would become endowed with the advantage, decisive in politics, of representing the possible, in opposition to that which is impossible of achievement however good it may be of intention.

Nor does the collapse of the traditional system leave us in the void. Not for the first time in history may makeshifts contain the germs of great and permanent institutions.

Within the nations we are witnessing a development under which the economic system ceases to lay down the law to society and the primacy of society over that system is secured. This may happen in a great variety of ways, democratic and aristocratic, constitutionalist and authoritarian, perhaps even in a fashion yet utterly unforeseen. The future in some countries may be already the present in others, while some may still embody the



past of the rest. But the outcome is common with them all: the market system will no longer be self-regulating, even in principle, since it will not comprise labor, land, and money.

To take labor out of the market means a transformation as radical as was the establishment of a competitive labor market. The wage contract ceases to be a private contract except on subordinate and accessory points. Not only conditions in the factory, hours of work, and modalities of contract, but the basic wage itself, are determined outside the market; what role accrues thereby to trade unions, state, and other public bodies depends not only on the character of these institutions but also on the actual organization of the management of production. Though in the nature of things wage differentials must (and should) continue to play an essential part in the economic system, other motives than those directly involved in money incomes may outweigh by far the financial aspect of labor.

To remove land from the market is synonymous with the incorporation of land with definite institutions such as the homestead, the cooperative, the factory, the township, the school, the church, parks, wild life preserves, and so on. However widespread individual ownership of farms will continue to be, contracts in respect to land tenure need deal with accessories only, since the essentials are removed from the jurisdiction of the market. The same applies to staple foods and organic raw materials, since the fixing of prices in respect to them is not left to the market. That for an infinite variety of products competitive markets continue to function need not interfere with the constitution of society any more than the fixing of prices outside the market for labor, land, and money interferes with the costing-function of prices in respect to the various products. The nature of property, of course, undergoes a deep change in consequence of such measures since there is no longer any need to allow incomes from the title of property to grow without bounds, merely in order to ensure employment, production, and the use of resources in society.

The removal of the control of money from the market is being accomplished in all countries in our day. Unconsciously, the creation of deposits effected this to a large extent, but the crisis of the gold standard in the 1920s proved that the link between commodity money and token money had by no means been severed. Since

the introduction of "functional finance" in all-important states, the directing of investments and the regulation of the rate of saving have become government tasks.

To remove the elements of production - land, labor, and money - from the market is thus a uniform act only from the viewpoint of the market, which was dealing with them as if they were commodities. From the viewpoint of human reality that which is restored by the disestablishment of the commodity fiction lies in all directions of the social compass. In effect, the disintegration of a uniform market economy is already giving rise to a variety of new societies. Also, the end of market society means in no way the absence of markets. These continue, in various fashions, to ensure the freedom of the consumer, to indicate the shifting of demand, to influence producers' income, and to serve as an instrument of accountancy, while ceasing altogether to be an organ of economic self-regulation.

In its international methods, as in these internal methods, nineteenth-century society was constricted by economics. The realm of fixed foreign exchanges was coincident with civilization. As long as the gold standard and - what became almost its corollary - constitutional regimes were in operation, the balance of power was a vehicle of peace. The system worked through the instrumentality of those Great Powers, first and foremost Great Britain, who were the center of world finance, and pressed for the establishment of representative government in less-advanced countries. This was required as a check on the finances and currencies of debtor countries with the consequent need for controlled budgets, such as only responsible bodies can provide. Though, as a rule, such considerations were not consciously present in the minds of statesmen, this was the case only because the requirements of the gold standard ranked as axiomatic. The uniform world pattern of monetary and representative institutions was the result of the rigid economy of the period.

Two principles of nineteenth-century international life derived their relevance from this situation: anarchistic sovereignty and "justified" intervention in the affairs of other countries. Though apparently contradictory, the two were interrelated. Sovereignty, of course, was a purely political term, for under unregulated foreign trade and the gold standard governments possessed no powers in respect to international economics. They neither could nor would bind their countries in respect

to monetary matters - this was the legal position. Actually, only countries which possessed a monetary system controlled by central banks were reckoned sovereign states. With the powerful Western countries this unlimited and unrestricted national monetary sovereignty was combined with its complete opposite, an unrelenting pressure to spread the fabric of market economy and market society elsewhere. Consequently, by the end of the nineteenth century the peoples of the world were institutionally standardized to a degree unknown before.

This system was hampering both on account of its elaborateness *and* its universality. Anarchistic sovereignty was a hindrance to all effective forms of international cooperation, as the history of the League of Nations strikingly proved; and enforced uniformity of domestic systems hovered as a permanent threat over the freedom of national development, especially in backward countries and sometimes even in advanced, but financially weak countries. Economic cooperation was limited to private institutions as rambling and ineffective as free trade, while actual collaboration between peoples, that is, between governments, could never even be envisaged.

The situation may well make two apparently incompatible demands on foreign policy: it will require closer cooperation between friendly countries than could even be contemplated under nineteenth-century sovereignty, while at the same time the existence of regulated markets will make national governments more jealous of outside interference than ever before. However, with the disappearance of the automatic mechanism of the gold standard, governments will find it possible to drop the most obstructive feature of absolute sovereignty, the refusal to collaborate in international economics. At the same time it will become possible to tolerate willingly that other nations shape their domestic institutions according to their inclinations, thus transcending the pernicious nineteenth-century dogma of the necessary uniformity of domestic regimes within the orbit of world economy. Out of the ruins of the Old World, cornerstones of the New can be seen to emerge: economic collaboration of governments *and* the liberty to organize national life at will. Under the constrictive system of free trade neither of these possibilities could have been conceived of, thus excluding a variety of methods of cooperation between nations. While under

market economy and the gold standard the idea of federation was justly deemed a nightmare of centralization and uniformity, the end of market economy may well mean effective cooperation with domestic freedom.

The problem of freedom arises on two different levels: the institutional and the moral or religious. On the institutional level it is a matter of balancing increased against diminished freedoms; no radically new questions are encountered. On the more fundamental level the very possibility of freedom is in doubt. It appears that the means of maintaining freedom are themselves adulterating and destroying it. The key to the problem of freedom in our age must be sought on this latter plane. Institutions are embodiments of human meaning and purpose. We cannot achieve the freedom we seek, unless we comprehend the true significance of freedom in a complex society.

On the institutional level, regulation both extends and restricts freedom; only the balance of the freedoms lost and won is significant. This is true of juridical and actual freedoms alike. The comfortable classes enjoy the freedom provided by leisure in security; they are naturally less anxious to extend freedom in society than those who for lack of income must rest content with a minimum of it. This becomes apparent as soon as compulsion is suggested in order to more justly spread out income, leisure and security. Though restriction applies to all, the privileged tend to resent it, as if it were directed solely against themselves. They talk of slavery, while in effect only an extension to the others of the vested freedom they themselves enjoy is intended. Initially, there may have to be reduction in their own leisure and security, and, consequently, their freedom so that the level of freedom throughout the land shall be raised. But such a shifting, reshaping and enlarging of freedoms should offer no ground whatsoever for the assertion that the new condition must necessarily be less free than was the old.

Yet there are freedoms the maintenance of which is of paramount importance. They were, like peace, a by-product of nineteenth-century economy, and we have come to cherish them for their own sake. The institutional separation of politics and economics, which proved a deadly danger to the substance of society, almost automatically produced freedom at the cost of justice and security. Civic liberties, private enterprise

and wage-system fused into a pattern of life which favored moral freedom and independence of mind. Here again, juridical and actual freedoms merged into a common fund, the elements of which cannot be neatly separated. Some were the corollary of evils like unemployment and speculator's profits; some belonged to the most precious traditions of Renaissance and Reformation. We must try to maintain by all means in our power these high values inherited from the market-economy which collapsed. This, assuredly, is a great task. Neither freedom nor peace could be institutionalized under that economy, since its purpose was to create profits and welfare, not peace and freedom. We will have consciously to strive for them in the future if we are to possess them at all; they must become chosen aims of the societies toward which we are moving. This may well be the true purport of the present world effort to make peace and freedom secure. How far the will to peace can assert itself once the interest in peace which sprang from nineteenth-century economy has ceased to operate will depend upon our success in establishing an international order. As to personal liberty, it will exist to the degree in which we will deliberately create new safeguards for its maintenance and, indeed, extension. In an established society the right to nonconformity must be institutionally protected. The individual must be free to follow his conscience without fear of the powers that happen to be entrusted with administrative tasks in some of the fields of social life. Science and the arts should always be under the guardianship of the republic of letters. Compulsion should never be absolute; the "objector" should be offered a niche to which he can retire, the choice of a "second-best" that leaves him a life to live. Thus will be secured the right to nonconformity as the hallmark of a free society.

Every move toward integration in society should thus be accompanied by an increase of freedom; moves toward planning should comprise the strengthening of the rights of the individual in society. His indefeasible rights must be enforceable under the law even against the supreme powers, whether they be personal or anonymous. The true answer to the threat of bureaucracy as a source of abuse of power is to create spheres of arbitrary freedom protected by unbreakable rules. For however generously devolution of power is practiced, there will be strengthening of power at the center, and, therefore, danger to individual freedom. This is true

even in respect to the organs of democratic communities themselves, as well as the professional and trade unions whose function it is to protect the rights of each individual member. Their very size might make him feel helpless, even though he had no reason to suspect ill-will on their part. The more so, if his views or actions were such as to offend the susceptibilities of those who wield power. No mere declaration of rights can suffice: institutions are required to make the rights effective. Habeas corpus need not be the last constitutional device by which personal freedom was anchored in law. Rights of the citizen hitherto unacknowledged must be added to the Bill of Rights. They must be made to prevail against all authorities, whether state, municipal, or professional. The list should be headed by the right of the individual to a job under approved conditions, irrespective of his or her political or religious views, or of color and race. This implies guarantees against victimization however subtle it be. Industrial tribunals have been known to protect the individual member of the public even from such agglomerations of arbitrary power as were represented by the early railway companies. Another instance of possible abuse of power squarely met by tribunals was the Essential Works Order in England, or the "freezing of labor" in the United States, during the emergency, with their almost unlimited opportunities for discrimination. Wherever public opinion was solid in upholding civic liberties, tribunals or courts have always been found capable of vindicating personal freedom. It should be upheld at all cost - even that of efficiency in production, economy in consumption or rationality in administration. An industrial society can afford to be free.

The passing of market-economy can become the beginning of an era of unprecedented freedom. Juridical and actual freedom can be made wider and more general than ever before; regulation and control can achieve freedom not only for the few, but for all. Freedom not as an appurtenance of privilege, tainted at the source, but as a prescriptive right extending far beyond the narrow confines of the political sphere into the intimate organization of society itself. Thus will old freedoms and civic rights be added to the fund of new freedom generated by the leisure and security that industrial society offers to all. Such a society can afford to be both just and free.

Yet we find the path blocked by a moral obstacle. Planning and control are being attacked as a denial of freedom. Free enterprise and private ownership are declared to be essentials of freedom. No society built on other foundations is said to deserve to be called free. The freedom that regulation creates is denounced as unfreedom; the justice, liberty and welfare it offers are decried as a camouflage of slavery. In vain did socialists promise a realm of freedom, for means determine ends: the USSR, which used planning, regulation and control as its instruments, has not yet put the liberties promised in her Constitution into practice, and, probably, the critics add, never will. But to turn against regulation means to turn against reform. With the liberal the idea of freedom thus degenerates into a mere advocacy of free enterprise - which is today reduced to a fiction by the hard reality of giant trusts and princely monopolies. This means the fullness of freedom for those whose income, leisure, and security need no enhancing, and a mere pittance of liberty for the people, who may in vain attempt to make use of their democratic rights to gain shelter from the power of the owners of property. Nor is that all. Nowhere did the liberals in fact succeed in reestablishing free enterprise, which was doomed to fail for intrinsic reasons. It was as a result of their efforts that big business was installed in several European countries and, incidentally, also various brands of fascism, as in Austria. Planning, regulation, and control, which they wanted to see banned as dangers to freedom, were then employed by the confessed enemies of freedom to abolish it altogether. Yet the victory of fascism was made practically unavoidable by the liberals' obstruction of any reform involving planning, regulation, or control.

Freedom's utter frustration in fascism is, indeed, the inevitable result of the liberal philosophy, which claims that power and compulsion are evil, that freedom demands their absence from a human community. No such thing is possible; in a complex society this becomes apparent. This leaves no alternative but either to remain faithful to an illusionary idea of freedom and deny the reality of society, or to accept that reality and reject the idea of freedom. The first is the liberal's conclusion; the latter the fascist's. No other seems possible.

Inescapably we reach the conclusion that the very possibility of freedom is in question. If regulation is the

only means of spreading and strengthening freedom in a complex society, and yet to make use of this means is contrary to freedom per se, then such a society cannot be free.

Clearly, at the root of the dilemma there is the meaning of freedom itself. Liberal economy gave a false direction to our ideals. It seemed to approximate the fulfillment of intrinsically Utopian expectations. No society is possible in which power and compulsion are absent, nor a world in which force has no function. It was an illusion to assume a society shaped by man's will and wish alone. Yet this was the result of a market view of society which equated economics with contractual relationships, and contractual relations with freedom. The radical illusion was fostered that there is nothing in human society that is not derived from the volition of individuals and that could not, therefore, be removed again by their volition. Vision was limited by the market which "fragmentated" life into the producers' sector that ended when his product reached the market, and the sector of the consumer for whom all goods sprang from the market. The one derived his income "freely" from the market, the other spent it "freely" there. Society as a whole remained invisible. The power of the state was of no account, since the less its power, the smoother the market mechanism would function. Neither voters, nor owners, neither producers, nor consumers could be held responsible for such brutal restrictions of freedom as were involved in the occurrence of unemployment and destitution. Any decent individual could imagine himself free from all responsibility for acts of compulsion on the part of a state which he, personally, rejected; or for economic suffering in society from which he, personally, had not benefited. He was "paying his way," was "in nobody's debt," and was unentangled in the evil of power and economic value. His lack of responsibility for them seemed so evident that he denied their reality in the name of his freedom.

But power and economic value are a paradigm of social reality. They do not spring from human volition; noncooperation is impossible in regard to them. The function of power is to ensure that measure of conformity which is needed for the survival of the group; its ultimate source is opinion - and who could help holding opinions of some sort or other? Economic value ensures the usefulness of the goods produced; it

must exist prior to the decision to produce them; it is a seal set on the division of labor. Its source is human wants and scarcity - and how could we be expected not to desire one thing more than another? Any opinion or desire will make us participants in the creation of power and in the constituting of economic value. No freedom to do otherwise is conceivable.

We have reached the final stage of our argument.

The discarding of the market **Utopia** brings us face to face with the reality of society. It is the dividing line between liberalism on the one hand, fascism and socialism on the other. The difference between these two is not primarily economic. It is moral and religious. Even where they profess identical economics, they are not only different but are, indeed, embodiments of opposite principles. And the ultimate on which they separate is again freedom. By fascists and socialists alike the reality of society is accepted with the finality with which the knowledge of death has molded human consciousness. Power and compulsion are a part of that reality; an ideal that would ban them from society must be invalid. The issue on which they divide is whether in the light of this knowledge the idea of freedom can be upheld or not; is freedom an empty word, a temptation, designed to ruin man and his works, or can man reassert his freedom in the face of that knowledge and strive for its fulfillment in society without lapsing into moral illusionism?

This anxious question sums up the condition of man. The spirit and content of this study should indicate an answer.

We invoked what we believed to be the three constitutive facts in the consciousness of Western man: knowledge of death, knowledge of freedom, knowledge of society. The first, according to Jewish legend, was revealed in the Old Testament story. The second was revealed through the discovery of the uniqueness of the person in the teachings of Jesus as recorded in the New Testament. The third revelation came to us through living in an industrial society. No one great name attaches to it; perhaps Robert Owen came nearest to becoming its vehicle. It is the constitutive element in modern man's consciousness.

The fascist answer to the recognition of the reality of society is the rejection of the postulate of freedom.

The Christian discovery of the uniqueness of the individual and of the oneness of mankind is negated by fascism. Here lies the root of its degenerative bent.

Robert Owen was the first to recognize that the Gospels ignored the reality of society. He called this the "individualization" of man on the part of Christianity and appeared to believe that only in a cooperative commonwealth could "all that is truly valuable in Christianity" cease to be separated from man. Owen recognized that the freedom we gained through the teachings of Jesus was inapplicable to a complex society. His socialism was the upholding of man's claim to freedom *in such a society*. The post-Christian era of Western civilization had begun, in which the Gospels did not any more suffice, and yet remained the basis of our civilization.

The discovery of society is thus either the end or the rebirth of freedom. While the fascist resigns himself to relinquishing freedom and glorifies power which is the reality of society, the socialist resigns himself to that reality and upholds the claim to freedom, in spite of it. Man becomes mature and able to exist as a human being in a complex society. To quote once more Robert Owen's inspired words: "Should any causes of evil be irremovable by the new powers which men are about to acquire, they will know that they are necessary and unavoidable evils; and childish, unavailing complaints will cease to be made."

Resignation was ever the fount of man's strength and new hope. Man accepted the reality of death and built the meaning of his bodily life upon it. He resigned himself to the truth that he had a soul to lose and that there was worse than death, and founded his freedom upon it. He resigns himself, in our time, to the reality of society which means the end of that freedom. But, again, life springs from ultimate resignation. Uncomplaining acceptance of the reality of society gives man indomitable courage and strength to remove all removable injustice and unfreedom. As long as he is true to his task of creating more abundant freedom for all, he need not fear that either power or planning will turn against him and destroy the freedom he is building by their instrumentality. This is the meaning of freedom in a complex society; it gives us all the certainty that we need.



## READING 13

## Freedom's Just Another Word . . .

David Harvey

For any way of thought to become dominant, a conceptual apparatus has to be advanced that appeals to our intuitions and instincts, to our values and our desires, as well as to the possibilities inherent in the social world we inhabit. If successful, this conceptual apparatus becomes so embedded in common sense as to be taken for granted and not open to question. The founding figures of neoliberal thought took political ideals of human dignity and individual freedom as fundamental, as 'the central values of civilization'. In so doing they chose wisely, for these are indeed compelling and seductive ideals. These values, they held, were threatened not only by fascism, dictatorships, and communism, but by all forms of state intervention that substituted collective judgements for those of individuals free to choose.

Concepts of dignity and individual freedom are powerful and appealing in their own right. Such ideals empowered the dissident movements in eastern Europe and the Soviet Union before the end of the Cold War as well as the students in Tiananmen Square. The student movements that swept the world in 1968 - from Paris and Chicago to Bangkok and Mexico City - were in part animated by the quest for greater freedoms of speech and of personal choice. More generally, these ideals appeal to anyone who values the ability to make decisions for themselves.

The idea of freedom, long embedded in the US tradition, has played a conspicuous role in the US in recent years. '9/11' was immediately interpreted by many as an attack on it. 'A peaceful world of growing freedom', wrote President Bush on the first anniversary of that awful day, 'serves American long-term interests, reflects enduring American ideals and unites America's allies.' 'Humanity', he concluded, 'holds in its hands the opportunity to offer freedom's triumph over all its age-old foes', and 'the United States welcomes its responsibilities to lead in this great mission'. This

language was incorporated into the US National Defense Strategy document issued shortly thereafter. 'Freedom is the Almighty's gift to every man and woman in this world', he later said, adding that 'as the greatest power on earth we have an obligation to help the spread of freedom'.

When all of the other reasons for engaging in a pre-emptive war against Iraq were proven wanting, the president appealed to the idea that the freedom conferred on Iraq was in and of itself an adequate justification for the war. The Iraqis were free, and that was all that really mattered. But what sort of 'freedom' is envisaged here, since, as the cultural critic Matthew Arnold long ago thoughtfully observed, 'freedom is a very good horse to ride, but to ride somewhere'. To what destination, then, are the Iraqi people expected to ride the horse of freedom donated to them by force of arms?

The Bush administration's answer to this question was spelled out on 19 September 2003, when Paul Bremer, head of the Coalition Provisional Authority, promulgated four orders that included 'the full privatization of public enterprises, full ownership rights by foreign firms of Iraqi businesses, full repatriation of foreign profits [...] the opening of Iraq's banks to foreign control, national treatment for foreign companies and [...] the elimination of nearly all trade barriers'. The orders were to apply to all areas of the economy, including public services, the media, manufacturing, services, transportation, finance, and construction. Only oil was exempt (presumably because of its special status as revenue producer to pay for the war and its geopolitical significance). The labour market, on the other hand, was to be strictly regulated. Strikes were effectively forbidden in key sectors and the right to unionize restricted. A highly regressive 'flat tax' (an ambitious tax-reform plan long advocated for implementation by conservatives in the US) was also imposed.

These orders were, some argued, in violation of the Geneva and Hague Conventions, since an occupying power is mandated to guard the assets of an occupied country and not sell them off. Some Iraqis resisted the imposition of what the London *Economist* called a 'capitalist dream' regime upon Iraq. A member of the US-appointed Coalition Provisional Authority forcefully criticized the imposition of 'free market fundamentalism', calling it 'a flawed logic that ignores history'. Though Bremer's rules may have been illegal when imposed by an occupying power, they would become legal if confirmed by a 'sovereign' government. The interim government, appointed by the US, that took over at the end of June 2004 was declared 'sovereign'. But it only had the power to confirm existing laws. Before the handover, Bremer multiplied the number of laws to specify free-market and free-trade rules in minute detail (on detailed matters such as copyright laws and intellectual property rights), expressing the hope that these institutional arrangements would 'take on a life and momentum of their own' such that they would prove very difficult to reverse.

According to neoliberal theory, the sorts of measures that Bremer outlined were both necessary and sufficient for the creation of wealth and therefore for the improved well-being of the population at large. The assumption that individual freedoms are guaranteed by freedom of the market and of trade is a cardinal feature of neoliberal thinking, and it has long dominated the US stance towards the rest of the world. What the US evidently sought to impose by main force on Iraq was a state apparatus whose fundamental mission was to facilitate conditions for profitable capital accumulation on the part of both domestic and foreign capital. I call this kind of state apparatus a *neoliberal state*. The freedoms it embodies reflect the interests of private property owners, businesses, multinational corporations, and financial capital. Bremer invited the Iraqis, in short, to ride their horse of freedom straight into the neoliberal corral.

The first experiment with neoliberal state formation, it is worth recalling, occurred in Chile after Pinochet's coup on the 'little September 11th' of 1973 (almost thirty years to the day before Bremer's announcement of the regime to be installed in Iraq). The coup, against the democratically elected government of Salvador Allende, was promoted by domestic business elites

threatened by Allende's drive towards socialism. It was backed by US corporations, the CIA, and US Secretary of State Henry Kissinger. It violently repressed all the social movements and political organizations of the left and dismantled all forms of popular organization (such as the community health centres in poorer neighbourhoods). The labour market was 'freed' from regulatory or institutional restraints (trade union power, for example). But how was the stalled economy to be revived? The policies of import substitution (fostering national industries by subsidies or tariff protections) that had dominated Latin American attempts at economic development had fallen into disrepute, particularly in Chile, where they had never worked that well. With the whole world in economic recession, a new approach was called for.

A group of economists known as 'the Chicago boys' because of their attachment to the neoliberal theories of Milton Friedman, then teaching at the University of Chicago, was summoned to help reconstruct the Chilean economy. The story of how they were chosen is an interesting one. The US had funded training of Chilean economists at the University of Chicago since the 1950s as part of a Cold War programme to counteract left-wing tendencies in Latin America. Chicago-trained economists came to dominate at the private Catholic University in Santiago. During the early 1970s, business elites organized their opposition to Allende through a group called 'the Monday Club' and developed a working relationship with these economists, funding their work through research institutes. After General Gustavo Leigh, Pinochet's rival for power and a Keynesian, was sidelined in 1975, Pinochet brought these economists into the government, where their first job was to negotiate loans with the International Monetary Fund. Working alongside the IMF, they restructured the economy according to their theories. They reversed the nationalizations and privatized public assets, opened up natural resources (fisheries, timber, etc.) to private and unregulated exploitation (in many cases riding roughshod over the claims of indigenous inhabitants), privatized social security, and facilitated foreign direct investment and freer trade. The right of foreign companies to repatriate profits from their Chilean operations was guaranteed. Export-led growth was favoured over import substitution. The only sector reserved for the state was the key

resource of copper (rather like oil in Iraq). This proved crucial to the budgetary viability of the state since copper revenues flowed exclusively into its coffers. The immediate revival of the Chilean economy in terms of growth rates, capital accumulation, and high rates of return on foreign investments was short-lived. It all went sour in the Latin American debt crisis of 1982. The result was a much more pragmatic and less ideologically driven application of neoliberal policies in the years that followed. All of this, including the pragmatism, provided helpful evidence to support the subsequent turn to neoliberalism in both Britain (under Thatcher) and the US (under Reagan) in the 1980s. Not for the first time, a brutal experiment carried out in the periphery became a model for the formulation of policies in the centre (much as experimentation with the flat tax in Iraq has been proposed under Bremer's decrees).

The fact that two such obviously similar restructurings of the state apparatus occurred at such different times in quite different parts of the world under the coercive influence of the United States suggests that the grim reach of US imperial power might lie behind the rapid proliferation of neoliberal state forms throughout the world from the mid-1970s onwards. While this has undoubtedly occurred over the last thirty years, it by no means constitutes the whole story, as the domestic component of the neoliberal turn in Chile shows. It was not the US, furthermore, that forced Margaret Thatcher to take the pioneering neoliberal path she took in 1979. Nor was it the US that forced China in 1978 to set out on a path of liberalization. The partial moves towards neoliberalization in India in the 1980s and Sweden in the early 1990s cannot easily be attributed to the imperial reach of US power. The uneven geographical development of neoliberalism on the world stage has evidently been a very complex process entailing multiple determinations and not a little chaos and confusion. Why, then, did the neoliberal turn occur, and what were the forces that made it so hegemonic within global capitalism?

## Why the Neoliberal Turn?

The restructuring of state forms and of international relations after the Second World War was designed to

prevent a return to the catastrophic conditions that had so threatened the capitalist order in the great slump of the 1930s. It was also supposed to prevent the re-emergence of inter-state geopolitical rivalries that had led to the war. To ensure domestic peace and tranquillity, some sort of class compromise between capital and labour had to be constructed. The thinking at the time is perhaps best represented by an influential text by two eminent social scientists, Robert Dahl and Charles Lindblom, published in 1953. Both capitalism and communism in their raw forms had failed, they argued. The only way ahead was to construct the right blend of state, market, and democratic institutions to guarantee peace, inclusion, well-being, and stability. Internationally, a new world order was constructed through the Bretton Woods agreements, and various institutions, such as the United Nations, the World Bank, the IMF, and the Bank of International Settlements in Basel, were set up to help stabilize international relations. Free trade in goods was encouraged under a system of fixed exchange rates anchored by the US dollar's convertibility into gold at a fixed price. Fixed exchange rates were incompatible with free flows of capital that had to be controlled, but the US had to allow the free flow of the dollar beyond its borders if the dollar was to function as the global reserve currency. This system existed under the umbrella protection of US military power. Only the Soviet Union and the Cold War placed limits on its global reach.

A variety of social democratic, Christian democratic and dirigiste states emerged in Europe after the Second World War. The US itself turned towards a liberal democratic state form, and Japan, under the close supervision of the US, built a nominally democratic but in practice highly bureaucratic state apparatus empowered to oversee the reconstruction of that country. What all of these various state forms had in common was an acceptance that the state should focus on full employment, economic growth, and the welfare of its citizens, and that state power should be freely deployed, alongside of or, if necessary, intervening in or even substituting for market processes to achieve these ends. Fiscal and monetary policies usually dubbed 'Keynesian' were widely deployed to dampen business cycles and to ensure reasonably full employment. A 'class compromise' between capital and labour was generally advocated as the key guarantor of domestic



peace and tranquillity. States actively intervened in industrial policy and moved to set standards for the social wage by constructing a variety of welfare systems (health care, education, and the like).

This form of political-economic organization is now usually referred to as 'embedded liberalism' to signal how market processes and entrepreneurial and corporate activities were surrounded by a web of social and political constraints and a regulatory environment that sometimes restrained but in other instances led the way in economic and industrial strategy. State-led planning and in some instances state ownership of key sectors (coal, steel, automobiles) were not uncommon (for example in Britain, France, and Italy). The neoliberal project is to disembed capital from these constraints.

Embedded liberalism delivered high rates of economic growth in the advanced capitalist countries during the 1950s and 1960s. In part this depended on the largesse of the US in being prepared to run deficits with the rest of the world and to absorb any excess product within its borders. This system conferred benefits such as expanding export markets (most obviously for Japan but also unevenly across South America and to some other countries of South-East Asia), but attempts to export 'development' to much of the rest of the world largely stalled. For much of the Third World, particularly Africa, embedded liberalism remained a pipe dream. The subsequent drive towards neoliberalization after 1980 entailed little material change in their impoverished condition. In the advanced capitalist countries, redistributive politics (including some degree of political integration of working-class trade union power and support for collective bargaining), controls over the free mobility of capital (some degree of financial repression through capital controls in particular), expanded public expenditures and welfare state-building, active state interventions in the economy, and some degree of planning of development went hand in hand with relatively high rates of growth. The business cycle was successfully controlled through the application of Keynesian fiscal and monetary policies. A social and moral economy (sometimes supported by a strong sense of national identity) was fostered through the activities of an interventionist state. The state in effect became a force field that internalized class relations. Working-class institutions such

as labour unions and political parties of the left had a very real influence within the state apparatus.

By the end of the 1960s embedded liberalism began to break down, both internationally and within domestic economies. Signs of a serious crisis of capital accumulation were everywhere apparent. Unemployment and inflation were both surging everywhere, ushering in a global phase of 'stagflation' that lasted throughout much of the 1970s. Fiscal crises of various states (Britain, for example, had to be bailed out by the IMF in 1975-6) resulted as tax revenues plunged and social expenditures soared. Keynesian policies were no longer working. Even before the Arab-Israeli War and the OPEC oil embargo of 1973, the Bretton Woods system of fixed exchange rates backed by gold reserves had fallen into disarray. The porosity of state boundaries with respect to capital flows put stress on the system of fixed exchange rates. US dollars had flooded the world and escaped US controls by being deposited in European banks. Fixed exchange rates were therefore abandoned in 1971. Gold could no longer function as the metallic base of international money; exchange rates were allowed to float, and attempts to control the float were soon abandoned. The embedded liberalism that had delivered high rates of growth to at least the advanced capitalist countries after 1945 was clearly exhausted and was no longer working. Some alternative was called for if the crisis was to be overcome.

One answer was to deepen state control and regulation of the economy through corporatist strategies (including, if necessary, curbing the aspirations of labour and popular movements through austerity measures, incomes policies, and even wage and price controls). This answer was advanced by socialist and communist parties in Europe, with hopes pinned on innovative experiments in governance in places such as communist-controlled 'Red Bologna' in Italy, on the revolutionary transformation of Portugal in the wake of the collapse of fascism, on the turn towards a more open market socialism and ideas of 'Eurocommunism', particularly in Italy (under the leadership of Berlinguer) and in Spain (under the influence of Carrillo), or on the expansion of the strong social democratic welfare state tradition in Scandinavia. The left assembled considerable popular power behind such programmes, coming close to power in Italy and actually acquiring state power in Portugal, France,

Spain, and Britain, while retaining power in Scandinavia. Even in the United States, a Congress controlled by the Democratic Party legislated a huge wave of regulatory reform in the early 1970s (signed into law by Richard Nixon, a Republican president, who in the process even went so far as to remark that 'we are all Keynesians now'), governing everything from environmental protection to occupational safety and health, civil rights, and consumer protection. But the left failed to go much beyond traditional social democratic and corporatist solutions and these had by the mid 1970s proven inconsistent with the requirements of capital accumulation. The effect was to polarize debate between those ranged behind social democracy and central planning on the one hand (who, when in power, as in the case of the British Labour Party, often ended up trying to curb, usually for pragmatic reasons, the aspirations of their own constituencies), and the interests of all those concerned with liberating corporate and business power and re-establishing market freedoms on the other. By the mid 1970s, the interests of the latter group came to the fore. But how were the conditions for the resumption of active capital accumulation to be restored?

How and why neoliberalism emerged victorious as the single answer to this question is the crux of the problem we have to solve. In retrospect it may seem as if the answer was both inevitable and obvious, but at the time, I think it is fair to say, no one really knew or understood with any certainty what kind of answer would work and how. The capitalist world stumbled towards neoliberalization as the answer through a series of gyrations and chaotic experiments that really only converged as a new orthodoxy with the articulation of what became known as the 'Washington Consensus' in the 1990s. By then, both Clinton and Blair could easily have reversed Nixon's earlier statement and simply said 'We are all neoliberals now.' The uneven geographical development of neoliberalism, its frequently partial and lop-sided application from one state and social formation to another, testifies to the tentativeness of neoliberal solutions and the complex ways in which political forces, historical traditions, and existing institutional arrangements all shaped why and how the process of neoliberalization actually occurred.

There is, however, one element within this transition that deserves specific attention. The crisis of capital

accumulation in the 1970s affected everyone through the combination of rising unemployment and accelerating inflation. Discontent was widespread and the conjoining of labour and urban social movements throughout much of the advanced capitalist world appeared to point towards the emergence of a socialist alternative to the social compromise between capital and labour that had grounded capital accumulation so successfully in the post-war period. Communist and socialist parties were gaining ground, if not taking power, across much of Europe and even in the United States popular forces were agitating for widespread reforms and state interventions. There was, in this, a *dear political* threat to economic elites and ruling classes everywhere, both in the advanced capitalist countries (such as Italy, France, Spain, and Portugal) and in many developing countries (such as Chile, Mexico, and Argentina). In Sweden, for example, what was known as the Rehn-Meidner plan literally offered to gradually buy out the owners' share in their own businesses and turn the country into a worker/share-owner democracy. But, beyond this, the *economic* threat to the position of ruling elites and classes was now becoming palpable. One condition of the post-war settlement in almost all countries was that the economic power of the upper classes be restrained and that labour be accorded a much larger share of the economic pie. In the US, for example, the share of the national income taken by the top 1 per cent of income earners fell from a pre-war high of 16 per cent to less than 8 per cent by the end of the Second World War, and stayed close to that level for nearly three decades. While growth was strong this restraint seemed not to matter. To have a stable share of an increasing pie is one thing. But when growth collapsed in the 1970s, when real interest rates went negative and paltry dividends and profits were the norm, then upper classes everywhere felt threatened. In the US the control of wealth (as opposed to income) by the top 1 per cent of the population had remained fairly stable throughout the twentieth century. But in the 1970s it plunged precipitously as asset values (stocks, property, savings) collapsed. The upper classes had to move decisively if they were to protect themselves from political and economic annihilation.

The coup in Chile and the military takeover in Argentina, promoted internally by the upper classes with US support, provided one kind of solution. The

subsequent Chilean experiment with neoliberalism demonstrated that the benefits of revived capital accumulation were highly skewed under forced privatization. The country and its ruling elites, along with foreign investors, did extremely well in the early stages. Redistributive effects and increasing social inequality have in fact been such a persistent feature of neoliberalization as to be regarded as structural to the whole project. Gérard Duménil and Dominique Lévy, after careful reconstruction of the data, have concluded that neoliberalization was from the very beginning a project to achieve the restoration of class power. After the implementation of neoliberal policies in the late 1970s, the share of national income of the top 1 per cent of income earners in the US soared, to reach 15 per cent (very close to its pre-Second World War share) by the end of the century. The top 0.1 per cent of income earners in the US increased their share of the national income from 2 per cent in 1978 to over 6 per cent by 1999, while the ratio of the median compensation of workers to the salaries of CEOs increased from just over 30 to 1 in 1970 to nearly 500 to 1 by 2000. Almost certainly, with the Bush administration's tax reforms now taking effect, the concentration of income and wealth in the upper echelons of society is continuing apace because the estate tax (a tax on wealth) is being phased out and taxation on income from investments and capital gains is being diminished, while taxation on wages and salaries is maintained.

The US is not alone in this: the top 1 per cent of income earners in Britain have doubled their share of the national income from 6.5 per cent to 13 per cent since 1982. And when we look further afield we see extraordinary concentrations of wealth and power emerging all over the place. A small and powerful oligarchy arose in Russia after neoliberal 'shock therapy' had been administered there in the 1990s. Extraordinary surges in income inequalities and wealth have occurred in China as it has adopted free-market-oriented practices. The wave of privatization in Mexico after 1992 catapulted a few individuals (such as Carlos Slim) almost overnight into Fortune's list of the world's wealthiest people. Globally, 'the countries of Eastern Europe and the CIS have registered some of the largest increases ever [...] in social inequality. OECD countries also registered big increases in inequality after the 1980s', while 'the income gap

between the fifth of the world's people living in the richest countries and the fifth in the poorest was 74 to 1 in 1997, up from 60 to 1 in 1990 and 30 to 1 in 1960'. While there are exceptions to this trend (several East and South-East Asian countries have so far contained income inequalities within reasonable bounds, as has France), the evidence strongly suggests that the neoliberal turn is in some way and to some degree associated with the restoration or reconstruction of the power of economic elites.

We can, therefore, interpret neoliberalization either as a *Utopian* project to realize a theoretical design for the reorganization of international capitalism or as a *political* project to re-establish the conditions for capital accumulation and to restore the power of economic elites. In what follows I shall argue that the second of these objectives has in practice dominated. Neoliberalization has not been very effective in revitalizing global capital accumulation, but it has succeeded remarkably well in restoring, or in some instances (as in Russia and China) creating, the power of an economic elite. The theoretical utopianism of neoliberal argument has, I conclude, primarily worked as a system of justification and legitimation for whatever needed to be done to achieve this goal. The evidence suggests, moreover, that when neoliberal principles clash with the need to restore or sustain elite power, then the principles are either abandoned or become so twisted as to be unrecognizable. This in no way denies the power of ideas to act as a force for historical-geographical change. But it does point to a creative tension between the power of neoliberal ideas and the actual practices of neoliberalization that have transformed how global capitalism has been working over the last three decades.

## The Rise of Neoliberal Theory

Neoliberalism as a potential antidote to threats to the capitalist social order and as a solution to capitalism's ills had long been lurking in the wings of public policy. A small and exclusive group of passionate advocates - mainly academic economists, historians, and philosophers - had gathered together around the renowned Austrian political philosopher Friedrich von Hayek to create the Mont Pelerin Society (named after the Swiss spa where they first met) in 1947 (the notables

included Ludvig von Mises, the economist Milton Friedman, and even, for a time, the noted philosopher Karl Popper). The founding statement of the society read as follows:

The central values of civilization are in danger. Over large stretches of the earth's surface the essential conditions of human dignity and freedom have already disappeared. In others they are under constant menace from the development of current tendencies of policy. The position of the individual and the voluntary group are progressively undermined by extensions of arbitrary power. Even that most precious possession of Western Man, freedom of thought and expression, is threatened by the spread of creeds which, claiming the privilege of tolerance when in the position of a minority, seek only to establish a position of power in which they can suppress and obliterate all views but their own.

The group holds that these developments have been fostered by the growth of a view of history which denies all absolute moral standards and by the growth of theories which question the desirability of the rule of law. It holds further that they have been fostered by a decline of belief in private property and the competitive market; for without the diffused power and initiative associated with these institutions it is difficult to imagine a society in which freedom may be effectively preserved.

The group's members depicted themselves as 'liberals' (in the traditional European sense) because of their fundamental commitment to ideals of personal freedom. The neoliberal label signalled their adherence to those free market principles of neoclassical economics that had emerged in the second half of the nineteenth century (thanks to the work of Alfred Marshall, William Stanley Jevons, and Leon Walras) to displace the classical theories of Adam Smith, David Ricardo, and, of course, Karl Marx. Yet they also held to Adam Smith's view that the hidden hand of the market was the best device for mobilizing even the basest of human instincts such as gluttony, greed, and the desire for wealth and power for the benefit of all. Neoliberal doctrine was therefore deeply opposed to state interventionist theories, such as those of John Maynard Keynes, which rose to prominence in the 1930s in response to the Great Depression. Many

policy-makers after the Second World War looked to Keynesian theory to guide them as they sought to keep the business cycle and recessions under control. The neoliberals were even more fiercely opposed to theories of centralized state planning, such as those advanced by Oscar Lange working close to the Marxist tradition. State decisions, they argued, were bound to be politically biased depending upon the strength of the interest groups involved (such as unions, environmentalists, or trade lobbies). State decisions on matters of investment and capital accumulation were bound to be wrong because the information available to the state could not rival that contained in market signals.

This theoretical framework is not, as several commentators have pointed out, entirely coherent. The scientific rigour of its neoclassical economics does not sit easily with its political commitment to ideals of individual freedom, nor does its supposed distrust of all state power fit with the need for a strong and if necessary coercive state that will defend the rights of private property, individual liberties, and entrepreneurial freedoms. The juridical trick of defining corporations as individuals before the law introduces its own biases, rendering ironic John D. Rockefeller's personal credo etched in stone in the Rockefeller Center in New York City, where he places 'the supreme worth of the individual' above all else. And there are, as we shall see, enough contradictions in the neoliberal position to render evolving neoliberal practices (vis-a-vis issues such as monopoly power and market failures) unrecognizable in relation to the seeming purity of neoliberal doctrine. We have to pay careful attention, therefore, to the tension between the theory of neoliberalism and the actual pragmatics of neoliberalization.

Hayek, author of key texts such as *The Constitution of Liberty*, presciently argued that the battle for ideas was key, and that it would probably take at least a generation for that battle to be won, not only against Marxism but against socialism, state planning, and Keynesian interventionism. The Mont Pelerin group garnered financial and political support. In the US in particular, a powerful group of wealthy individuals and corporate leaders who were viscerally opposed to all forms of state intervention and regulation, and even to internationalism sought to organize opposition to what they saw as an emerging consensus for pursuing

a mixed economy. Fearful of how the alliance with the Soviet Union and the command economy constructed within the US during the Second World War might play out politically in a post-war setting, they were ready to embrace anything from McCarthyism to neoliberal think-tanks to protect and enhance their power. Yet this movement remained on the margins of both policy and academic influence until the troubled years of the 1970s. At that point it began to move centre-stage, particularly in the US and Britain, nurtured in various well-financed think-tanks (offshoots of the Mont Pelerin Society, such as the Institute of Economic Affairs in London and the Heritage Foundation in Washington), as well as through its growing influence within the academy, particularly at the University of Chicago, where Milton Friedman dominated. Neoliberal theory gained in academic respectability by the award of the Nobel Prize in economics to Hayek in 1974 and Friedman in 1976. This particular prize, though it assumed the aura of Nobel, had nothing to do with the other prizes and was under the tight control of Sweden's banking elite. Neoliberal theory, particularly in its monetarist guise, began to exert practical influence in a variety of policy fields. During the Carter presidency, for example, deregulation of the economy emerged as one of the answers to the chronic state of stagflation that had prevailed in the US throughout the 1970s. But the dramatic consolidation of neoliberalism as a new economic orthodoxy regulating public policy at the state level in the advanced capitalist world occurred in the United States and Britain in 1979.

In May of that year Margaret Thatcher was elected in Britain with a strong mandate to reform the economy. Under the influence of Keith Joseph, a very active and committed publicist and polemicist with strong connections to the neoliberal Institute of Economic Affairs, she accepted that Keynesianism had to be abandoned and that monetarist 'supply-side' solutions were essential to cure the stagflation that had characterized the British economy during the 1970s. She recognized that this meant nothing short of a revolution in fiscal and social policies, and immediately signalled a fierce determination to have done with the institutions and political ways of the social democratic state that had been consolidated in Britain after 1945. This entailed confronting trade union power, attacking all

forms of social solidarity that hindered competitive flexibility (such as those expressed through municipal governance, and including the power of many professionals and their associations), dismantling or rolling back the commitments of the welfare state, the privatization of public enterprises (including social housing), reducing taxes, encouraging entrepreneurial initiative, and creating a favourable business climate to induce a strong inflow of foreign investment (particularly from Japan). There was, she famously declared, 'no such thing as society, only individual men and women' - and, she subsequently added, their families. All forms of social solidarity were to be dissolved in favour of individualism, private property, personal responsibility, and family values. The ideological assault along these lines that flowed from Thatcher's rhetoric was relentless. 'Economics are the method', she said, 'but the object is to change the soul.' And change it she did, though in ways that were by no means comprehensive and complete, let alone free of political costs.

In October 1979 Paul Volcker, chairman of the US Federal Reserve Bank under President Carter, engineered a draconian shift in US monetary policy. The long-standing commitment in the US liberal democratic state to the principles of the New Deal, which meant broadly Keynesian fiscal and monetary policies with full employment as the key objective, was abandoned in favour of a policy designed to quell inflation no matter what the consequences might be for employment. The real rate of interest, which had often been negative during the double-digit inflationary surge of the 1970s, was rendered positive by fiat of the Federal Reserve. The nominal rate of interest was raised overnight and, after a few ups and downs, by July 1981 stood close to 20 per cent. Thus began 'a long deep recession that would empty factories and break unions in the US and drive debtor countries to the brink of insolvency, beginning the long era of structural adjustment'. This, Volcker argued, was the only way out of the grumbling crisis of stagflation that had characterized the US and much of the global economy throughout the 1970s.

The Volcker shock, as it has since come to be known, has to be interpreted as a necessary but not sufficient condition for neoliberalization. Some central banks had long emphasized anti-inflationary fiscal responsibility and adopted policies that were closer to monetarism

than to Keynesian orthodoxy. In the West German case this derived from historical memories of the runaway inflation that had destroyed the Weimar Republic in the 1920s (setting the stage for the rise of fascism) and the equally dangerous inflation that occurred at the end of the Second World War. The IMF had long set itself against excessive debt creation and urged, if not mandated, fiscal restraints and budgetary austerity on client states. But in all these cases this monetarism was paralleled by acceptance of strong union power and a political commitment to build a strong welfare state. The turn to neoliberalism thus depended not only on adopting monetarism but on the unfolding of government policies in many other arenas.

Ronald Reagan's victory over Carter in 1980 proved crucial, even though Carter had shifted uneasily towards deregulation (of airlines and trucking) as a partial solution to the crisis of stagflation. Reagan's advisers were convinced that Volcker's monetarist 'medicine' for a sick and stagnant economy was right on target. Volcker was supported in and reappointed to his position as chair of the Federal Reserve. The Reagan administration then provided the requisite political backing through further deregulation, tax cuts, budget cuts, and attacks on trade union and professional power. Reagan faced down PATCO, the air traffic controllers' union, in a lengthy and bitter strike in 1981. This signalled an all-out assault on the powers of organized labour at the very moment when the Volcker-inspired recession was generating high levels of unemployment (10 per cent or more). But PATCO was more than an ordinary union: it was a white-collar union which had the character of a skilled professional association. It was, therefore, an icon of middle-class rather than working-class unionism. The effect on the condition of labour across the board was dramatic - perhaps best captured by the fact that the Federal minimum wage, which stood on a par with the poverty level in 1980, had fallen to 30 per cent below that level by 1990. The long decline in real wage levels then began in earnest.

Reagan's appointments to positions of power on issues such as environmental regulation, occupational safety, and health, took the campaign against big government to ever higher levels. The deregulation of everything from airlines and telecommunications to finance opened up new zones of untrammelled market

freedoms for powerful corporate interests. Tax breaks on investment effectively subsidized the movement of capital away from the unionized north-east and midwest and into the non-union and weakly regulated south and west. Finance capital increasingly looked abroad for higher rates of return. Deindustrialization at home and moves to take production abroad became much more common. The market, depicted ideologically as the way to foster competition and innovation, became a vehicle for the consolidation of monopoly power. Corporate taxes were reduced dramatically, and the top personal tax rate was reduced from 70 to 28 per cent in what was billed as 'the largest tax cut in history'.

And so began the momentous shift towards greater social inequality and the restoration of economic power to the upper class.

There was, however, one other concomitant shift that also impelled the movement towards neoliberalization during the 1970s. The OPEC oil price hike that came with the oil embargo of 1973 placed vast amounts of financial power at the disposal of the oil-producing states such as Saudi Arabia, Kuwait, and Abu Dhabi. We now know from British intelligence reports that the US was actively preparing to invade these countries in 1973 in order to restore the flow of oil and bring down oil prices. We also know that the Saudis agreed at that time, presumably under military pressure if not open threat from the US, to recycle all of their petrodollars through the New York investment banks. The latter suddenly found themselves in command of massive funds for which they needed to find profitable outlets. The options within the US, given the depressed economic conditions and low rates of return in the mid 1970s, were not good. More profitable opportunities had to be sought out abroad. Governments seemed the safest bet because, as Walter Wriston, head of Citibank, famously put it, governments can't move or disappear. And many governments in the developing world, hitherto starved of funds, were anxious enough to borrow. For this to occur required, however, open entry and reasonably secure conditions for lending. The New York investment banks looked to the US imperial tradition both to prise open new investment opportunities and to protect their foreign operations.

The US imperial tradition had been long in the making, and to a great degree defined itself against the

imperial traditions of Britain, France, Holland, and other European powers. While the US had toyed with colonial conquest at the end of the nineteenth century, it evolved a more open system of imperialism without colonies during the twentieth century. The paradigm case was worked out in Nicaragua in the 1920s and 1930s, when US marines were deployed to protect US interests but found themselves embroiled in a lengthy and difficult guerrilla insurgency led by Sandino. The answer was to find a local strongman - in this case Somoza - and to provide economic and military assistance to him and his family and immediate allies so that they could repress or buy off opposition and accumulate considerable wealth and power for themselves. In return they would always keep their country open to the operations of US capital and support, and if necessary promote US interests, both in the country and in the region (in the Nicaraguan case, Central America) as a whole. This was the model that was deployed after the Second World War during the phase of global decolonization imposed upon the European powers at US insistence. For example, the CIA engineered the coup that overthrew the democratically elected Mosaddeq government in Iran in 1953 and installed the Shah of Iran, who gave the oil contracts to US companies (and did not return the assets to the British companies that Mossadeq had nationalized). The Shah also became one of the key guardians of US interests in the Middle Eastern oil region.

In the post-war period, much of the non-communist world was opened up to US domination by tactics of this sort. This became the method of choice to fight off the threat of communist insurgencies and revolution, entailing an anti-democratic (and even more emphatically anti-populist and anti-socialist/communist) strategy on the part of the US that put the US more and more in alliance with repressive military dictatorships and authoritarian regimes (most spectacularly, of course, throughout Latin America). The stories told in John Perkins's *Confessions of an Economic Hit Man* are full of the ugly and unsavoury details of how this was all too often done. US interests consequently became more rather than less vulnerable in the struggle against international communism. While the consent of local ruling elites could be purchased easily enough, the need to coerce oppositional or social democratic movements (such as Allende's in Chile) associated the US with a

long history of largely covert violence against popular movements throughout much of the developing world.

It was in this context that the surplus funds being recycled through the New York investment banks were dispersed throughout the world. Before 1973, most US foreign investment was of the direct sort, mainly concerned with the exploitation of raw material resources (oil, minerals, raw materials, agricultural products) or the cultivation of specific markets (telecommunications, automobiles, etc.) in Europe and Latin America. The New York investment banks had always been active internationally, but after 1973 they became even more so, though now far more focused on lending capital to foreign governments. This required the liberalization of international credit and financial markets, and the US government began actively to promote and support this strategy globally during the 1970s. Hungry for credit, developing countries were encouraged to borrow heavily, though at rates that were advantageous to the New York bankers. Since the loans were designated in US dollars, however, any modest, let alone precipitous, rise in US interest rates could easily push vulnerable countries into default. The New York investment banks would then be exposed to serious losses.

The first major test case of this came in the wake of the Volcker shock that drove Mexico into default in 1982-4. The Reagan administration, which had seriously thought of withdrawing support for the IMF in its first year in office, found a way to put together the powers of the US Treasury and the IMF to resolve the difficulty by rolling over the debt, but did so in return for neoliberal reforms. This treatment became standard after what Stiglitz refers to as a 'purge' of all Keynesian influences from the IMF in 1982. The IMF and the World Bank thereafter became centres for the propagation and enforcement of 'free market fundamentalism' and neoliberal orthodoxy. In return for debt rescheduling, indebted countries were required to implement institutional reforms, such as cuts in welfare expenditures, more flexible labour market laws, and privatization. Thus was 'structural adjustment' invented. Mexico was one of the first states drawn into what was going to become a growing column of neoliberal state apparatuses worldwide.

What the Mexico case demonstrated, however, was a key difference between liberal and neoliberal practice: under the former, lenders take the losses that arise from bad investment decisions, while under the latter

the borrowers are forced by state and international powers to take on board the cost of debt repayment no matter what the consequences for the livelihood and well-being of the local population. If this required the surrender of assets to foreign companies at fire-sale prices, then so be it. This, it turns out, is not consistent with neoliberal theory. One effect, as Dumenil and Levy show, was to permit US owners of capital to

extract high rates of return from the rest of the world during the 1980s and 1990s. The restoration of power to an economic elite or upper class in the US and elsewhere in the advanced capitalist countries drew heavily on surpluses extracted from the rest of the world through international flows and structural adjustment practices.

[...]

## READING 14

# Neoliberalism as Exception, Exception to Neoliberalism

**Aihwa Ong**

*Neoliberalism* seems to mean many different things depending on one's vantage point. In much of the world, it has become a code word for America's overweening power. Asian politicians and pundits view "American neoliberalism" as a strategy of market domination that uses intermediaries such as the International Monetary Fund (IMF) to pry open small economies and expose them to trade policies that play havoc with these nations' present and future economic welfare. For example, in the decade of the emerging Asian economies (1980s-90s), Asian leaders proclaimed that "Asia can say no" to American neoliberalism. Such rhetoric became more vociferous after the "Asian financial crisis" of 1997-8. In popular discourses, *neoliberalism* also represents unregulated financial flows that menaced national currencies and living conditions. South Korean anti-neoliberal protestors who lost their jobs due to imposed economic restructuring sported T-shirts that proclaimed, "IMF means I'M Fired!" In Latin America, the US drive for open markets and privatization is called "savage neoliberalism." Since the invasion of Iraq, critiques of neoliberalism have included the perception that America would stoop to conquest in order to grab oil resources for major corporations. Thus, in the global popular imagination, American neoliberalism is viewed as a radicalized capitalist imperialism that is increasingly tied to lawlessness and military action. As we shall see below, despite such widespread criticism,

Asian governments have selectively adopted neoliberal forms in creating economic zones and imposing market criteria on citizenship.

## Neoliberalism at Large

In the United States, in contrast, *neoliberalism* is seldom part of popular discourse outside the academy. Rather, *market-based policies* and *neoconservatism* are the native categories that code the ensemble of thinking and strategies seeking to eliminate social programs and promote the interests of big capital. *Liberty* has become a word that designates "free economic action" rather than political liberalism, which has become a dirty word. In rather broad terms, one can say that the Democratic Party promotes itself as the defender of individual rights and civil liberties against the excesses of an unfettered, market-driven ethos, while the Republican Party relies on a neoliberal (read neoconservative) discourse of individual solutions to myriad social problems. Both kinds of liberalism focus on free subjects as a basic rationale and target of government, but while the Democrats stress individual and civil freedoms, the Republicans underline individual obligations of self-reliance and self-management. For instance, the conservative columnist William Safire writes that "a Republican brain" chooses values that



"include self-reliance over community dependence, intervention over isolation, self-discipline over society's regulation, finding pleasure in work rather than working to find pleasure." In political life, both kinds of liberal rationalities frequently overlap and fuse, but Republicans have strengthened neoliberalism's hold on America by casting (political) "liberalism" as "un-American." Such partisan debates in fact highlight the chasm that is opening up between political liberal ideals of democracy and the neoliberal rationality of individual responsibility and fate.

Upon his reelection to a second term, President George W. Bush claimed a political "mandate" to transform life in the United States. In a raft of proposed new "market-based policies," he has proposed to dismantle fundamental aspects of American liberal democracy institutionalized since the New Deal, from the privatization of Social Security and health care to the abolition of the progressive tax code. Bush calls his new vision the "ownership society," an explicit claim that American citizenship under his watch will shift toward a primitive, narrow vision of citizenship that includes only property owners, privileging "an independent and egoistical individual" in isolated pursuit of economic self-interest. In his second inaugural address, President Bush was explicit about "preparing our people for the challenges of life in a free society [...] by making every citizen an agent of his or her own destiny." This neoliberal view of citizenship also has the moral support of evangelical Christian groups.

But presidential attempts to marketize politics and reengineer citizenship have not gone unchallenged. Close to half the citizenry has opposed such policies of privatization. For decades, a plethora of protest movements have defended the steady erosion of the civil rights of prisoners, workers, women, homosexuals, minorities, and aliens, to name only a few. They promise to continue the fight to protect individual liberty and the national patrimony. But the Bush administration continues to seek to reverse antipoverty programs, health coverage, environmental protection, and food safety, among other policies, in the spirit if not in the name of neoliberal reason. This cluster of neoliberal logic, religion, rights, and ethics has become the problem-space of American citizenship, with outcomes as yet unknown. Nevertheless, as I mentioned above, since the 1970s, "American neoliberalism" has become a

global phenomenon that has been variously received and critiqued overseas.

## Neoliberalism and Exceptions

This book argues that as a new mode of political optimization, neoliberalism - with a small *n* - is reconfiguring relationships between governing and the governed, power and knowledge, and sovereignty and territoriality. Neoliberalism is often discussed as an economic doctrine with a negative relation to state power, a market ideology that seeks to limit the scope and activity of governing. But neoliberalism can also be conceptualized as a new relationship between government and knowledge through which governing activities are recast as nonpolitical and nonideological problems that need technical solutions. Indeed, neoliberalism considered as a technology of government is a profoundly active way of rationalizing governing and self-governing in order to "optimize." The spread of neoliberal calculation as a governing technology is thus a historical process that unevenly articulates situated political constellations. An ethnographic perspective reveals specific alignments of market rationality, sovereignty, and citizenship that mutually constitute distinctive milieus of labor and life at the edge of emergence.

I focus on the active, interventionist aspect of neoliberalism in non-Western contexts, where *neoliberalism as exception* articulates sovereign rule and regimes of citizenship. Of course, the difference between *neoliberalism as exception* and *exceptions to neoliberalism* hinges on what the "normative order" is in a particular milieu of investigation. This book focuses on the interplay of exceptions in emerging countries where neoliberalism itself is not the general characteristic of technologies of governing. We find neoliberal interventions in liberal democracies as well as in postcolonial, authoritarian, and post-socialist situations in East and Southeast Asia. Thus neoliberalism as exception is introduced in sites of transformation where market-driven calculations are being introduced in the management of populations and the administration of special spaces. The articulation of neoliberal exceptions, citizenship, and sovereignty produces a range of possible anthropological problems and outcomes.

At the same time, *exceptions to neoliberalism* are also invoked, in political decisions, to exclude populations and places from neoliberal calculations and choices. Exceptions to neoliberalism can be modes for protecting social safety nets or for stripping away all forms of political protection. In Russia, for instance, subsidized housing and social rights are preserved even when neoliberal techniques are introduced in urban budgetary practices. At the same time, in Southeast Asia, exceptions to neoliberalism exclude migrant workers from the living standards created by market-driven policies. In other words, exceptions to neoliberalism can both preserve welfare benefits for citizens and exclude noncitizens from the benefits of capitalist development.

But there is an overlap in the workings of neoliberal exceptions and exceptions to market calculations. Populations governed by neoliberal technologies are dependent on others who are excluded from neoliberal considerations. The articulation of populations and spaces subjected to neoliberal norms and those outside the purview of these norms crystallizes ethical dilemmas, threatening to displace basic values of social equality and shared fate. The chapters that follow present diverse ethnographic milieus where the interplay of exceptions, politics, and ethics constitutes a field of vibrant relationships. New forms of governing and being governed and new notions of what it means to be human are at the edge of emergence.

In this approach, I bring together two concepts - neoliberalism and exception - that others have dealt with separately. Neoliberalism as a technology of governing relies on calculative choices and techniques in the domains of citizenship and of governing. Following Foucault, "governmentality" refers to the array of knowledges and techniques that are concerned with the systematic and pragmatic guidance and regulation of everyday conduct. As Foucault puts it, governmentality covers a range of practices that "constitute, define, organize and instrumentalize the strategies that individuals in their freedom can use in dealing with each other." Neoliberal governmentality results from the infiltration of market-driven truths and calculations into the domain of politics. In contemporary times, neoliberal rationality informs action by many regimes and furnishes the concepts that inform the government of free individuals who are then induced

to self-manage according to market principles of discipline, efficiency, and competitiveness.

The political exception, in Carl Schmitt's formulation, is a political decision that is made outside the juridical order and general rule. Schmitt has argued that "the sovereign produces and guarantees the situation in its totality. He has monopoly over this last decision. Therein lies the essence of the state's sovereignty, which must be juridically defined correctly, not as the monopoly to coerce or to rule, but as the monopoly to decide." The condition of exception is thus a political liminality, an extraordinary decision to depart from a generalized political normativity, to intervene in the logics of ruling and of being ruled. The Schmittian exception is invoked to delineate friends and foes in a context of war. Giorgio Agamben has used the exception as a fundamental principle of sovereign rule that is predicated on the division between citizens in a juridical order and outsiders stripped of juridical-political protections.

In contrast, I conceptualize the exception more broadly, as an extraordinary departure in policy that can be deployed to include as well as to exclude. As conventionally understood, the sovereign exception marks out excludable subjects who are denied protections. But the exception can also be a positive decision to include selected populations and spaces as targets of "calculative choices and value-orientation" associated with neoliberal reform. In my formulation, we need to explore the hinge between neoliberalism as exception and exception to neoliberalism, the interplay among technologies of governing and of disciplining, of inclusion and exclusion, of giving value or denying value to human conduct. The politics of exception in an era of globalization has disquieting ethicopolitical implications for those who are included as well as those who are excluded in shifting technologies of governing and of demarcation. This book will explore how the market-driven logic of exception is deployed in a variety of ethnographic contexts and the ethical risks and interrogations set in motion, unsettling established practices of citizenship and sovereignty.

Interrelationships among exceptions, politics, and citizenship crystallize problems of contemporary living, and they also frame ethical debates over what it means to be human today. For instance, neoliberal exceptions have been variously invoked in Asian settings to

recalculate social criteria of citizenship, to remoralize economic action, and to redefine spaces in relation to market-driven choices. These articulations have engendered a range of contingent and ambiguous outcomes that cannot be predicted beforehand. Neoliberal decisions have created new forms of inclusion, setting apart some citizen-subjects, and creating new spaces that enjoy extraordinary political benefits and economic gain. There is the Schmittian exception that abandons certain populations and places them outside political normativity. But articulations between neoliberal exceptions and exceptions to neoliberalism have multiplied possibilities for moral claims and values assigned to various human categories, so that different degrees of protection can be negotiated for the politically excluded.

The yoking of neoliberalism and exception, I suggest, has the following implications for our understanding of how citizenship and sovereignty are mutating in articulation and disarticulation with neoliberal reason and mechanisms. First, a focus on neoliberalism recasts our thinking about the connection between government and citizenship as a strictly juridical-legal relationship. It is important to trace neoliberal technology to a biopolitical mode of governing that centers on the capacity and potential of individuals and the population as living resources that may be harnessed and managed by governing regimes. *Neoliberalism* as used here applies to two kinds of optimizing technologies. *Technologies of subjectivity* rely on an array of knowledge and expert systems to induce self-animation and self-government so that citizens can optimize choices, efficiency, and competitiveness in turbulent market conditions. Such techniques of optimization include the adherence to health regimes, acquisition of skills, development of entrepreneurial ventures, and other techniques of self-engineering and capital accumulation. *Technologies of subjection* inform political strategies that differentially regulate populations for optimal productivity, increasingly through spatial practices that engage market forces. Such regulations include the fortification of urban space, the control of travel, and the recruitment of certain kinds of actors to growth hubs.

As an intervention of optimization, neoliberalism interacts with regimes of ruling and regimes of citizenship to produce conditions that change administrative

strategies and citizenship practices. It follows that the infiltration of market logic into politics conceptually unsettles the notion of citizenship as a legal status rooted in a nation-state, and in stark opposition to a condition of statelessness. Furthermore, the neoliberal exception articulates citizenship elements in political spaces that may be less than the national territory in some cases, or exceed national borders in others.

The elements that we think of as coming together to create citizenship - rights, entitlements, territoriality, a nation - are becoming disarticulated and rearticulated with forces set into motion by market forces. On the one hand, citizenship elements such as entitlements and benefits are increasingly associated with neoliberal criteria, so that mobile individuals who possess human capital or expertise are highly valued and can exercise citizenship-like claims in diverse locations. Meanwhile, citizens who are judged not to have such tradable competence or potential become devalued and thus vulnerable to exclusionary practices. On the other hand, the territoriality of citizenship, that is, the national space of the homeland, has become partially embedded in the territoriality of global capitalism, as well as in spaces mapped by the interventions of nongovernmental organizations (NGOs). Such overlapping spaces of exception create conditions for diverse claims of human value that do not fit neatly into a conventional notion of citizenship, or of a universal regime of human rights. In short, components of citizenship have developed separate links to new spaces, becoming rearticulated, redefined, and reimagined in relation to diverse locations and ethical situations. Such de- and re-linking of citizenship elements, actors, and spaces have been occasioned by the dispersion and realignment of market strategies, resources, and actors.

Second, neoliberalism as exception refines the study of state sovereignty, long conceptualized as a political singularity. One view is of the state as a machine that steamrolls across the terrain of the nation, or that will eventually impose a uniform state bureaucracy. In actual practice, sovereignty is manifested in multiple, often contradictory strategies that encounter diverse claims and contestations, and produce diverse and contingent outcomes. In the course of interactions with global markets and regulatory institutions, I maintain, sovereign rule invokes the exception to create new economic possibilities, spaces, and techniques for

governing the population. The neoliberal exception allows for a measure of sovereign flexibility in ways that both fragment and extend the space of the nation-state. For instance, in Southeast and East Asia, zoning technologies have carved special spaces in order to achieve strategic goals of regulating groups in relation to market forces. The spatial concentration of strategic political, economic, and social conditions attracts foreign investment, technology transfer, and international expertise to particular zones of high growth. Market-driven strategies of spatial fragmentation respond to the demands of global capital for diverse categories of human capital, thus engendering a pattern of noncontiguous, differently administered spaces of "graduated" or "variegated sovereignty." Furthermore, as corporations and NGOs exert indirect power over various populations at different political scales, we have an emergent situation of overlapping sovereignties.

For instance, technologies of optimization are repositioning the metropolis as a hub for enrolling networks of resources and actors, making the metropolis the hub of a distinctive ecosystem. Saskia Sassen has proposed an influential model of a few "global cities" - New York, London, and Tokyo - that control key functions and services that sustain global circuits. This transnational urban system dominates "cities in the global south which are mostly in the mid-range of the global hierarchy." The explosive growth of Shanghai, Hong Kong, and Singapore suggests the rise of a different kind of space-time synergy prompted by neoliberal exceptions. Market-driven calculations create novel possibilities for combining and recombining external and internal elements to reposition these cities as the sites of emergence and new circulations.

Situated mobilizations of strategic knowledge, resources, and actors configure vibrating webs of interaction, that is, space-time "ecosystems" that extend the scope of hypergrowth zones. This governmentality-as-ecology strategy does not seek to fit emerging Asian centers into a preexisting transnational urban system. Rather, the logic is to reposition the hometown (*oikos*) in its self-spun web of symbiotic relationships among diverse elements (ecosystem) for the strategic production of specific material and social values. This Microsoft-like approach creates "platforms" - "services, tools, or technologies - that other members of the ecosystem can use to enhance their own performance." It is a hub

strategy that uses capital not to perform conventional city functions but to leverage their relationships for innovative collaborations with global companies and research institutions that become intertwined with the future of the site.

Third, the calculative mechanisms of open markets articulate new arrangements and territorializations of capital, knowledge, and labor across national borders. Michael Hardt and Antonio Negri's influential book, *Empire*, contends that economic globalization has produced a uniform global labor regime. But the complex interactions between diverse zones and particular networks challenge sweeping claims about a unified landscape of labor regulation. Rather, I argue, different vectors of capital construct spaces of exception - "latitudes" - that coordinate different axes of labor regulation and of labor disciplining. Lateral production systems permit the stretching of governmentality as well as coercive labor regimes across multiple sites. Latitudinal spaces are thus formed by a hybrid mix of regulatory and carceral labor regimes that can operate with little regard for labor rights across far-flung zones. Nevertheless, the latitudinal controls are subject to unexpected and unbidden challenges that rise intermittently from mobilities of labor among various sites.

Fourth, neoliberalism, as an ethos of self-governing, encounters and articulates other ethical regimes in particular contexts. Market rationality that promotes individualism and entrepreneurialism engenders debates about the norms of citizenship and the value of human life. For instance, in Southeast Asia, the neoliberal exception in an Islamic public sphere catalyzes debates over female virtue. *Ulamas* resist the new autonomy of working women, while feminists claim a kind of gender equality within the limits of Islam. Contrary to the perception that transnational humanitarianism replaces situated ethics, questions of status and morality are problematized and resolved in particular milieus shaped by economic rationality, religious norms, and citizenship values.

Indeed, different degrees of political and moral claims by the politically marginalized can be negotiated in the shifting nexus of logics and power. There are conceptual limits to models that pose a simple opposition between normalized citizenship and bare life. Giorgio Agamben draws a stark contrast between citizens who enjoy juridical rights and excluded groups who dwell

in "a zone of indistinction." But ethnographic study of particular situations reveals that negotiations on behalf of the politically excluded can produce indeterminate or ambiguous outcomes. Indeed, this is the complex work of NGOs everywhere, to identify and articulate moral problems and claims in particular milieus. At times, even business rationality may be invoked in seeking sheer survival for those bereft of citizenship or citizenship-like protections. Humanitarian interventions do not operate in a one-size-fits-all manner but must negotiate the shifting field of criss-crossing relationships.

Neoliberalism as exception articulates a constellation of mutually constitutive relationships that are not reducible to one or the other. Rather, ethnographic

exploration reveals novel interactions between market-driven mechanisms and situated practices in space-time interrelationships through which problems are resolved. Technologies of self-governing articulate elements of citizenship, self-enterprising values are translated into movable social entitlements, and mobile entrepreneurial subjects can claim citizenship-like benefits in multiple locations. Meanwhile, the neoliberal exception in governing constructs political spaces that are differently regulated and linked to global circuits. Such reflexive techniques of social engineering and the reengineering of the self interact with diverse ethical regimes, crystallizing contemporary problems of citizenship and ethical living.

# Structural Adjustment

In order to receive aid from global economic organizations such as the IMF and the World Bank, receiving nations have had to agree to restructure their economies and societies in line with neoliberal theory. Loans were given, but receiving nations had to agree to various economic reforms (e.g. cutting the size of government and its welfare system, privatization) that facilitated foreign investment and that led to free markets. This came to be known as "structural adjustment," a term first coined by the then World Bank President Robert McNamara in the late 1970s. It, like the closely associated "neoliberalism" (chapter 4), came to be despised by various academic critics as well as by those who lived in less developed nations and who were forced to undergo various structural adjustments in order to receive economic assistance.

Glassman and Carmody look at the economic impact of structural adjustment programs in Latin America in the late twentieth century. They associate structural adjustment with a number of negative economic consequences such as deindustrialization caused, at least in part, by high interest rates. Another negative effect was an increase in economic inequality as the rich grew richer while poverty increased. Control over local economies was increasingly in the hands of large multinational corporations (MNCs) and this served to weaken indigenous enterprise. Turning to Asia in

the 1990s, they find similar negative economic effects such as increased unemployment, declining wages, a weakening of labor unions, and increases in poverty. On the other hand, well-to-do domestic and foreign investors tended to prosper as a result of structural adjustment programs. For these reasons and others, Glassman and Carmody pull no punches in concluding that structural adjustment programs "are clearly wrong for Asia."

Sarah Babb finds mixed conclusions in the literature on the economic impacts of structural adjustment programs (SAPs), but she focuses her attention on the evidence on, and debates about, the social consequences of structural adjustment for developing countries, especially in Latin America and the Caribbean.

Politically she finds that, when engaged in structural adjustment, states do less of some things (e.g. they are less directly involved in production) but more of other things (e.g. they strengthen private property and they make tax systems more regressive). They also encourage increased foreign direct investment (FDI). While these things tend to move those states in the direction of the American model of regulatory capitalism, there are important differences because markets have been transplanted to alien worlds, other societies often overshoot and go beyond the American model, and there is an erosion of social citizenship in many of these

societies with a decline in the power of citizens and states *vis-a-vis* private investors.

A second set of impacts relates to the class structure. While differences between nations are less clear, it is the case that there is an increase in within-nation inequality. Among the causes of this increase in inequality are de-agriculturalization leading to less work for peasants, downsizing and layoffs resulting from the privatization of state-owned firms, high interest rates used to fight inflation, and an overall strain on labor markets.

Third, there is a rise in transnational networks. Most notable here is the rise of powerful global production networks involving, among others, MNCs. However, transnationalism (see chapter 7) is not restricted to the corporations as migrant workers also develop such networks (and use them, among other ways, to send remittances back home when they find work in other countries). Structural adjustment programs can also play a role in spawning border-spanning resistance movements.

Abouharb and Cingranelli look at the effects of SAPs undertaken by the World Bank between 1981 and 2000. They find that the overall effect of structural adjustment agreements (SAAs) "is to worsen government respect for physical integrity rights. Torture, political imprisonment, extra-judicial killing, and disappearances were all more likely to occur when a structural adjustment loan had been received and implemented."<sup>2</sup> They contrast their more critical orientation to a positive, neoliberal model of the direct effects of SAAs. In that model, rapid economic liberalization is seen as having a positive effect on human rights. They also look at various indirect effects of SAAs including less respect for economic rights, more domestic conflict,

less democracy, and ultimately less respect for physical integrity rights. The authors then review other work on this topic and find that it generally confirms their critical perspective on SAAs.

In their conclusion, Abouharb and Cingranelli make it clear that the World Bank "probably" does not intend the negative outcomes they describe.<sup>3</sup> Among other things, the World Bank is publicly committed to good governance and sound human rights practices as ways to promote economic development; it is more likely to give loans to countries with positive records on such matters; and human rights practices improved in various nations in the early years of a loan, probably to impress the Bank.

Lloyd and Weissman found that both IMF and World Bank policies tend to undermine both labor power and the rights of labor. Among other things, these policies lead to a shrinking government labor force, privatization, greater labor flexibility including greater freedom to fire workers, wage reductions, and changes in pension programs that result in the need for people to work longer, to pay more for their pensions, but to get lesser amounts.

While there is much criticism of structural adjustment from many directions, Scott argues that at least in the case of Africa, failures there cannot be blamed on the IMF. Rather, he blames Africa's economic problems on its own corrupt leadership. He reviews various IMF programs - devaluation, reductions in government deficits, market prices, and privatization - and finds that in the main they have the potential to be helpful in Africa. Perhaps the most important thing that the IMF could do is to reduce corruption, but the problem of corruption is inadequately treated in IMF programs.

## NOTES.....

1 Jim Glassman and Padraig Carmody, "Structural Adjustment in East and Southeast Asia: Lessons from Latin America." *Geoforum* 32, 2001:87.

2 M. Rodwan Abouharb and David L. Cingranelli,

"The Human Rights Effects of World Bank Structural Adjustment, 1981-2000." *International Studies Quarterly* 50, 2006: 234.

3 *Ibid.*, 256.



## READING 15

# Structural Adjustment in East and Southeast Asia: Lessons from Latin America

**Jim Glassman and Pdraig Carmody**

## 1 Introduction

The Asian economic crisis, which began in 1997, is a historical watershed. Should the crisis serve to derail the Asian "miracle" economies, it may usher in a new period in the geography of the global economy in which few, if any, developing countries can be optimistic about the prospects for rapid industrial growth - the Asian newly industrializing countries (NICs) having been the primary industrialization success stories in recent decades.

The crisis has also had important impacts on development theory and practice, for example with divisions emerging between the International Monetary Fund (IMF) and its supporters and the World Bank and various others who have argued that conventional structural adjustment programs (SAPs) are "the wrong medicine for Asia". While not questioning the general thrust of economic liberalization, these critics argue that the "demand reducing" elements of SAPs are designed for countries with large public sectors and substantial public debts such as those in sub-Saharan Africa, Eastern Europe, and Latin America, but that they are inappropriate for the Asian NICs, which for the most part have had relatively small states and debts which are largely held by the private sector.

We concur with the mainstream critics that the IMF's approach is the wrong medicine for Asia. However, this approach has also been inappropriate for countries elsewhere. Rather than the Asian economic crisis being the result of "cronyism" or corruption, which was then punished by international capital markets, we argue that it was the outcome of contradictions inherent in a globalized capitalist economy, and liberalization which exposed Asian countries to these contradictions.

Consequently, further marketization is likely to have systematically negative consequences for the Asian NICs. Seeing what these consequences are likely to be requires an examination of countries which have already implemented SAPs.

Not long ago, it was common to see work on development studies which ruminated on what Latin America could learn from the Asian "tigers". It is now appropriate to shift our geographic perspective and examine what East and Southeast Asia can learn from the experiences of structural adjustment in Latin America during the 1980s and 1990s, if more equitable and sustainable development strategies are to be implemented.

[...] In Section 2, we briefly describe the context and nature of SAPs. [...] In Section 5; we revisit the process of structural adjustment in Latin America, highlighting some of its major outcomes and relating these to broader crisis tendencies inherent in capitalist economies. In particular, we suggest that SAPs have interlocking core-periphery and class dimensions, as well as potential political consequences, which have negative implications for popular classes. In Section 6, we [...] [show] how the features of SAPs which exacerbated inequality and undermined industrial growth in Latin America are already having similar effects in the Asian NICs, and how these may increase the risks of future crises. We conclude by discussing alternatives to neoliberalism.

## 2 Global Structural Adjustment

Since the early 1970s the global economy has been in crisis. In the industrial countries this has been manifest



in deindustrialization and falling real wages for the majority of the workforce. The breakdown of the Bretton Woods system of fixed exchange rates in the 1970s unleashed intense competitive pressures worldwide. Subsequently, the introduction of monetarist economic policies in the core countries in the late 1970s and early 1980s drove global interest rates dramatically higher and triggered a debt crisis in the developing world. Since that time developing countries have been called on to restructure their economies to correct resulting "disequilibrium" under the auspices of the world's two most powerful international financial institutions (IFIs) the World Bank and the IMF.

Structural adjustment is a policy package of "free market" economic reforms sponsored by the IFIs. Initially structural adjustment programs (SAPs) were introduced to offset what were seen as temporary balance of payments problems in developing countries resulting from increased oil prices and interest rates in the late 1970s. However, with the debt crisis, which broke in 1982, structural adjustment programs became more widespread and long-lived than was initially anticipated.

Structural adjustment consists of two distinct elements: macro-economic "stabilization" the purview of the IMF, and "structural adjustment" which entails the restructuring of the economy towards export-orientation under the auspices of the World Bank. Together the combined package is commonly known as "structural adjustment".

The stabilization phase of adjustment focuses on demand restraint policies, usually effected by large reductions in government expenditure via measures such as subsidy removals, public sector employment cuts, and the introduction of user fees (for social services) [...] Structural adjustment involve(s) a realignment of the real exchange rate (through devaluation), privatization, liberalization of interest rates, and tax reform, including reductions in import/export barriers (removal/reduction of tariffs, quotas, and taxes) in order to improve the economy's relative trading position).

In the last 20 years, the vast majority of countries in the developing world have undergone a structural adjustment program. With the onset of the Asian

economic crisis a number of countries there have also adopted them.

#### 4 Embedding Structural Adjustment Programs in Place and Class: Theoretical Issues

The IMF and its structural adjustment policies have been criticized from a variety of perspectives. In particular we want to focus on the implications of SAPs for core/periphery and inter-class relations, as well as suggesting the gendering of some of their outcomes. The net results of structural adjustment are to subordinate peripheral economies to transnational corporations (TNCs), international banks, and core area governments; to generate greater inequality in the distribution of wealth and income between classes; and frequently to place a disproportionate share of the burden of adjustment on women. We also argue that in order to gain implementation against popular disapproval, structural adjustment frequently takes on politically authoritarian characteristics.

The global economic crisis which began in the 1970s has been worked out by the burden of adjustment being passed down from economically stronger areas and social forces to weaker and less politically organized ones. In the first instance, the IMF's insistence on currency convertibility and liberalization fosters domination of the periphery from the core by allowing relatively stronger capitals to dominate weaker capitals on an international level. This is largely so because liberalization of capital flows increases the power of international over domestic investors within a national economy. Meanwhile open trade and capital regimes help capital dominate labor by providing tools to resist working class demands for improved wages and social services. Thus SAPs typically allow local elites to pass the costs of adjustment onto the popular classes, because the participation of these elites is necessary in order for the IMF's agenda to be implemented. Within the popular classes, insofar as gender relations are already inegalitarian, women frequently end up taking on a disproportionate share of the burdens of adjustment. These tendencies are illustrated in Latin America.

## 5 Economic and Social Restructuring in Latin American NICs under Liberalization: Deindustrialization, Poverty, and Income Inequality

Two of the most pressing needs in developing countries are to reduce the level of unemployment and to diversify economies so that they are better able to withstand external shocks. One of the best ways to meet these needs is through the development of a competitive manufacturing sector that is labor-absorptive. However, structural adjustment causes deindustrialization in a number of ways. High interest rate policies detract from productive investment and negatively affect the balance sheets of companies already in debt. Simultaneously other "demand reducing policies" result in contraction of the domestic market, and trade liberalization may expose domestic producers to competitive displacement from overseas.

The experience of Chile is often invoked to justify the policies of the World Bank and the IMF. However, General Pinochet's post-1973 "stabilization" of the economy under IMF guidance resulted in deindustrialization, an absolute reduction in the number of manufacturing jobs, low investment and the reduction of productive capacity. The situation came to a head in 1981 as it was no longer possible "for firms to continue paying annual average real interest rates of 25-30%, while during the previous six years (1975-81) output had grown at an annual rate of only 7%". In some cases financial repayments rose to 50% of the total sales for firms. Consequently in 1982 there were record numbers of plant closures, capital flight and a "desubstitution of imports". From 1967 to 1982, total manufacturing employment fell from 327,013 to 223,138, with some sub-sectors, such as textiles, particularly hard hit.

In Chile, as in East Asia, economic liberalization was associated with the development of a financial "bubble". According to Barros external debt increased significantly after 1974, but much of this was not being used to finance domestic capital formation, but rather increasing amounts of non-traditional imports. This led to an appreciation of the real exchange rate, and a massive increase in the current account deficit. In the Southern Cone of Latin America, the IMF and World Bank have "repeatedly supported combinations of

exchange rate appreciation and capital market liberalization which were doomed to fail".

SAPs also tend to be highly regressive in terms of their impact on income distribution. Indeed the motivation of such programs is partly to increase the profit share to "revive" the private sector economy. In response to the crisis which was driven by liberalization, Chile implemented the SAPs during all but one year between 1983 and 1990. Whereas the Asian NICs were noted for their "growth with equity", with often rapidly rising real wages, in Chile from 1981 to 1990 real wages dropped at an annual average of 5%, ending up 10% lower than they had been in 1970. Unemployment averaged 20% during 1974-87, compared to 6% in the 1960s, and by 1990 the richest 10% of Chileans had increased their share of the national income to 47%. Meanwhile, whereas only 17% of Chilean households lived below the poverty line in 1970, this had increased to 38% in 1986, declining only slightly (to 35%) by 1990. When the newly elected democratic government took over in 1990, it adopted a significantly less liberal policy regime.

Mexico's experience with SAPs was similar. The previous development strategy was one of import-substitution. However with the advent of the debt crisis, Mexico implemented SAPs in six out of eight years between 1983 and 1990. In contrast to predictions, however, this resulted in a shift not to export-oriented, but to import-oriented industrialization.

From the late 1980s the share of foreign direct to portfolio investment in Mexico declined dramatically. Mexico was able to attract substantial portfolio investment because it had previously met all the IMF conditions, and, as in many of the Asian NICs, the Mexican government pegged the peso to the US dollar. This led to an overvaluation of the exchange rate which hurt Mexico's export competitiveness and encouraged imports. Consequently the trade deficit increased from 0.51% of GDP in 1988 to 6.98% in 1992.

Given the over-valued exchange rate, and the consequent cheapness of imports, there were disincentives to invest in productive economic activity. Within the manufacturing sector dualism increased, as those subsectors associated with transnational investment or domestic oligopolies experienced rapid growth, whereas many more traditional domestically-oriented industries, such as textiles experienced a process of deindustrialization. According to Dussel Peters the main features of structural change

in manufacturing in Mexico "are its heterogeneity, concentration and exclusion as well as a significant tendency to lose backward and forward linkages within the domestic economy". This may forebode the future trajectory of much of the manufacturing sector in East and Southeast Asia, as foreign investors have rushed in to buy up highly indebted companies at bargain prices after the devaluation of the region's currencies.

In terms of income distribution in Mexico: after the financial crisis of 1982-91, the purchasing power of the minimum wages dropped by 66%, in part the effect of repeated currency devaluations. This reduced the purchasing power of the minimum wages to just half of what it was during the years 1936-8.

While structural adjustment has been catastrophic for Mexico's popular classes, it has opened up new opportunities in trade and finance for the elite and increased the scale of concentration in the industrial sector. From 1988 to 1994 the number of billionaires in US dollar terms rose from 2 to 24 and by 1994, assets of the richest individual in Mexico exceeded the combined assets of the poorest 17 million. Moreover, the renewed financial crisis of 1994 forced another round of devaluation and pushed workers' wages down further yet. Falling incomes for working class families have forced many young women to find work in the burgeoning *maquiladora* sector at very low wages and under highly exploitative and patriarchal conditions.

While new inflows of capital to Latin America had, during the early 1990s dulled memories of previous crises, these have once again been rekindled by the financial crises of Mexico and more recently of Brazil, which have illustrated how tenuous are the putative gains from openness to international capital flows. Moreover, on each occasion where crisis has emerged, the core-periphery effects noted earlier by Payer have been prominent. For example, Mexico's bail-out package was accompanied by measures that gave the US Treasury de facto control over the proceeds of the Mexican national oil company, Pemex.

## 6 The Short-Term Consequences of Structural Adjustment in Asia

In Latin America, SAPs have had the effects described here because they altered neither the structural condi-

tions of dependence nor the class relations which led to or exacerbated the economic crisis - a situation of weak domestic demand (relative to market values produced) and heavy reliance on volatile global finance and increasingly competitive export markets. In fact SAPs exacerbated economic inequality and deepened poverty, thereby further weakening domestic markets. SAPs also increased the susceptibility of local economic processes to control by the most powerful international economic forces, particularly multi-national corporations and global finance, thus undermining much productive indigenous enterprise. In doing so, SAPs simultaneously serve the interests of the global economic core and certain fractions of international and domestic capital within the periphery.

While we recognize the specific differences between various Asian NICs and those of other regions, we do not believe that their successes exempt them from the broader dynamics we have described at work in the rest of the global capitalist economy. Though it is still too early to discern the medium and long-term effects of SAPs in Asia, we can note their results to date.

Along with mandating exchange rate flexibility, Thailand's SAP originally emphasized cuts in central budget expenditures (even though debts were overwhelmingly held by the private sector), with a targeted budget surplus equal to 1% of GDP for 1997/98. Capital inflows were initially to be encouraged through high interest rates and eased restrictions on equity participation in troubled financial institutions. Restructuring of the financial sector included the closure of fifty-eight insolvent finance companies. Wage increases were to be pegged to inflation, whereas in actuality the purchasing power of the minimum wage fell. The state also announced its intention to encourage privatization of state enterprises in the energy, transportation, utility and communications sectors.

As the economic situation in Thailand worsened throughout 1998, with GDP declining by more than 8%, some changes were negotiated with the IMF. High interest rates, that encouraged a continuing sense of crisis amongst foreign investors and had crushed many local businesses, were slowly lowered, and the state was allowed to run a budget deficit equivalent to 5% of the GDP during 1998/99. These reflationary measures helped the economy with the GDP growth for 1999 estimated at 3-4%.

More direct measures ensured that certain "private" interests would be bailed out with public money. The IMF funds were used to pay off the central bank's obligations and to indemnify foreign investors, as well as to restore currency reserves which had been depleted, in part, by efforts to bail out insolvent local finance companies. Overall however, these measures were insufficient to save many domestic capitalists, to the benefit of foreign investors who have been able to buy Thai assets at fire sale prices. Nonetheless, certain well-positioned Thai elites have also been able to take advantage of the opportunities presented by the crisis through activities ranging from arbitrage to new joint ventures with foreign investors.

While some of the edges were taken off Thailand's SAP to facilitate the restructuring of capital, there have been fewer efforts to directly rescue others. As the SAP took hold, unemployment more than doubled - from 1.9% of the workforce in 1997 to 4.2% in 1999. Other estimates place the 1999 rate even higher at 5.1%, while estimating a loss of 1.4 million construction and 140,000 manufacturing jobs between 1997 and 1999. Real wages for manufacturing workers fell from US\$ 188/month in 1996 to US\$ 133/month in 1999. Consequently the poverty rate is estimated by some to have doubled from around 10-20% of the population. Unemployment insurance has not yet been developed, and a major program of poverty alleviation was not put in place until 1999. Thus the Thai state has primarily relied on rural society to act as a shock absorber by finding work and residence for those laid off from urban-industrial occupations.

South Korea's SAP had similar outlines to the one implemented in Thailand, in spite of important differences in the industrial and political structures of the two countries. Again, reductions in government spending, increased foreign equity participation in ailing financial institutions, trade liberalization, and privatization measures were emphasized. The first letter of intent to the IMF (3 December, 1997) made restructuring of the financial sector the "centerpiece" of the SAP. Legal changes spurred by the SAP approved of hostile takeovers which will allow foreign investors to purchase up to a third of the shares of Korean companies as well as the establishment of subsidiaries of foreign banks and securities firms. Other changes eliminated the requirement for government approval

of foreign takeovers involving Korean firms with more than 2 million won in assets, except in key industries and defense. As a consequence, Korea's recovery, which has so far been more robust than that of the other two Asian NICs undergoing adjustment, may result in the displacement of a significant number of formerly protected domestic producers by foreign firms through direct investment and imports from overseas. Deindustrialization would appear to be underway in some branches of manufacturing as textiles, motor vehicles, machinery and equipment, and particularly clothing production have been especially hard hit. Production of "wearing apparel" in South Korea was only 54.8% of its 1995 level in 1998.

Particularly important to the SAP was the attack on Korea's powerful labor unions under the guise of improved "labor market flexibility". The strong resistance of Korean labor to such demands was met by bringing it to the table in tri-partite (government, business, labor) bargaining sessions. While this represented a political gain for labor, it was used to impose concessions on it which increased the burden of unemployment, which rose precipitously from 2.6% in 1997 to a high of 8.6% in the February of 1999. Even with significant economic recovery by the end of the year, the number of workers still unemployed was twice what it had been before the crisis. During the crisis women were laid off at a rate seven times that of men, illustrating one of the ways in which class processes connected to restructuring are gendered. Income inequality has also jumped dramatically, with the richest 10% of urban households having incomes 8.5 times higher than the poorest 10%, up from 6.9 times two years previously.

As in Thailand, the economic situation in Korea deteriorated more rapidly than expected in 1998, with a nearly 7% decline in GDP. This forced some changes in the state budget, with the small surplus of 1997 turning into deficits equivalent to 5% of GDP during 1998 and 1999. Much of this deficit was the result of increased spending in support of financial sector restructuring, along with support for small- and medium-sized enterprises and export promotion. But the strength of Korea's labor unions and the need to try to limit their opposition to the SAP also helped produce an increase in spending on unemployment and social safety net programs. At the same time,

however, spending on education and civil service salaries declined in both the 1998 and 1999 budgets.

In Indonesia the structural adjustment process has been even more difficult, helping to precipitate a continuing political crisis. Structural adjustment in Indonesia also followed an agenda of exchange rate flexibility, state expenditure reductions, financial sector restructuring, wage discipline, and privatization/liberalization. However, the Suharto regime, in spite of a general commitment to the SAP, vacillated during the key moments where the interests of powerful cronies were at stake, thus earning the distrust of much of the domestic and international investor community, precipitating the regime's violent downfall.

In spite of this political turmoil and the economic free-fall which accompanied it, the Indonesian state did in fact implement a comprehensive package of structural adjustment policies, including eliminating the foreign shareholding limit of 49% for financial firms, approving full foreign ownership of non-banking financial firms, lifting restrictions on foreign ownership of companies listed in the Jakarta stock exchange, cutting public spending (particularly on large infrastructure projects), eliminating a number of import monopolies, and cutting tariffs. The severity of the economic crisis, however, has made new opportunities for foreign investors less attractive, with the economy contracting by an estimated 13.7% in 1998.

As broad as the effects of the crisis and the SAP have been, there can be little doubt that workers and the poor have borne the brunt of the difficulties. Estimates of unemployment vary widely, but some place unemployment for 1998 as high as 15-20% of the workforce in Indonesia. Total reductions in the size of the formal workforce in 1998 have been estimated at over 5 million people, with manufacturing and service sector employment estimated to have contracted by 20% in 1998. Nominal wages were held constant between 1997 and 1998 and the Suharto regime canceled a planned 15% increase in civil service salaries and with dramatic inflation real wages declined between 30 and 50%, reducing them to their late 1980s level.

Poverty estimates in Indonesia are highly problematic, but there is a consensus that the crisis has increased poverty dramatically throughout the country. The International Labor Organization estimates poverty at 48.3%, and as elsewhere in Asia, weak or non-

existent social safety net programs have exacerbated this. In spite of the severity of the crisis, it was not until September of 1998, that the Indonesian government announced the *possibility* of developing a social safety net program, with expenditures on food security, public works, health and education, and promotion of small and medium enterprises - equivalent in total to 6.5% of the federal budget. The development of these programs, however, is difficult in the environment of budgetary frugality which has prevailed under the SAP: even in the context of economic free-fall, the Indonesian state has limited reflationary expenditures and has held the deficit to less than 1% of GDP in 1998 and 1999.

### 6.1 Lessons and future prospects for Asia

Evidence of enhanced opportunities for powerful domestic and foreign investors and worsening short-term economic conditions for much of the population undergoing structural adjustment in Asia is incontrovertible. While it is not possible to determine precisely how much of this is due to the general crisis and how much is due to the specific measures undertaken as part of structural adjustment, it is clear that SAPs have, by design, pushed down wages and opened new investment opportunities for foreign capital. However, this is not an attempt to derail the Asian NICs general export-led growth drive (contrary to assertions by Malaysia's Prime Minister Mahathir), but to restructure it by enhancing the participation of foreign capital, and to open up the region to Western, particularly US exports. One US trade negotiator noted that the US had achieved more by way of opening the South Korean market for car parts in six months of bailout talks than during ten years of bilateral trade negotiations.

In this context, what is important to the analysis of SAPs and their possible longer-term consequences is not merely the empirical evidence, but the explanation of the power relations that push in the direction of worsening income distribution and increased dependence. Some of the same kinds of general forces and outcomes which played out in Latin America under structural adjustment in the 1980s and 1990s are beginning to show in Asian countries undergoing SAPs. These forces, while instantiated in specific ways

in different contexts, are likely to weaken the position of the popular classes while making the economies as a whole more dependent on Western capital flows.

Problems of dependency are likely to be the greatest in Thailand and Indonesia, which have relatively rudimentary levels of technology development and will be increasingly dominated by the decisions of TNCs, but even in South Korea this is an important issue. While the *chaebol* are far more technologically advanced and sophisticated than their counterparts in Southeast Asia, they retain a strong dependence on technology imports from Japan.

While the necessity is for further economic diversification and up-grading in Asia, SAPs will also reinforce an emphasis on competition through low-labor costs. In the short-term this will exacerbate underconsumptionist tendencies in the global economy and over-reliance on volatile export markets. In a global market, sustained competitive advantage is dependent on the introduction of new skills and technologies to raise productivity. Even if SAPs in Asia restore growth, and growth succeeds once again in raising wages, in a liberal environment, capital may respond by moving off-shore.

All of this points more generally to the dangers of a development strategy based on foreign capital inflows. Apart from its greater spatial mobility and the dependence this creates on decisions taken outside the national economy, foreign capital has other disadvantages. Many commentators now emphasize the importance of foreign direct over portfolio investment. Due to greater sunk costs, FDI has a longer-term commitment to an economy. It may also bring new skills and technology, but FDI is highly import-intensive and consequently current account deficits often tend to rise more than FDI inflows.

FDI is also meant to be a cheap form of finance, however the rate of profit remittances from FDI can also easily exceed international interest rates, implying a net loss for the national economy when comparing foreign debt to FDI as a source of capital for industrialization, at least on this score. Whereas South Korea made substantial use of foreign debt to finance its industrialization, it was channeled through the state and tied to performance standards on the part of firms. Once there was substantial capital account liberalization domestic firms in Korea accrued heavy foreign debts, making them vulnerable to devaluation in the context of a

floating exchange rate regime. Structural adjustment will further reinforce this risk.

Foreign portfolio investment is particularly dangerous, because it flows mostly into stock markets and results in their appreciation in value, increases domestic stockholders' wealth. In the context of an open trade regime, this contributes to increased demand for imports, thereby worsening any trade deficit. Furthermore, inflows of foreign capital may contribute to an appreciation of the real exchange rate, thereby undermining export growth and making imports cheaper. Yawning current account deficits served as triggers for both the financial crises in Mexico in 1994 and Thailand in 1997 as international investors feared currency devaluations which would reduce the hard currency value of their investments. If Korean and other local firms are displaced by imports, as a result of trade liberalization, this may make the region's financial markets more fragile, while simultaneously increasing dependence on speculative and volatile portfolio capital as a source of growth. Mexico's previous experience is particularly instructive in this regard.

Structural adjustment also has wider political implications. The conventional wisdom has it that there is a mutually reinforcing relationship between "free markets" and electoral democracy. Thus, it could be argued that moves towards both political and economic liberalization took place concurrently in East Asia and Latin America in the 1980s and early 1990s. However, the timing of the relationship is important. In Latin America it was disillusionment with the structural adjustment policies of authoritarian governments which was partly responsible for the shift towards electoral democracy. In South Korea it was a militant workers' movement which pressed for political democratization.

In East and Southeast Asia the strictures on structural adjustment may lead to democratic reversals, rather than democratization, if the state responds to struggles against SAPs with repressive force, something which has already occurred to some extent in South Korea and Indonesia. Beyond this, there is a clear move in Asia to "insulate" economic policy-making from "political interference", with authoritarian macro-economic governance by internationalist, neoliberal elites under an umbrella of formal political democracy. The hegemony of the neoliberal policies deployed by these internationalist state managers, along with the

crucial practical support they garner from an unaccountable international investment community and the IMF, contradict the notion that liberalization is necessarily a move in the direction of democratization more broadly conceived. Rather, the rise of neoliberal hegemony, while helping to disable some of the more egregious military dictatorships (as in Indonesia) is supplanting this form of domination with more deeply entrenched practices of non-military domination; forcing unpopular policies on populations in the name of economic necessity and "competitiveness". SAPs are an integral component of this anti-democratic, neoliberal moment and have justifiably been a target of popular discontent. It is thus amongst anti-SAP coalitions that the struggle for genuine economic accountability and democratization is to be found.

## 7 Conclusion

In our view, SAPs are clearly wrong for Asia, not only because of their demand restraint elements, but also because of their more general emphasis on unrestricted trade liberalization and openness to international capital which have resulted in the "globalization of poverty". SAPs have well-documented and quite consistent outcomes across different countries, and this consistency reflects the relatively stable core-periphery and class characteristics of the structural adjustment process.

Specific SAPs do turn out somewhat differently, depending on the context. For example, in the Asian NICs undergoing adjustment, there have been substantial differences in social safety nets and other co-optive measures implemented by the state, and with their more highly developed technological capabilities, Korean firms are better placed to compete in the global market than their Thai or Indonesian counterparts. However all SAPs issue forth from the same kind of transnational class coalitions and have the same general purposes. They largely originate within the core and reflect the relative power of core and peripheral capitals. Given this, the fact that SAPs seem to consistently worsen income distribution, pose new burdens for working class women, and strengthen the position of core area investors is not surprising. To neglect these continuities would be, in our view, to undermine the

political project of opposition to SAPs and the promotion of alternatives.

These alternatives are many. They range from nationalist initiatives such as those undertaken by the Malaysian state, which reintroduced capital controls to enable reflation of the economy, to more popularly based initiatives seeking a transformation in the structures of power, such as the activities of Thailand's Assembly of the Poor. In Asia, some scholars have called for policies and practices which reorient the region's economies towards the satisfaction of basic needs, empowerment and environmental sustainability by reducing the scale at which economic activity takes place. We do not know which combination of alternatives is likely to take root, but social forces committed to a more egalitarian and self-directed future will certainly resist the major features of the SAPs.

To be sure, the global prospects for the implementation of alternative approaches appear to be bleak. In terms of its core-periphery dimensions, the success of global structural adjustment in reasserting US economic dominance is evidenced by the economy growing rapidly at over 4% for 1999, with real wages rising for the first time in decades in the late-1990s. This gives great weight to the US governments' bullish adherence to the "Washington consensus" favoring global neoliberalism.

In order for local struggle to be effective it seems likely that there would need to be new international institutions which reduce the global power of finance capital. However, the US in particular has blocked recent attempts to reform the international economic system. This may change in the future as the US economy currently suffers from some of the same risks that brought about the crisis in East Asia. As portfolio investment has flowed in from overseas to the "safe haven" of the US stock market its value has risen. While the "new economy" in the US was partly built on the basis of a cheap dollar to revive exports in the late 1980s and early 1990s, the US is now dependent on a strong dollar to keep the confidence of international investors. The former Chairman of the Federal Reserve in the US, Paul Volker, argued recently that "the world economy was currently dependent on the US consumer, who was dependent on the stock market, which was dependent on about fifty stocks, half of which had not shown a profit". Much of the US consumer demand is being met

by imports, with the US trade deficit at record levels. If domestic US producers are displaced by imports, and the connection between productive and financial returns "grounds" in the minds of investors, the US stock market may fall drastically in value, creating a

global depression. Should that happen the US government may be forced to reconsider global neoliberalism. If and when it does, we are sure there will be no shortage of ideas for alternatives coming from the people and countries which have had to endure SAPs.



## READING 16

# The Social Consequences of Structural Adjustment: Recent Evidence and Current Debates

**Sarah Babb**

## Introduction

Once upon a time, intellectual debates around the relationship between wealthy and poor nations could be summed up under the rubric of modernization versus dependency. For modernization theorists, all good things went together: capitalist development, democratization, industrialization, urbanization, rational-legal administration, and increased well-being were assumed to be part of a single process that occurred in roughly the same way in all national contexts. In contrast, dependency theorists argued that the domination of rich over poor countries meant that modernization looked quite different at the periphery. Because of such relations of domination, foreign investment and national industrialization did not propel developing countries along the same trajectory as the wealthy democracies, but rather was compatible with manifold economic, political, and social distortions.

Beginning in the 1980s, however, this debate was rendered obsolete by a very different hegemonic order. Whereas modernization and dependency theorists alike had advocated for strong government involvement in promoting economic development, the new conventional wisdom demanded a dramatic downsizing of many government interventions. Associated with the structural adjustment lending programs of the World Bank and International Monetary Fund (IMF), and

neoliberal ideology, the new policy discourse suggested that it was only through thus liberating market forces that poor countries could grow and catch up to the developed world. Whereas modernization and dependency theorists were drawn from a range of social science disciplines, both the new model and its most prominent critics tend to be economists. Much of the recent work on the consequences of structural adjustment, therefore, has focused on its economic consequences. This essay, in contrast, seeks to revisit some of the older themes of modernization and dependency through looking at recent literature addressing the social dimensions of recent trends.

## Structural Adjustment in Historical Perspective

Structural adjustment is a relatively recent phenomenon. In the decades following World War II, economic policy in the industrialized core reflected Keynesian economic ideas that prescribed the taming of markets through macroeconomic interventions. In poorer countries, much more direct state interventions in the economy were tolerated or even encouraged by the core. Even in nominally capitalist developing countries, state-owned enterprises played a significant role in national output during this period; indeed, they were actually encouraged



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and financed by the World Bank. Some other key elements of the postwar regime were controls on capital movements (which were explicitly condoned by the charter of the IMF) and systems of protection of domestic industries from foreign competition.

By the end of the 1970s, however, the seeds of a new regime had been sown. First coined by World Bank President Robert McNamara at the end of the 1970s, structural adjustment referred to a set of lending practices whereby governments would receive loans if they agreed to implement specific economic reforms. Although it was not clear what this meant at the time, only a few years later, World Bank and IMF lending arrangements had begun to aim at an ambitious agenda in keeping with the ascendant Reagan revolution: to encourage free markets and foreign investment.

The moment was precipitated by the outbreak of the Third World debt crisis in 1982. The indebtedness of LDC (least-developed country) governments can be traced back to the 1970s, when low interest rates, high inflation, and a glut of "petrodollars" led international banks to invest in the developing world. When global interest rates rose dramatically at the end of the 1970s, these debts became unsustainable. The debt crisis made persuading governments to implement policy reforms easier because such reforms could be required as preconditions to bailout funds. Privatization was particularly attractive because it both satisfied multilateral lenders and provided much-needed revenues. But there were also more subtle pressures: trapped under unwieldy debts and stagnating economies, governments were increasingly courting foreign portfolio investors, who were more likely to be attracted to governments that provided strong guarantees to property rights and did not interfere excessively in markets. Governments also came to rely on the advice of US-trained economists in high government posts, whose presence helped foster investor confidence - and who tended to be fervent believers in the need for market reforms. All these factors combined to create the conditions for the policy reforms of the following decades.

As a precise technical term, "structural adjustment" leaves a great deal to be desired: the policies associated with this term have shifted over time, and it is no longer associated with any particular lending program. In this review, therefore, I do not use structural adjust-

ment as a technical term, but rather refer to its more interpretive and historical meaning - a term associated with a cluster of overlapping historical and conceptual associations in the same way as are the terms "modernity" or "democracy."

This review examines literature that reflects on the social characteristics of the era of structural adjustment. It is not designed to reflect on recent literature on economic development as measured by growth in national income and productivity. The relationship between globalization and development is at the center of an enormous, thriving, and complicated debate that would merit its own literature review. In contrast, this essay focuses on literature reflecting on the organizational, institutional, and class structures of national societies.

Even leaving aside issues of economic development, the consequences of structural adjustment are enormous, complex, and globe-spanning. I have therefore made several strategic decisions to pare this topic down to a more manageable size. First, I have opted to focus on the experience of developing countries - even though structural adjustment has contributed to the transformation of developed countries as well. Second, I have deliberately excluded literature on formerly state socialist economies, which have been subjected to most of the same policies but under very different historical circumstances. Third, my review focuses disproportionately on the experience of Latin America and the Caribbean, which is the focus of a great deal of the existing literature. Fortunately, in many respects, Latin America represents a relatively good laboratory for gauging the effects of structural adjustment in that it contains a range of incomes per capita, from the poorest of the poor (Haiti) to relatively well-off (Argentina).

What consequences has this shift in economic policy regimes had for underdeveloped societies? To what extent have the trends of the past two decades sharpened the distinctions between core and periphery - and to what extent have they brought them closer together? The following sections seek to answer these questions through examining three different social transformations: changes in the governance of economies, transformations in class structures, and the rise of transformational networks.

## The Governance of Economies

Modernization theorists saw developed and developing countries coming together in an inevitable process of institutional convergence. As Marion Levy contended in 1967, "As time goes on, they and we will increasingly resemble one another [...] because the patterns of modernization are such that the more highly modernized societies become, the more they resemble one another". Has the era of structural adjustment made the periphery more structurally similar to the core? This section evaluates the extent of convergence in the governance of national economies.

Today, states in developing countries are doing a lot less of certain things. They are less directly involved in production: between 1988 and 1994, LDC governments transferred more than 3,000 entities from public to private hands. States are also decreasing their protection of domestic industries from foreign competition (through tariffs, licenses, etc.). They are putting fewer constraints on financial markets, fewer barriers on free movement of capital across their borders, and fewer regulations on labor markets. They are also operating with much tighter fiscal policy: even during recessions, they are refraining from using their central banks to finance deficit spending. To demonstrate their commitment to noninflationary monetary policies, many have adopted legislation making their central banks independent.

However, although states in developing countries have withdrawn from certain activities, they have simultaneously increased their involvement in others. To offset the revenues lost through removing tariffs, they have reformed their taxation systems to more effectively extract resources, commonly replacing taxes on income and wealth with more easily administered (but more regressive) value-added taxes. They have strengthened private property rights and expanded these rights for foreign firms - for example, by removing restrictions on foreign ownership of land and productive assets. They have joined the World Trade Organization (WTO), which promotes safeguards for property, including controversial intellectual property safeguards, in conjunction with trade opening. In addition to protecting property rights, LDC governments have recently been encouraged to adopt so-called governance reforms -

to construct institutional frameworks to help safeguard against market imperfections, such as bankruptcy legislation and judiciary independence.

The defining feature of the new regime is an increased role for private investment - particularly foreign private investment, in the economy. This trend represents both a continuation of and a break from the postwar governance regime. Foreign direct investment (e.g., Ford setting up a factory in São Paulo) was a staple of the "associated-dependent development" or "dependent development" system so sharply criticized by dependency theorists in the 1970s. Recently, however, foreign direct investment has become much more important to the economies of developing countries than it ever was during the heyday of dependency theory. Furthermore, the rise of private foreign portfolio investment (e.g., American investors buying stock in a Mexican telephone company, or buying Mexican government bonds) marks a qualitative historical break from the past. In 1970, portfolio investment in developing countries was, for all practical purposes, nonexistent; in 2000, there was a net inflow of \$47.9 billion.

These trends raise interesting theoretical issues about how to define the new institutional framework or organizing logic governing developing countries. In at least some respects, the sort of institutions that are emerging resemble the American model of regulatory capitalism. Under this model, the tasks prescribed for states include the enforcement of contracts, the regulation of natural monopolies, the administration of taxes, and the provision of infrastructure. Perhaps what we are witnessing throughout the developing world is a process of "institutional isomorphism," converging on the organizational patterns of the industrialized North in general, and the United States in particular. This interpretation, if true, would support the homogenizing predictions of modernization theorists.

Indeed, proponents of the new model unintentionally echo modernization theorists in asserting that opening to free trade and foreign investment will ultimately promote greater institutional convergence. Although opening to foreign competition may put inefficient local firms out of business, foreign investment brings improved technologies and management techniques, from which recipient nations will benefit. Because better management and technology increases productivity,

more jobs will be available; over time, wages will rise, workers and citizens will demand more of governments and firms, and industrial, social, and environmental regimes will converge with those of the North.

In the remainder of this section, however, I argue that any strong claim that developing economies have been "Americanized" would be inaccurate - or at the very least, premature. On the one hand, it is true that state interventions have been replaced with a more uniform model reminiscent of the institutions of core capitalist powers. On the other hand, structural adjustment also illustrates the limits of convergence and has brought about the construction of institutions that depart, sometimes sharply, from the American model. Although there is insufficient space here to treat this issue completely, I focus on three divergent institutional outcomes: institutional mismatch, institutional overshooting, and the erosion of social citizenship.

One reason for divergent outcomes is that markets have been transplanted to alien worlds, governed by different norms and rules, and lacking the supporting institutions that took decades or even centuries to develop organically in their original contexts. As a result, there may be a mismatch between new and old institutions. In Mexico, for example, privatization and financial liberalization were conducted without a corresponding revision of bankruptcy legislation, which created the conditions for a \$55 billion bailout of the banking system. Privatizations in developing nations have often been tainted by long-standing collusions between big business and government, which led to the consolidation of monopolies rather than the establishment of competitive markets. Although the governance reforms being promoted by multilateral lenders today are designed to prevent such undesirable outcomes, they are far more difficult to define and implement than the liberalizing reforms initiated in the 1980s.

In addition to institutional mismatch, there is also evidence of institutional overshooting - going beyond the American model. Such overshooting can often be traced to the extreme dependence of these governments on the resources of foreign investors and international financial institutions. Portfolio investors are known to conduct speculative attacks against these governments. Because of the perceived uncertainties of investing in emerging markets, portfolio investors hold the

governments of developing countries to much higher standards of behavior than those of their developed counterparts. Third World governments must behave as unusually upstanding global citizens, or face the consequences of capital flight, destabilizing currency depreciations, and macroeconomic mayhem. Partly as a result of such pressures, many Third World governments have maintained very high interest rates and fiscal surpluses (a policy that stands in stark contrast, for example, to the policies of Federal Reserve Chairman Alan Greenspan since the mid 1990s), with negative consequences for growth.

Governments may also overshoot because of more direct pressures exerted by multilateral organizations, which condition their loans on policy reforms. At least some of the reforms promoted by these multilateral organizations seem to have surpassed the American model considerably in their degree of market friendliness. To return to the previous example, the IMF generally conditions its bailout funds on fiscal and monetary targets that are, by US standards, extraordinarily strict. To take another example, the World Bank, IMF, and US Agency for International Development (USAID) have been promoting the replacement of publicly funded social security systems with private, individual accounts; social security systems have been privatized throughout Latin America and the formerly communist world. In the United States, however, the privatization of social security has (as this article goes to press) been too politically controversial to implement, despite the best efforts of the current administration to rally support. The World Bank and the IMF have also promoted the implementation of "user fees" on primary education, thus interfering with the ability of poor families to send their children to school. One explanation for such overshooting is that multilateral (and certainly bilateral) organizations do not simply function as neutral transmitters of organizational templates, but are also subject to influence by vested economic, political, and organizational interests that influence which kinds of policies get promoted.

In evaluating the institutions being constructed in the new era, it is useful to distinguish between defining institutions of regulatory capitalism, on the one hand, and the institutions for promoting social welfare, on the other (we can think of these as corresponding very roughly to T.H. Marshall's civil citizenship and social

citizenship). The enforcement of property rights and contracts, the regulation of monopolies, support for a standing army, etc., are examples of institutions without which competitive markets cannot function. It is mostly the American variety of these institutions that are being transferred to developing countries (even if with unexpected consequences).

Even in the market-friendly United States, however, these are not the only recognized functions of government. For example, with the exception of radical libertarians of the sort that populate the Cato Institute, most Americans consider it legitimate for governments to tax citizens to finance social programs and public education, regulate firms to guarantee worker safety, and protect citizens from environmental degradation. Overall, the institutions of social citizenship have been less consistently supported by multilateral organizations than the institutions of civil citizenship. The WTO has been criticized for failing to develop sanctions for governments that allow child labor and other practices considered abusive by the International Labor Organization. Recently, the World Bank and the IMF have begun to require that their most impoverished borrowers set aside a fixed percentage of their expenditures for "pro-poor" spending. However, because these lenders simultaneously require reductions in government spending, deflationary monetary policy, and the repayment of external debts, the effects of these poverty-reduction strategies may be cancelled out.

Leaving aside the influence of multilateral organizations, the institutions of social citizenship may be eroded simply because developing countries - unlike the United States - are burdened with external debt denominated in foreign currencies. Heavily indebted states have arguably adopted a role that diverges considerably from that adopted by core states: namely, the extraction of domestic resources and their export abroad. In some respects, this role is reminiscent of the colonial dependence of the nineteenth century. Resources spent on servicing debt are obviously resources that are not being spent on such recognized, basic functions of liberal capitalist government as the provision of public health, education, and infrastructure. A recent IMF study finds that external debt has a statistically significant negative impact on governments' ability to fund social programs.

Finally, structural adjustment may erode social citizenship by decreasing the bargaining power of states and citizens vis-a-vis private investors. To the extent that they cut into profits, the construction of social-welfare-governing institutions tends to be resisted by firms. The history of the industrialized democracies suggests that they are constructed in spite of resistance from firms, by states responding to the demands of organized social groups. Because Third World citizens and governments are in a disadvantaged bargaining position with respect to foreign investors, and even more so with respect to multilateral organizations like the IMF, they may be hampered in their ability to construct the institutions of social citizenship that developed countries take for granted. This is the premise underlying the famous "race to the bottom" so often cited by global justice activists: in their view, today governments are competing among themselves to attract foreign investors by providing the lowest taxes and the least stringent labor and environmental regulations (see <http://www.aboutglobalization.com>). Even standard neoclassical economic models provide some support for this idea.

However, there are at least two versions of the "race to the bottom" hypothesis. One version supposes that globalization subjects the workers and states of all regions - developed and developing alike - to such competition; the result should be institutional convergence of core and periphery toward uniformly low wages, standards, and social protections. Empirical analyses suggest that the overall trend toward reduced taxes on capital and declining unionization in OECD economies can be traced at least in part to economic globalization. There is also evidence that the North American Free Trade Agreement (NAFTA) has contributed to job losses among low-skilled workers in the United States. But although the wages of low-skilled workers and taxes on corporations may be declining in the wealthy North, nobody is yet claiming that social protections and environmental regulations in Germany and the United States are being downsized to resemble their counterparts in Zimbabwe and Bolivia. Most global trade and foreign direct investment occur among wealthy countries, rather than between wealthy and poor nations. Wealth and power continue to have their privileges, although there is no doubt that some of these privileges have been eroded for non-elites in developed countries.

What I examine here is the second version of the "race to the bottom," which focuses on competition among developing countries. In this view, structural adjustment puts developing countries in a particularly poor bargaining position. Heavily indebted, capital-poor countries with high levels of unemployment are desperate for foreign investment. However, in court- ing investors, they are flocking to a crowded market niche of similarly desperate countries, all selling low- wage, low-skilled work on the global marketplace. To make themselves look more competitive to investors shopping around for the best deal, they may offer lower levels of taxation, regulation, etc. If true, this pattern should lead to a polarization between developed and developing countries, with the latter converging among themselves on uniformly low regulatory standards and levels of social protection.

Anyone who has any experience with the antisweat- shop movement on college campuses has seen an array of shocking facts; incredibly low wages, long hours, child labor, employer abuses, and wanton toxic dumping (see <http://www.sweatshopwatch.org>). However, to prove that there is a race to the bottom, we need evidence that the inhabitants of developing countries are worse than they would have been otherwise. Unfortunately, this presents manifold problems of measurement and controlling for extraneous factors. The removal of trade barriers and the opening to foreign investment occurred as part of a complex amalgam of social changes - external debt, increased pressures from multilateral organizations, privatization, vulnerability to balance- of-payments crises, etc. - that cannot be operationalized into a single variable. There are critical measurement problems with some of the most important elements of structural adjustment; "economic openness" itself is remarkably difficult to measure. Even assuming good measures for the independent variable, it is important to disaggregate the data to distinguish the impact on different social groups; but the demographic and labor market data from many developing countries are incomplete at best. Because disentangling and analyzing these different factors is so difficult, empirical evaluations of the race to the bottom hypothesis tend to be both partial and hotly contested.

Has state capacity to provide social welfare benefits declined? One circumstance that appears to support this idea is the rise of export-processing zones (EPZs) - special manufacturing areas where Third World

governments offer investors exemption from taxation and regulation. According to the World Bank, whereas only a few such zones existed in 1970, by 1996 there were over 500 zones in 73 countries. This suggests that Third World governments are competing for foreign direct investment by lessening potentially welfare- enhancing interventions, such as the extraction of fiscal resources. Nevertheless, more optimistic observers would argue that existing taxes and regulations were too onerous to begin with, and that setting up EPZs is a necessary step in fostering economic development, which will ultimately increase human welfare. For reasons discussed in the following section, however, critics could reply that there is little evidence that such economic development is actually occurring.

What impact does structural adjustment have on the environment? There is little controversy over global environmentalists' assertion that external debt con- tributes to environmental degradation - after all, for a heavily indebted nation, the price of a clean and sustainable environment may be unaffordable. How- ever, other assertions have been hotly contested. For example, the WTO has been accused by activists of systematically undermining national environmental standards by imposing sanctions on governments that try to enforce environmental standards in trade; other observers say these claims are exaggerated. Supporters of current policies suggest that liberalizing reforms generate economic development and that, in turn, such development increases respect for the environment: there is a strong correlation between environmental standards and GDP per capita. Once again, however, this argument rests on the contestable premise that development is occurring in the first place. It also overlooks the fact that not all indices of pollution decline with economic growth. The recent Carnegie Endowment report on the impact of NAFTA finds that it has not been as damaging to the environment as was originally feared, although there have been negative impacts in certain sectors, particularly in rural areas.

Has structural adjustment weakened labor unions in developing countries? In contrast to the literature on union decline in OECD nations, there has been little cross-national comparative research on trends in unions in the developing world. The partial accounts that exist paint an ambiguous picture that neither clearly supports nor refutes a race to the bottom in labor

organizing. One national case that supports a pessimistic interpretation is that of Mexico, which lifted trade barriers and invited in foreign investment under the auspices of NAFTA. Since the implementation of NAFTA in 1993, real wages in Mexico have declined significantly, the minimum wage has been held down to foster international competitiveness, and unions have been weakened; in line with the predictions of neoclassical theory, unskilled workers appear to have been hurt the most. But it is not clear that the Mexican case can be generalized to the rest of the developing world. Frundt finds increased rates of unionization in Central America during the period of structural adjustment, although he suggests that the strength of unions may have declined. In a cross-national study, Mosley and Uno find that neither foreign direct investment nor trade openness are significant correlates of labor rights violations, although they do correlate with region and level of development. Murillo and Schrank observe that 13 of the 18 collective labor reforms implemented in Latin America between 1985 and 1998 enhanced rather than limited collective bargaining rights, an outcome they attribute partly to the strategies of traditional labor-backed parties and partly to transnational activism (discussed below).

This section has focused exclusively on the governance of national economies, broadly defined to include social-welfare-enhancing institutions. However, it is worth mentioning briefly another set of institutions that have been transformed in the era of structural adjustment: namely the rules of national politics. Existing literature on the topic of democratic transitions focuses on Latin America - arguably the continent in which the transformation has been most dramatic. Weyland argues that although the rise of market-friendly institutions has made Latin American democracy more sustainable, it has simultaneously limited the quality of this democracy. The end of the cold war and the opening of national economies to international markets led to increased pressures for minimal procedural democracy, both from the US government and from foreign investors in search of stable investment climates. It also weakened leftist parties and other proponents of radical reforms, decreasing elite groups' perception that dictatorship was the only solution. The net result has been that social groups and political parties are more likely to agree on the means (democratic elections), even if they disagree with the ends. However, Weyland

also points out that the changes associated with structural adjustment have also put severe constraints on the quality of democracy. Economic constraints and the threat of capital flight limit the latitude of possible policies. Such restrictions on policies have led to weakened political parties and depressed participation - eerily echoing the apathy of the US electorate. The accountability of elected leaders to their constituents has also declined.

Ultimately, what can we conclude about structural adjustment and institutional convergence? At the risk of sounding excessively conciliatory, I suggest that the available evidence echoes aspects of both modernization and dependency theories. On the one hand, institutions still work quite differently in the global South. States continue to service large and unsustainable debts; their policies must respond to the leverage of multilateral institutions and the need to maintain investor confidence. Now more than ever, dependency matters: there are fundamental differences between the roles of states in developed and developing countries that can be traced to large differences in bargaining power. On the other hand, we must concede that developing countries have adopted a model of governance that resembles, in its most general outlines, the sort of capitalism that is practiced in the United States. Whether this appears to have contributed to the further modernization of national societies is explored in the following section.

## The Transformation of Class Structures

The two most hotly debated issues in the literature on liberalizing reforms are (a) whether they have promoted economic development, and (b) whether they have promoted equality. This section attempts to sort through some of the literature on changing national and global class structures.

Although there is not enough space in this review to address debates about economic development in more than a superficial way, we should briefly review some evidence on this point: economic growth, after all, has consequences for global social structure. The ostensible reason for implementing free-market reforms was that they would generate growth, development, and a convergence of the incomes of developed and developing

countries. Twenty years later, the evidence in favor of these initial claims has been disappointing. For example, from 1960 to 1980, output per person grew 75% in Latin America and 36% in sub-Saharan Africa; in contrast, between 1980 and 2000, it grew by only 6% in Latin America and actually fell by 15% in sub-Saharan Africa.

These data, however, do not necessarily lead to the conclusion that market liberalization is bad for economic development. One counterargument is that national incomes have been dragged down by large external debts, which are the fault of governments, not market opening. Another counterargument is that market openings have not been carried far enough - if governments could remove remaining barriers to the functioning of markets, then there would be a more impressive rise in national incomes. A related argument is that development takes time, and that developing countries need to wait for the new model to bear fruit. Finally, the model's supporters point out that some countries have been doing very well: India and China, in particular, have been growing very rapidly.

What do the macroeconomic and demographic data tell us about trends in overall global inequality? First, it is important to distinguish between inequality within countries and inequality between countries. The question of inequalities between countries - whether countries like Mexico and India are catching up to countries like the United States and Japan - is quite controversial. Although some observers argue that inequalities across nations have declined, others have come to the opposite conclusion. To make sense of this apparent contradiction, Wade shows that the answer depends on how researchers measure and compare national wealth. One method is to compare the raw figures on national GDP converted into US dollar amounts, and compare across nations. According to these numbers, there is a clear pattern of rising inequality: some countries have been getting a lot wealthier, and others have been left behind. However, those claiming a convergence in national incomes use numbers that differ in two respects. First, they use numbers that are weighted by population: thus, the two largest developing countries (India and China) have an enormous impact on the final figures. Second, they use numbers that have been adjusted for purchasing-power parity (PPP), to control for the fact that a dollar in India, for example, will buy a great deal more than a dollar in

the United States. The PPP-adjusted national GDPs, weighted for population, show a pattern of rising equality - but this effect disappears when India and China are subtracted from the calculations.

Thus, claims to rising equality across nations are based on the indisputable fact that India and China have been growing at a tremendous pace over the past two decades. What is extremely disputable, however, is whether this economic growth - and hence income convergence - can be attributed to structural adjustment. Neither India nor China is a particularly good representative of free market orthodoxy. Although it has used trade and foreign investment to its advantage, China continues to have an enormous state-owned sector and an inconvertible national currency. India's growth spurt began a decade before it began to implement liberalizing reforms, and protectionist tariffs actually increased during this first phase of growth. Meanwhile, Latin American economies in which market reforms have been implemented in a more orthodox manner have mostly suffered from stagnant levels of economic growth.

The data on global poverty have also generated a lively controversy. Basing their claims on in-depth knowledge of national case studies, a number of critics of structural adjustment have asserted that it has been pushing citizens of developing countries beneath the poverty line. But in 2002, World Bank Managing Director James Wolfensohn famously declared that the number of people living on less than \$1.00 a day had fallen by 200 million. Does this mean that the global war on poverty is being won? Wade shows that in addition to a number of more minor problems, there is a fundamental methodological error in this claim: it compares figures from 1980 and 1998 that are not comparable because of a significant change in the World Bank's methodology for calculating the poverty line. An alternative is to look at demographic numbers on poverty, such as life expectancy at birth. Life expectancies at birth have increased among poor countries since the 1980s. However, during the 1980-98 period, the progress of poor countries in catching up to the life expectancy of wealthy ones slowed considerably compared with the previous 20 years.

The question of inequality within countries is less controversial than the question of between-country inequality, or the question of poverty; even optimistic observers, such as Firebaugh, concede that within

national boundaries, income inequality has been increasing. To illuminate how these trends have played out in developing countries, there is a large and growing body of national case studies focusing on various indicators of social well-being and inequality. Two particularly useful studies are Portes and Hoffman's study of changing Latin American class structures and the recent Carnegie Endowment report on the impact of NAFTA on Mexico a decade after its ratification. Whereas the Portes and Hoffman study has the virtue of considering an entire continent's experience through the lens of a range of indicators of inequality and social welfare, the Carnegie study provides a detailed, in-depth account of the complexities of a single nation's experience with opening its economy to its wealthier and more powerful northern neighbors.

Both studies paint sobering portraits of the impact of structural adjustment on national class structures. During the 1980s and 1990s there was an increase in income inequality in Latin America, with a consistent concentration of wealth in the top decile of the population. Such income polarization has been particularly notable in Mexico. Meanwhile, the percentage of Mexicans beneath the poverty line is still greater than it was in the late 1970s, and real wages have actually declined.

Of course, the causes of these phenomena are complex, and we should not be too quick to jump to conclusions: the debt crisis in the 1980s and the peso devaluation in the 1990s played important parts in these trends, and it is not easy to disentangle these factors from market liberalization. Such ambiguities notwithstanding, the Mexican experience under NAFTA helps highlight some important processes that are contributing to qualitative changes in national class structures across the developing world. One such process is the movement of rural populations away from their native towns to urban centers or to places where they take jobs as low-wage agricultural workers. The mass movement off the land is part of a longer-term trend that predates the structural adjustment era by a many decades. However, structural adjustment has accelerated this trend by making traditional and small-scale agriculture even less viable. Under the new regime, small-scale farmers in the developing world receive fewer subsidies, face higher interest rates, and face competition with heavily subsidized and well-capitalized foreign agribusiness. Mexican government authorities estimate

a loss of 1.3 million jobs in the agricultural sector between 1993 and 2002.

This process of de-agriculturalization is only one of many simultaneous pressures on labor markets that may arise in the era of structural adjustment. A second source of pressure is the privatization of state-owned firms, which often leads to downsizing worker layoffs. Over the past two decades, there has been a significant contraction in formal sector employment in developing countries and a corresponding move toward employment in the informal economy. In other words, the labor force has come to be characterized less by employees and more by independent agents - from small business owners to ambulant chewing-gum sellers to garment pieceworkers. Although the rise of the informal economy is lauded by some observers as a necessary escape valve from cumbersome taxation and government regulations, other observers point out that it involves replacing stable, state-regulated jobs with a form of employment that tends to be precarious, poorly paid, and less productive.

A third source of pressure on labor markets in LDCs is the restrictive monetary policy that has become the norm under the structural adjustment regime. To foster the confidence of foreign investors and continue to receive financing from multilateral organizations (particularly the IMF), governments have prioritized the fight against inflation, often changing central bank legislation to take monetary policy out of the hands of the executive. However, reducing inflation to the levels preferred by the international financial community requires high interest rates - and high interest rates decrease domestic investment and increase unemployment.

Finally, there is evidence that labor markets are being strained by the bankruptcy of domestic firms that cannot compete with the flood of cheap imports from more open trade. Just as this job loss contributes to the informalization of the labor force, so it may be contributing to a restructuring of local bourgeoisies. A study by Silva on the fate of business during Chile's early experiment with liberalizing reforms under the Chicago Boys suggests that large, export-oriented businesses with access to international capital markets may be the hardiest, and that market concentration may result. Although there is evidence from various countries that smaller and domestic-oriented entrepreneurs may "wither away" in the face of foreign competition, there



have also been unexpected adaptations to new conditions. Schrank documents the rise of a new class of indigenous investors in the EPZs in the Dominican Republic who have been able to profit from their combination of local connections and access to foreign capital. However, such firms have also suffered from high rates of bankruptcy, suggesting that we should not be too optimistic in our conclusions.

Although few observers are likely to shed sympathetic tears for the declining fortunes of formerly privileged industrialists, the fate of masses of unemployed workers and displaced peasants is cause for concern. In theory, foreign investment is supposed to compensate for labor shedding in inefficient sectors by creating jobs in more efficient, productive firms. Throughout the developing world, there is strong evidence that foreign-owned firms are indeed more efficient and productive than the domestic firms that they are replacing. But more productive plants have often translated into fewer rather than more jobs. Meanwhile, jobs created in EPZs may be vulnerable to capital flight to other low-wage regions. From 1994 to 2001, foreign direct investment from the United States to Mexico increased from about \$5 billion per year to \$16 billion per year. But most of the jobs created under NAFTA in the 1990s were in maquiladoras (EPZs), and about 30% of these jobs subsequently disappeared - many relocated to countries such as China where wages are even lower. Because foreign investment has not effectively compensated for the jobs lost through structural adjustment, many developing countries continue to be plagued with unemployment and poverty-level wages.

Although a number of studies suggest that structural adjustment has increased class inequality in many countries, the emerging evidence on gender inequality is more complex and ambiguous. In many places, structural adjustment has undermined traditional gendered divisions of labor, both by providing new opportunities for women to work for wages outside the home (e.g., in EPZs), and by contributing to male unemployment. However, whether this has led to a general empowerment of women with respect to men is a much more complicated question. Answering this question requires taking a number of other factors into account, such as the position women in developing countries adopt in the labor market. For example, they may come to rely on precarious and poorly paid work in

the informal economy, keeping them dependent on male incomes. Gender roles may be slow to adapt to changing conditions (as "second shifters" in the United States know all too well), and multinational firms may actually encourage the reproduction of traditional roles. Furthermore, other circumstances related to structural adjustment, such as external debt and reduced government budgets, may undermine the position of women by eliminating resources such as access to education and healthcare. Thus, the impact of structural adjustment on gender inequalities is an area ripe for further research.

Overall, the consequences of structural adjustment for national and global class structures seem more suggestive of dependency than modernization. Under other circumstances, growing income inequality might be seen as compatible with the "Kuznets curve," in which rapid economic growth benefits upper- more than lower-strata groups; a rising tide may lift all boats, but in the early stages of development it may lift some boats more than others. But for the majority of developing countries in the past two decades, the tide has not risen at all, or only barely. Third World societies have undergone major transformations that are supposed to be the hallmarks of modernizing societies - mass movement off the land, urbanization, and industrialization. And yet, these transformations have not been consistently associated with economic growth and declining inequality across nations. This is precisely the sort of contradiction that interested dependency theorists - the emergence of social structures reminiscent of the core in some respects, but with very different underpinnings and consequences.

## The Rise of Transnational Networks

Their numerous disagreements notwithstanding, a feature shared by modernization and dependency theorists alike was an emphasis on the nation-state as the unit of analysis. Both types of theorists focused on issues of national development and nation-level social transformations. The era of structural adjustment, however, has cast fundamental doubts on the utility of these postwar conceptual categories by contributing to the rise of social networks that span national borders. This section examines literature documenting

transnationalism in three areas: business, labor markets, and policy.

Where business is concerned, it is not immediately apparent why transnationalism represents anything new - after all, during the 1970s, large foreign multinationals set up local branches in developing countries. What is new about current trends, however, is the spread of an organizational form characterized by networks rather than hierarchies. Today, global production increasingly relies on subcontractors and sub-subcontractors outside the scope of any single firm or nation. The computer one purchases at Best Buy, for example, contains components made and assembled by the workers of different firms in various different nations.

It is common to attribute this new production system to advances in technology. Advances in communications (e.g., the Internet) and transportation make it far easier for firms to subcontract to suppliers in faraway countries and to continually shop around for the suppliers that offer the most attractive prices. But the role of structural adjustment in creating these conditions should not be underestimated. Liberalizing reforms, combined with the setting up of EPZs in which regulations are reduced even further, facilitate global production networks by eliminating the friction of tariffs, taxes, complicated labor laws, and red tape. The global production networks that result are with "just-in-time" production: retailers order items from their suppliers (and the suppliers from their suppliers, and so on) as they are needed, rather than keeping large inventories in stock.

Among the virtues of this new system is that it is leaner: it eliminates bureaucratic inefficiencies and puts a premium on getting products to consumers quickly and at the lowest possible price. However, critics of the system point out that it is also meaner. In the garment and other industries, this system has been associated with an increased reliance on offshore sweatshop production. Whereas bureaucratic firms can be publicly criticized and sanctioned for unethical practices, holding them accountable for the practices of their suppliers, sub-suppliers, and so on down the food chain is much more difficult. Defenders of economic globalization often point out that the affiliates of foreign firms pay on average one third more than the prevailing national wages. But the pants one buys at Target are not produced by the Dockers corporation; the company that

puts its label on a particular pair of pants may not provide - or even possess - information concerning the conditions under which it was produced.

However, firms are not alone in using networks that span national borders. A number of scholars have identified a trend toward "globalization from below" through the establishment of transnational migrant networks. Structural adjustment fosters the development of these communities at multiple levels. Most obviously, for the reasons enumerated above, structural adjustment puts pressure on national labor markets, leading to economic incentives to out-migrate. Meanwhile, foreign direct investment incorporates traditional segments of the population into the paid labor force and contributes to the Westernization of local cultures, making populations ripe for migration. High levels of foreign debt contribute to high interest rates in developing countries, which in turn cause their residents to work abroad to save up capital to invest in homes or small businesses. Under NAFTA, the illegal immigration of Mexicans to the United States has increased significantly, despite increases in border control. A recent United Nations report finds a 14% increase in the total world stock of migrants between 1990 and 2000 alone.

Transnational migration theorists suggest that new patterns of immigration differ from older waves in that they are not necessarily characterized by assimilation and permanent settlement. Many immigrants maintain strong social ties back home and travel back and forth between countries on a regular basis; others leave spouses and children behind in the expectation that they will return when enough money has been saved. Most recently, a more privileged class of transmigrant has emerged: well-paid, high-tech workers, often from India, with ties to both their receiving country and their country of origin. The experiences of transnational elites, which are obviously very different from those of the typical illegal Mexican factory worker, represent an underexplored and fascinating area of investigation.

One striking new trend linked to the rise of transnational migrant networks is the growing importance of remittances - cash sent home to the country of origin - in the economies of developing countries. According to a recent World Bank report, in 2001 the official total of remittances to developing economies was more than \$70 billion, and contributed more than 10% to the GDP of nations that included Jordan, Lesotho, Albania,

Nicaragua, El Salvador, Cape Verde, and Jamaica. Although the World Bank tends to emphasize the beneficial effects of remittances for economic development, qualitative studies of the transmigrant experience emphasize the high human cost incurred by the people who work far from family and community, for low wages, and often without legal rights or protections.

Finally, structural adjustment has been met with a new kind of resistance that also relies on border-spanning social ties. Peter Evans identifies three kinds of transnational ties contributing to what he terms "counter-hegemonic globalization." First, there are transnational advocacy networks: globalization has created political openings that allow cross-border activists to leverage changes in state policies. For example, the Jubilee movement has drawn world attention to the issue of Third World debt and was arguably an important factor in pushing forward the Heavily Indebted Poor Countries initiative endorsed by the World Bank and IMF. Second, workers have strengthened contacts with their allies across borders to help compensate for the lack of bargaining power of workers faced with highly mobile capital. Third, there has been a proliferation of consumer-labor networks designed to help compensate for Third World states' inability or unwillingness to enforce fair labor practices, of the sort exemplified by the campus antisweatshop movement.

## Final Thoughts

The era of structural adjustment has been associated with a number of fundamental and seemingly irrevers-

ible social transformations. Some of these changes, such as the rise of global networks, seem to have made the old modernization-dependency debates irrelevant. Others, such as the adoption of US-style patterns of economic governance around the world and the heightened salience of core pressures for policies in the periphery, echo the debates of the 1970s in ways that are interesting and potentially illuminating.

Over the past half-dozen years or so, there have been some signs that the intellectual and political underpinnings of the current order are being eroded, including a resurgence of Third World nationalist rhetoric, international social forums, and the rise and persistence of protests against multilateral organizations. Perhaps most interestingly, a number of prominent economists have begun to critique some of the fundamental tenets of the reigning model. However, although these trends have created space for debate, they have thus far coalesced into neither a school of thought nor a coherent set of policy alternatives.

This seems like a propitious time for sociologists to situate themselves within debates about what has happened, what went wrong, and what is to be done. Sociology lost considerable ground during the era of structural adjustment, which gave economists greater disciplinary dominance over discussions of the problems of poor countries. Consequently, many of the broader sociological, historical, and philosophical questions about the nature of modernity were thrust to the margins, as debates came to revolve around rational actors rather than the forces of history. A return to the big questions might be precisely what is needed to build a paradigmatic challenge, and a new terrain for debate.



## READING 17

# The Human Rights Effects of World Bank Structural Adjustment, 1981-2000

**M. Rodwan Abouharb and David L. Cingranelli**

World Bank and International Monetary Fund (IMF) structural adjustment conditions require loan recipient governments to rapidly liberalize their economies.

According to previous research, these economic changes often cause at least short-term hardships for the poorest people in less developed countries. The

Bank and IMF justify the loan conditions as necessary stimuli for economic development. However, research has shown that implementation of structural adjustment conditions actually has a negative effect on economic growth. While there has been less research on the human rights effects of structural adjustment conditions, most studies agree that the imposition of structural adjustment agreements (SAAs) on less developed countries worsens government human rights practices. This study focuses on the effects of structural adjustment conditions on the extent to which governments protect their citizens from extra-judicial killing, torture, disappearances, and political imprisonment.

The results of this study suggest that existing theories of repression should be revised to take greater account of transnational causal forces. Previous studies examining variations in the human rights practices of governments have concentrated almost exclusively on state-level characteristics such as wealth, constitutional provisions, or level of democracy. The dominant theoretical framework underlying this research argues that, other things being equal, "repression will increase as regimes are faced with a domestic threat in the form of civil war or when a country is involved in international war". Other international factors besides involvement in international war such as the degree of integration into the global economy, sensitivity to international norms, and involvement with international financial institutions have received much less attention.

Empirically, this study advances our understanding of the human rights consequences of structural adjustment by correcting for the effects of selection. It is possible that the worsened human rights practices observed and reported in previous studies might have resulted from the poor economic conditions that led to the imposition of the structural adjustment conditions rather than the implementation of the structural adjustment conditions themselves. In other words, the human rights practices of loan recipient governments might have gotten worse whether or not a structural adjustment agreement (SAA) had been received and implemented. In addition, as our results will show, some of the factors that increase the probability of entering into a SAA, such as having a large population and being relatively poor, are also associated with an

increased probability of human rights violations. For these reasons one must disentangle the effects of selection before estimating the human rights impacts of structural adjustment loans. In order to control for the effects of selection, a two-stage analysis was undertaken. In the first stage of the analysis, the factors affecting World Bank decisions concerning which governments receive SAAs were identified. In the second stage the impacts of entering into and implementing SAAs on government respect for human rights were examined.

The first-stage results demonstrate that the Bank does give SAAs to governments that are poor and experiencing economic trouble, but the Bank also employs a wide variety of non-economic loan selection criteria. The non-economic selection criteria examined in the first stage of the analysis build upon and extend selection models developed in previous research on the economic effects of structural adjustment. This research project is the first to demonstrate that the Bank prefers to give loans to governments that provide greater protection for worker rights and physical integrity rights of their citizens. Earlier research had shown that democracies were at a disadvantage when negotiating a SAA from the IMF, a finding consistent with expectations generated by Putnam's theory of two-level games. Our findings provide evidence that democracies also are at a disadvantage when negotiating with the World Bank.

After controlling for selection effects and other explanations of respect for physical integrity rights, the findings of the second-stage analysis show that the net effect of World Bank SAAs is to worsen government respect for physical integrity rights. Torture, political imprisonment, extra-judicial killing, and disappearances were all more likely to occur when a structural adjustment loan had been received and implemented. Governments that entered into SAAs with the World Bank actually improved their protection of physical integrity rights in the year the loan was received. Governments then reduced the level of respect for the physical integrity rights of their citizens during the years when structural adjustment conditions were imposed. This combination of findings suggests that governments seeking loans from the World Bank initially improved their human rights practices, possibly to impress Bank officials. However, the austerity measures required by the implementation of structural

adjustment conditions led to a subsequent worsening of human rights practices by governments in loan recipient countries.

The theoretical argument is that there are both direct and indirect negative effects of the implementation of structural adjustment conditions on government respect for physical integrity rights. Structural adjustment conditions almost always cause hardships for the poorest people in a society, because they necessitate some combination of reductions in public employment, elimination of price subsidies for essential commodities or services, and cuts in expenditures for health, education and welfare programs. These hardships often cause increased levels of domestic conflict that present substantial challenges to government leaders. Some governments respond to these challenges by becoming less democratic as in the case of Peru under President Fujimori in the 1980s. The results presented here, like those of numerous other studies, have shown that increased domestic conflict and decreased democracy are associated with higher levels of repression. The case of Venezuela provides an illustration of the role of structural adjustment in producing increased domestic conflict, a weakened democratic system and repression. As Di John writes:

A few weeks after the announcement of [structural adjustment] reforms, Venezuela experienced the bloodiest urban riots since the urban guerrilla warfare of the 1960s. The riots, known as the "Caracazo," occurred in late February 1989. A doubling of gasoline prices, which were passed on by private bus companies, induced the outburst [...]. The riots that ensued were contained by a relatively undisciplined military response that left more than 350 dead in two days.

Although Venezuela's democratic system has been maintained, over the period of this study, dissatisfaction with economic policies has played a part in three attempted coups, multiple general strikes, two presidential assassination attempts, and has led to several states of emergency being imposed. Even today, debate over structural adjustment policies in Venezuela remains heated. President Hugo Chavez sustains his popularity largely based on his opposition to the kind of unregulated economic liberalization advocated by the IMF and the Bank.

The findings presented here have important policy implications. There is mounting evidence that national economies grow fastest when basic human rights are respected. SAAs place too much emphasis on instituting a freer market and too little emphasis on allowing the other human freedoms necessary for rapid economic growth to take root and grow. By undermining the human rights conditions necessary for economic development, the Bank is damaging its own mission.

## Background

While each structural adjustment program is negotiated by representatives of the Bank and representatives of the potential loan recipient country, common provisions include privatization of the economy, maintaining a low rate of inflation and price stability, shrinking the size of its state bureaucracy, maintaining as close to a balanced budget as possible, eliminating and lowering tariffs on imported goods, getting rid of quotas and domestic monopolies, increasing exports, privatizing state-owned industries and utilities, deregulating capital markets, making its currency convertible, and opening its industries and stock and bond markets to direct foreign ownership and investment. Good governance emphases of the Bank include eliminating government corruption, subsidies, and kickbacks as much as possible, and encouraging greater government protections of human rights including some worker rights.

Most of the previous research has examined the IMF and its impacts, neglecting the role of the World Bank in promoting structural adjustment. Both are important actors, over the period examined in this study, the World Bank entered into 442 SAAs, while the IMF made 414. The remainder of the article briefly reviews previous work on the economic effects of structural adjustment, elaborates on the theory briefly outlined above, discusses the earlier research estimating the impact of structural adjustment on human rights; elaborates upon the need for a selection model, presents some specific hypotheses, and provides evidence supporting those hypotheses. Finally, the theoretical, methodological, and policy implications of these results are discussed.

## The Economic Effects of Structural Adjustment

The purpose of structural adjustment programs is to encourage economic growth. According to neoliberal economic theory, structural adjustment programs reduce the size and role of government in the economy. A minimalist state produces and encourages economic growth, which promotes economic and social development. Limited government empowers individuals by giving them more personal freedom, making it more likely that all individuals will realize their potential. The ability to realize one's potential, according to this line of reasoning, leads to individual responsibility and self-reliance. Limited government maximizes individual opportunities, limits the opportunity for corruption and releases talented people into the more efficient private sector.

Many scholars have examined the link between structural adjustment policies and economic growth and the weight of the evidence so far is that structural adjustment is not effective. According to critics, the Fund and Bank use a conception of development that is too focused on economic growth, have misdiagnosed the obstacles to development in less developed countries, have failed to appreciate the value of government interventions into the private economy, and have insisted that structural adjustment reforms be implemented too quickly. It is possible that developing countries like China have been more successful, both in terms of aggregate economic growth and poverty reduction, because they have avoided SAAs from the IMF and World Bank. Unlike Russia, which has received a number of SAAs, China has avoided a rapid increase in economic inequality.

## Theory: the Human Rights Effects of Structural Adjustment

### Direct effects

Figure 1 depicts the main causal arguments of the conventional neoliberal and more critical views of the direct and indirect effects of structural adjustment on the human rights practices of governments. The direct effects may be theorized as positive or negative. The

"positive" argument (linkage "a") is that a relatively limited government as required by SAAs is fundamental to all human freedoms. Limited government reduces barriers to the functioning of the free market, allowing people to enhance their opportunities and better pursue their own interests that are likely to be lost if human freedom is restricted. Consistent with this line of thought, Cranston has argued that respect for most human rights, including physical integrity rights (such as the right *not to be tortured*) only requires forbearance on the part of the state.

However, as linkage "h" of Figure 2 indicates, structural adjustment programs also may have the direct effect of worsening government human rights practices, because a substantial involvement of government in the economy is essential for the protection of all human rights. The historical record demonstrates, for example, that a reduced role of the state in capitalist economies has led to less protection of some human rights such as worker rights. From a principal-agent theoretical perspective, reducing the size of government also reduces the ability of principals (government leaders) to constrain the discretion of agents (police and soldiers). More administrative discretion is likely to lead to greater abuse of physical integrity rights. Also, in practice, the acceptance of structural adjustment conditions by the governments of less developed countries causes the adoption of new policies and practices. These new policies are designed to produce substantial behavioral changes in the affected populations. Evidence from literature about human learning suggests that people have a natural tendency to resist making substantial changes in their previous behavior. One of the tools government may use to overcome such resistance is coercion.

The idea that liberalization and economic development may conflict with respect for some human rights is an enduring theme in the debate over development policy and an implicit element of structural adjustment packages. Loan recipient governments are expected to reduce their efforts to protect the social and economic rights of their citizens in a variety of areas such as housing, health care, education, and jobs at least in the short run, with the expectation that they will be able to make much larger efforts toward these ends later. Civil and political liberties may have to be curtailed in order to ease the implementation of loan conditions.

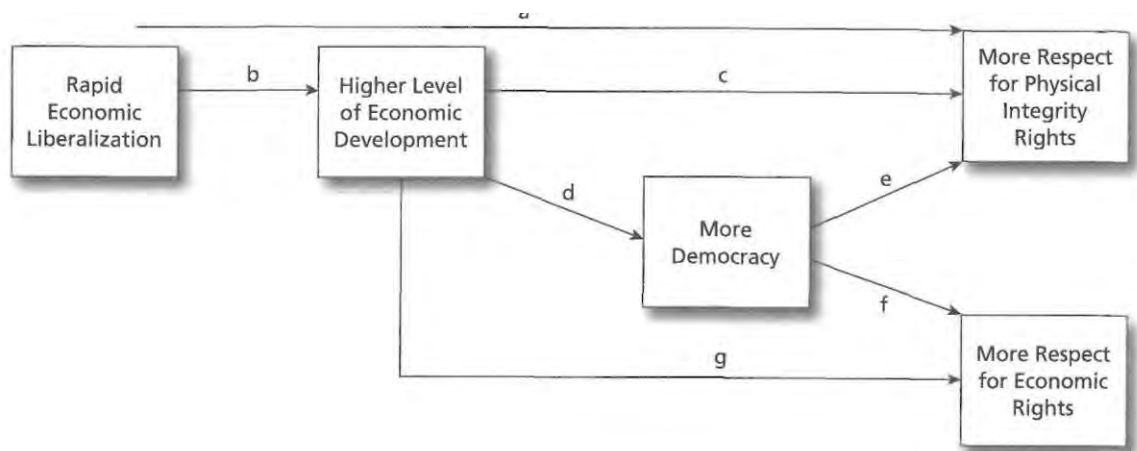


Figure 1 Structural adjustment and human rights: the neoliberal perspective

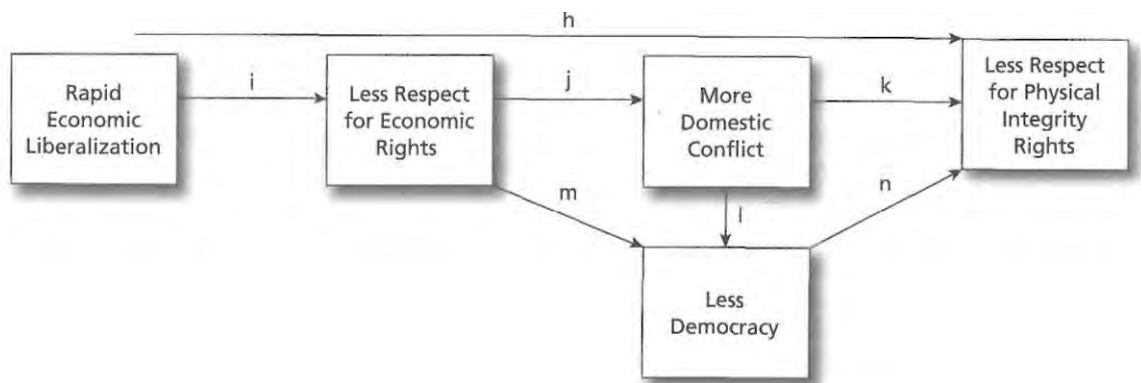


Figure 2 Structural adjustment and human rights: the critical perspective

People opposed to the policies of structural adjustment such as members of the press, trade unionists, leaders of opposition parties, clergy, social activists, and intellectuals may then be subjected to abuse of their physical integrity rights.

#### Indirect effects

Figure 1 also depicts the expected indirect effects of structural adjustment on the human rights practices of loan recipient governments. As noted, neoliberal economic theory suggests that structural adjustment will promote economic development (linkage "b" in Figure 1). Many previous studies have shown that

wealthier states have provided greater levels of respect for a wide variety of human rights including physical integrity rights (linkage "c"). Thus, if the imposition of a SAA increases the level of wealth in a less developed country, then the indirect effect of SAA implementation should be an improvement in the human rights practices of governments.

Despite findings showing that structural adjustment has not led to faster economic growth, the empirical debate over linkage "b" will continue. Thus, it is still important to understand the remainder of the neoliberal argument. As is indicated by linkages "d" and "e" in Figure 1, previous research has shown that wealthier states are more likely to be democratic, and relatively

high levels of democracy are associated with a higher level of respect for most human rights including physical integrity rights. Therefore, if the imposition of a SAA promotes higher levels of democratic development through increased wealth, then an indirect consequence of SAA implementation should be an improvement in human rights practices.

Neoliberal defenders of the effects of SAAs on government respect for economic human rights have argued that higher levels of economic development caused by the implementation of a SAA will lead to improvements in government respect for economic rights (linkage "g") through what is now commonly referred to as the "trickle down" effect. That is, wealth will accumulate faster under a structural adjustment program, and, once accumulated, will trickle down to help the less fortunate in society. A number of studies have shown that the level of economic development has a strong, positive impact on basic human needs fulfillment. Moreover, as indicated by linkage "f," previous research has shown that democratic governments have been shown to make greater efforts to provide for the economic human rights of their citizens.

Unfortunately, all of indirect neoliberal arguments linking SAAs to better human rights practices depend upon supporting evidence for linkage "b" in Figure 1. Without linkage "b" all of the other indirect causal chains from rapid economic liberalization to better human rights practices by governments are broken. At an earlier point in time, one might have argued that it was too soon to conclude that there was no evidence that the implementation of SAAs led to the accumulation of more wealth by loan recipients, but SAAs were initiated by the World Bank in 1980 and the IMF has had conditionality associated with its loans as far back as 1952. If SAAs have had a stimulative effect on economic development, it should be observable by now.

The indirect effects posited by the critical perspective are summarized in Figure 2. There is a large body of research showing that implementation of a SAA has negative effects on government respect for economic human rights (linkage "i"). Rapid economic liberalization, according to many observers, forces loan recipient states to reduce or even stop making efforts to help their citizens enjoy internationally recognized rights to health care, education, food, decent work and shelter, because structural adjustment conditions

almost always require reductions on government spending for social programs. Some studies have emphasized the disproportionate negative economic human rights consequences for women, for public sector employees and low-wage workers. The poor and those in the public sector have seen their wages fall in real terms, while at the same time they have faced increased living costs because of the removal of price controls and subsidies for essential commodities. The implementation of SAAs also has worsened the relative position of the worst off by increasing income inequality.

Less attention has been given to the relationships explicitly linking the implementation of SAAs to subsequent government respect for physical integrity rights. As shown in Figure 2, there are three indirect causal paths that should be considered (linkages "j-k," "j-l-n," and "m-n"). All lead to less respect for physical integrity rights, and all depend upon empirical support for linkage "i," which is plentiful. One line of thinking is that, by causing loan recipients to reduce their respect for the economic human rights of their most vulnerable citizens, externally "imposed" rapid economic liberalization of the type required by a SAA promotes domestic conflict (linkage "j"), which, in turn, leads loan recipient governments to become more repressive (linkage "k"). Acceptance of SAA conditions requires that decision makers in loan recipient countries enact unpopular policies. These policies cause hardships, especially among the poorest citizens, who are most dependent upon social programs. Citizens, often led by organized labor, protest against reductions in social welfare programs and public employment, commonly required in SAAs. Sometimes the protests become violent. The adjustment process also has intensified regional and ethnic conflicts as groups compete for a "dwindling share of the national cake". Increased repression (linkage "k") by the recipient government is one tool by which it can deal with violent protest. However, it is important to distinguish incremental economic liberalization that results from a societal choice without undue external interference and pressure from the kind of rapid economic liberalization required by SAA conditionality. Economic liberalization that is not required by the conditions found within a SAA may not affect or may actually reduce domestic conflict in societies. For example, Hegre, Gissinger, and Gleditsch examine the impact of economic liberalization



and find no discernible impact on the probability of civil conflict.

Other critics of structural adjustment would like the Bank and Fund to give greater attention to the impacts of SAAs on issues such as democratic development. Increased domestic conflict caused by the implementation of SAAs presents serious challenges to democratic systems (linkage "l"). Also, as indicated by linkage "m," requiring democracies to enact unpopular policies, the Bank and Fund may be undermining democratic systems. The positive relationship between a state's level of democracy and its respect for all types of human rights (linkage "n"), as noted above, is well established in the literature. Thus, any policy that undermines democracy, undermines government respect for human rights.

### Previous Research Linking Structural Adjustment to Human Rights Practices

The results of previous research explicitly focusing on the effects of SAAs on government respect for physical integrity rights are consistent with the expectations of the critical perspective. Camp Keith and Poe evaluated the human rights effects of getting a SAA from the IMF by comparing the human rights practices of governments with and without such loans while controlling for other factors reliably associated with good or bad human rights practices by governments. They focused on a global sample of countries between 1981 and 1987, and found some evidence indicating an increase in the level of repression of physical integrity rights during the implementation of a SAA. Using a cross-sectional analysis, Franklin also found some support for the argument that governments implementing IMF agreements were likely to become more repressive.

Furthermore, Camp Keith and Poe hypothesized that the very act of negotiating or entering into a loan with the IMF would have a temporary negative impact on the human rights practices of loan recipients. They were not clear about the rationale for this hypothesis, and their findings provided no statistically significant evidence for a "negotiations effect." Others have argued that the involvement of international actors has a moderating effect on domestic conflicts, which

should have the effect of improving government respect for physical integrity rights. There also is a specific reason to expect that negotiating a SAA from the World Bank would have at least a temporary positive impact on the human rights practices of loan recipient governments. The US International Financial Assistance Act in 1977 requires US government representatives on the decision making boards of the World Bank and IMF to use their voices and votes to advance the cause of human rights in loan recipient countries. The size of US contributions to the Bank gives it a strong voice in loan negotiations. Thus, one would expect the World Bank to make SAAs with countries that have good human rights practices.

Previous research has examined the effects of structural adjustment on the overall level of government respect for physical integrity rights but has not disaggregated the effects on torture, political imprisonment, extra-judicial killing, and disappearances. However, it is likely that the impacts of negotiating and implementing a structural adjustment program affect government respect for these kinds of physical integrity rights in different ways. In this early stage of the research program designed to develop theories explaining the human rights practices of governments, aggregate measures may mask theoretically important variations in how governments respect the human rights of their citizens. Disaggregating the measures of respect for physical integrity rights allows the investigation of whether governments improve or decrease their respect for different types of physical integrity rights to the same extent as a result of making and implementing a SAA from the World Bank.

Existing theories explaining why governments resort to violent forms of political repression conceive of repression as the result of conscious choices by rational, utility maximizing political leaders. Both the domestic and international costs and benefits of violating different types of physical integrity rights vary. Torture and political imprisonment are the most common forms of physical integrity rights abuse by governments. If government decision makers are rational, then policies allowing for the practice of torture and political imprisonment must offer higher net benefits than policies allowing the police or military to make citizens disappear or to kill them without a judicial process. If repression is a rational response to structural

adjustment, then torture and political imprisonment should increase the most during the implementation of structural adjustment conditions. Since the end of the Cold War, however, there has been an increase in average worldwide government respect for the right against political imprisonment. This trend indicates that, over time, either the costs associated with this form of repression have increased, the benefits have declined or both.

## Discussion

The most important substantive finding of this study is that receiving and implementing a SAA from the World Bank had the net effect of worsening government respect for all types of physical integrity rights. This finding is generally consistent with the findings of previous comparative and case study research on the human rights effects of IMF SAAs. It supports one of the main hypotheses in our research - that there would be a higher probability of physical integrity rights violations during the years a SAA was implemented. It is stronger, but generally supportive of the finding reported by Camp Keith and Poe regarding the effects of IMF structural adjustment conditions. The direction of our findings for political imprisonment were consistent with this hypothesis but were only statistically significant at the 0.11 level of confidence. It was hypothesized that the practices of torture and political imprisonment would be most affected by entering into and implementing SAAs. While the results did not provide strong support for this "differential effects hypothesis," the variation in the effects of SAAs across the four dependent variables examined did illustrate the usefulness of using disaggregated measures of physical integrity rights violations as advocated by McCormick and Mitchell. Consistent with Putnam, the findings also indicated that democratic governments had a disadvantage in negotiating SAAs with the Bank.

These findings concerning the effects of World Bank structural adjustment conditions on the human rights practices of loan recipients, with small differences, also pertain to the effects of negotiating and implementing a SAA with the IMF. In separate tests we have

examined the impact of IMF conditionally and the joint effects of structural adjustment loans by the IMF and/or the World Bank. No matter how the structural adjustment intervention is operationalized, the net effects on government human rights practices are found to be negative. We do not present all of those results in this paper mainly because of space limitations. However, there is also a void in the literature concerning the World Bank. While there have been numerous studies of the economic impacts of SAAs issued by the IMF, and Camp Keith and Poe and Franklin have conducted research on the human rights impacts of the IMF, there has been no previous global, comparative, cross-national research on the economic and human rights impacts of SAAs issued by the World Bank. As the number of SAAs issued by the World Bank and the IMF has been about the same over the period of this study, both international financial institutions have been about equally important in promulgating structural adjustment reforms. This paper, by focusing on the World Bank, begins to redress an unjustified imbalance in the literature.

Though it is clear that structural adjustment policies have negative human rights consequences for loan recipients, these bad outcomes probably have been unintended. First, the World Bank has been public in its commitment to good governance, including good human rights practices, as a way to promote economic development. Second, the selection stage findings indicated that the Bank has been more likely to give loans to governments with relatively good records of protection of physical integrity rights and worker rights. Third, the loan selection practices of the World Bank were not found to be strongly affected by the political interests of the major donors. Having an alliance with the United States or another major donor to the Bank had little effect on whether or not a country received a loan. Fourth, the findings showed that human rights practices improved during the years new SAAs were negotiated. One might infer that these improvements were designed to please Bank officials. Finally, there is no evidence that suggests that the Bank is aware of the negative human rights effects of structural adjustment.

In fact, in some very public ways, the World Bank has seemed concerned about advancing human rights, especially in recent years. James Wolfensohn, in speeches

he gave as the former World Bank President, even came close to using a human rights framework in his discussion of the poverty reduction efforts of the Bank. This evidence of concern about human rights can be seen elsewhere in the Bank's activities. Since 1994, the World Bank's Governance Project has emphasized the role of good governance as a precondition for development. The Director of the Project has even argued that respect for human rights is a necessary condition for economic growth. However, despite this apparent concern about promoting good human rights practices, the World Bank continues to use the tool of structural adjustment as its principal way to promote economic development, and there is no evidence that the provisions of the SAAs negotiated by the World Bank have changed in recent years or are different from those negotiated by the IMF.

[...]

When coupled with the body of research showing that structural adjustment programs do not stimulate economic growth, the findings presented here cast serious doubt upon the wisdom of insisting upon rapid neoliberal structural adjustment as the main condition for providing loans. The Bank's structural adjustment policies were shown to lessen the four human freedoms examined in this study. Most likely, protecting these

and other human freedoms is critical to the promotion of economic growth. Thus, structural adjustment programs as presently conceived and implemented undermine the Bank's mission to alleviate poverty around the World, and instead generate conditions for its perpetuation. Besides expanding market freedom, the World Bank should insist upon improvements in respect for other human rights as a condition for receiving new structural adjustment loans.

Future research on the human rights effects of structural adjustment should examine the consequences for other types of human rights such as worker rights and women's rights. Future work also should focus on developing improved measures of structural adjustment loan implementation. New measures would allow for a closer examination of the direct and indirect effects of the speed and types of economic liberalization on democratization, domestic conflict and ultimately on government respect for human rights. Economic liberalization may not have inevitable negative consequences for the human rights practices of governments. However, the results of this research demonstrate that the rapid, externally imposed economic liberalization of the type insisted upon by the World Bank has led to increased government violations of physical integrity rights.

## READING 18

# How International Monetary Fund and World Bank Policies Undermine Labor Power and Rights

**Vincent Lloyd and Robert Weissman**

After a decade of economic "reform" along lines advised by the International Monetary Fund (IMF) and World Bank, Argentina has plunged into a desperate economic crisis. The economy has been contracting for three years, unemployment is shooting up, and the country is on the brink of defaulting on its foreign debt payments. To avoid default, Argentina has negotiated for a new infusion of foreign funds to pay off the interest on old loans and obligations, and to forestall a pullout

by foreign investors. Traveling down that road took Argentina to the gatekeeper for such loans: the IMF. In August 2001, the IMF agreed to provide a new \$8 billion loan for Argentina, intended to forestall default. That followed a nearly \$40 billion January bailout package with a \$14 billion IMF loan as its centerpiece.

But like the loans Argentina has negotiated with the IMF and World Bank over the last decade - and like all other such loans from the IMF and Bank - the new

monies came with conditions. Among them are requirements that Argentina: promote "labor flexibility" - removing legal protections that inhibit employers from firing workers; revamp its pension system to generate "new savings" by cutting back on benefits for retired workers; slash government worker salaries; and privatize financial and energy operations of the government. The requirements, and others, infuriated the Argentine labor movement, which responded in March 2001 with general strikes that stopped economic activity in the country. In August, with the latest loan package, tens of thousands of workers took to the streets in protest.

That the IMF would demand such terms is no surprise. A *Multinational Monitor* investigation shows that the IMF and World Bank have imposed nearly identical mandates on dozens of countries. Based on reviews of hundreds of loan and project documents from the IMF and World Bank, the *Multinational Monitor* investigation provides detailed evidentiary support for critics of the international financial institutions who have long claimed they require Third World countries to adopt cookie-cutter policies that harm the interests of working people.

*Multinational Monitor* reviewed loan documents between the IMF and World Bank and 26 countries. The review shows that the institutions' loan conditionalities include a variety of provisions that directly undermine labor rights, labor power, and tens of millions of workers' standard of living. These include:

- Civil service downsizing.
- Privatization of government-owned enterprises, with layoffs required in advance of privatization and frequently following privatization.
- Promotion of labor flexibility - regulatory changes to remove restrictions on the ability of government and private employers to fire or lay off workers.
- Mandated wage rate reductions, minimum-wage reductions or containment, and spreading the wage gap between government employees and managers.
- Pension reforms, including privatization, that cut social security benefits for workers.

The IMF and Bank say these policies may inflict some short-term pain but are necessary to create the conditions for long-term growth and job creation.

Critics respond that the measures inflict needless suffering, worsen poverty, and actually undermine prospects for economic growth. The policies reflect, they say, a bias against labor and in favor of corporate interests. They note as well that these labor-related policies take place in the context of the broader IMF and World Bank structural adjustment packages, which emphasize trade liberalization, orienting economies to exports and recessionary cuts in government spending - macroeconomic policies that further work to advance corporate interests at the expense of labor.

## The Incredibly Shrinking Government Workforce

Perhaps the most consistent theme in the IMF/World Bank structural adjustment loans is that the size of government should be reduced. Typically, this means that the government should spin off certain functions to the private sector (by privatizing operations) and that it should cut back on spending and staffing in the areas of responsibility it does maintain.

The IMF/Bank support for government downsizing is premised, first, on the notion that the private sector generally performs more efficiently than government. In this view, government duties should be limited to a narrow band of activities that the private sector either cannot or does not perform better and to the few responsibilities that inherently belong to the public sector. In its June 2001 draft "Private Sector Development Strategy," the World Bank argues that the private sector does a better job even of delivering services to the very poor than does the public sector and that the poor prefer the private sector to government provision of services.

A second rationale for shrinking government is the IMF and Bank's priority concern with eliminating government deficits. The institutions seek to cut government spending as a way to close and eventually eliminate the shortfall between revenues and expenditures, even though basic Keynesian economics suggests that slow-growth developing nations should in fact run a deficit to spur economic expansion. In most countries, rich and poor, the government is the largest employer. In poor countries, with weakly developed private sectors,

the government is frequently the dominant force in the nation's economy. Sudden and massive cuts in government spending can throw tens or hundreds of thousands out of work, and can contribute to a surge in unemployment and to a consequent reduction in the bargaining power of all workers.

[...]

## Privatize, Privatize, Privatize

The civil service downsizing included in IMF and World Bank conditionalities is frequently bound up with privatization plans: under IMF and Bank instruction, governments agree to lay off thousands of workers to prepare enterprises for privatization. But privatization itself is frequently associated with new rounds of downsizing, as well as private employer assaults on unions and demands for wage reductions. Privatization is a core element of the structural adjustment policy package. Blanket support for privatization is an ideological article of faith at the IMF and Bank.

The range of IMF- and Bank-supported or -mandated privatizations is staggering. The institutions have overseen wholesale privatizations in economies that were previously state-sector dominated - including former Communist countries in Central and Eastern Europe, as well as many developing countries with heavy government involvement in the economy - and also privatization of services that are regularly maintained in the public sector in rich countries, such as water provision and sanitation, health care, roads, airports, and postal services.

[...]

Labor unions do not offer blanket opposition to all privatization. Particularly in the case of Central and Eastern Europe, but also in many developing countries, unions have agreed that privatization of some government operations may be appropriate. But they have insisted on safeguards to ensure that privatization enhances efficiency rather than the private plunder of public assets, and have insisted that basic worker rights and interests also be protected. But those safeguards by and large have not been put in place.

"Unfortunately, trade unions' proposals regarding the form of privatization, the regulatory framework and treatment of workers were usually not listened to

during the massive privatization wave in Central and Eastern Europe," notes the International Confederation of Free Trade Unions (ICFTU) in a report published in advance of the fall 2001 IMF and World Bank meetings. The IMF and Bank acknowledge some of their mistakes in Central and Eastern Europe, the ICFTU notes, but "similar mistakes may well be repeated in Central and Eastern Europe and in other regions."

[...]

## The Freedom to Fire

Another core tenet of IMF and Bank lending programs is the promotion of "labor flexibility" or "labor mobility," the notion that firms should be able to hire and fire workers, or change terms and conditions of work, with minimal regulatory restrictions. The theory behind labor flexibility is that, if labor is treated as a commodity like any other, with companies able to hire and fire workers just as they might a piece of machinery, then markets will function efficiently. Efficient-functioning markets will then facilitate economic growth.

Critics say the theory does not hold up. Former World Bank chief economist Joseph Stiglitz described the problem to *Multinational Monitor*: "As part of the doctrine of liberalization, the Washington Consensus said, 'make labor markets more flexible.' That greater flexibility was supposed to lead to lower unemployment. A side effect that people didn't want to talk about was that it would lead to lower wages. But the lower wages would generate more investment, more demand for labor. So there would be two beneficial effects: the unemployment rate would go down and job creation would go up because wages were lower."

"The evidence in Latin America is not supportive of those conclusions," Stiglitz told *Multinational Monitor*. "Wage flexibility has not been associated with lower unemployment. Nor has there been more job creation in general." Where "labor market flexibility was designed to move people from low productivity jobs to high productivity jobs," according to Stiglitz, "too often it moved people from low productivity jobs to unemployment, which is even lower productivity."

Indeed, some of the IMF and Bank documents treat labor flexibility almost as code for mass layoffs.

[...]

## Spreading the Wage Gap

Few things more clearly run contrary to workers' interest than wage reductions. Wage freezes, wage cuts, and wage rollbacks are all commonplace in IMF and World Bank lending programs, as is "wage decompression" - increasing the ratio of highest to lowest paid worker. These initiatives usually occur in the public sector, where the government has authority to set wages and salaries, and where the rationale is to reduce government expenditures. (A different logic is applied to managers, however, where the assumption is that higher salaries are needed to attract quality personnel and to provide incentives for hard work.) Sometimes the IMF and World Bank-associated wage freezes or reductions do apply to the private sector, as in cases where the minimum wage is frozen or reduced. Sometimes the overarching policy is referred to as "wage flexibility" and is undertaken in connection with labor market reforms.

[...]

The institutions have elaborate justifications for opposing wage supports. An April 2001 World Bank policy working paper, for example, concludes that minimum wages have a larger effect in Latin America than in the United States - including by exerting more upward influence on wages above the minimum wage - and promote unemployment.

## Pensions: Work Longer, Pay More, Get Less

Pension and social security reform has emerged as a high priority of the IMF and Bank in recent years, with the World Bank taking the lead. The thrust of the World Bank/IMF's proposals in this area has been for lower benefits provided at a later age, and for social security privatization.

[...]

The ICFTU reports that the World Bank has been involved in pension reform efforts, increasingly driving toward privatization, in over 60 countries during the past 15 years.

Dean Baker, co-director of the Washington, D.C.-based Center for Economic and Policy Research, says the Bank's support for social security privatization is not based on the evidence of what works efficiently

for pension systems. "The single-mindedness of the World Bank in promoting privatized systems is peculiar," he says, "since the evidence - including data in World Bank publications - indicates that well-run public sector systems, like the Social Security system in the United States, are far more efficient than privatized systems. The administrative costs in privatized systems, such as the ones in England and Chile, are more than 1,500 percent higher than those of the US system."

Baker adds that "the extra administrative expenses of privatized systems comes directly out of the money that retirees would otherwise receive, lowering their retirement benefits by as much as one-third, compared with a well-run public social security system. The administrative expenses that are drained out of workers' savings in a privatized system are the fees and commissions of the financial industry, which explains its interest in promoting privatization in the United States and elsewhere."

## Whither Labor Rights?

Few labor advocates argue that privatization should never occur or that no government layoff is ever necessary, though many would argue in almost all cases against certain IMF and Bank policies, such as reductions or mandated freezes on the minimum wage and privatization of Social Security. But among the most striking conclusions from the *Multinational Monitor* investigation of IMF and World Bank documents is the near-perfect consistency in the institutions' recommendations on matters of key concern to labor interests.

None of the documents reviewed by the *Monitor* show IMF or Bank support for government takeover of services or enterprises formerly in the private sector; they virtually never make the case for raising workers' wages (except for top management); they do not propose greater legal protections for workers. And on-the-ground experience in countries around the world shows little concern that implementation of policies sure to be harmful to at least some significant number of workers in the short term is done with an eye to ameliorating the pain. Worker safeguards under privatization, for example, repeatedly requested by labor unions around the world, are rarely put into force.

For former Bank chief economist Joseph Stiglitz, as well as unions and workers' advocates, the IMF/Bank record makes it imperative that basic workers' rights be protected. If there are to be diminished legal protections and guarantees for workers, and if IMF/Bank-pushed policies are going to run contrary to workers' interests, they say, then workers must at the very least be guaranteed the right to organize and defend their collective interests through unions, collective bargaining, and concerted activity.

But the Bank has stated that it cannot support workers' freedom of association and right to collective bargaining. Robert Holzmann, director of social programs at the World Bank, told a seminar in 1999 that the Bank could not support workers' right to freedom of association because of the "political dimension" and the Bank's policy of non-interference with national politics. Holzmann also raised a second

"problem" with freedom of association. "While there are studies out - and we agree with them that trade union movements may have a strong and good role in economic development - there are studies out that also show that this depends. So the freedom by itself does not guarantee that the positive economic effects are achieved."

Shortly after the 1999 seminar, labor organizations met with the World Bank and IMF. According to a report from the ICFTU, World Bank President James Wolfensohn reiterated Holzmann's point, saying that while the Bank does respect three out of the five core labor rights (anti-slavery, anti-child labor, and anti-discrimination, it cannot respect the other two (freedom of association and collective bargaining) because it does "not get involved in national politics." The ICFTU reports that "this statement was greeted with stunned disbelief by many present."



## READING 19

# Who Has Failed Africa?: IMF Measures or the African Leadership?

**Gerald Scott**

## Introduction

Many writers have suggested that International Monetary Fund (IMF) Structural Adjustment Programs in Africa have not only damaged growth prospects for many countries, but have further worsened an already badly skewed income distribution. Some of these writers have claimed that IMF programs have ignored the domestic social and political objectives, economic priorities, and circumstances of members, in spite of commitments to do so. In a recent article, an African critic submitted that IMF measures have failed Africa. He claimed that "after adopting various structural adjustment programs, many [African] countries are actually worse off." Not unlike many, he seems to be suggesting that IMF programs have been somewhat responsible for the severe decline in economic conditions. Some critics of IMF programs have pointed out that the fact that economic

conditions have deteriorated is not conclusive proof that conditions would be better without IMF programs. They do however stress that the developments associated with IMF programs have been extremely unsatisfactory. At the same time, this association does not necessarily imply that IMF programs cause economic decline in the region.

The main purpose of this paper is to argue that of all the feasible alternatives for solving Africa's current economic problems, IMF programs are the most promising. The paper will not contend that the panacea for the seemingly unsurmountable problems rest with the IMF. However, it will argue that IMF programs are better poised to help Africa reach its economic goals, or improve economic performance.

First, we will examine the main reasons for the region's dismal economic performance over several decades. Secondly, we will evaluate the evidence that has been

used to reach the conclusion that IMF programs have had a deleterious effect on Africa's economic performance. Thirdly, we will present a case for the attractiveness of IMF programs, and a discussion of some specific prescriptions in IMF programs.

## Why Has Sub-Saharan Africa (SSA) Performed So Poorly?

The problems of slow growth, high inflation, and chronic balance of payments problems continue to plague SSA well into the 1990s. In general these problems can be traced to international or domestic factors. During the last two decades a number of adverse events in the international economy have contributed to the economic decline in the region. These include oil crises, global recessions, deteriorating terms of trade, protectionism in the developed countries' markets, rising real interest rates, and the lack of symmetry in adjustment to payments problems. In addition a number of adverse developments in the domestic economy have inhibited productive capacity and thwarted the attempts to initiate and sustain economic growth.

No doubt, many countries lack appreciable amounts of essential resources and adequate infrastructure for sustained growth. It is also true that growth and development in many nations have been set back by droughts, civil wars, and political disturbances. It may even be true that colonial economic structures still account for many inflexibilities that inhibit economic growth. However, many countries could significantly improve economic performance and reduce poverty significantly if they managed their economies more efficiently, controlled population growth, and abandoned those policies that are so obviously anti-developmental.

The major setback has been gross mismanagement, which has largely resulted from corruption, rather than from incompetence and absence of skilled administrators. In many nations, national resources for investment, growth, and welfare have been consistently diverted into private hands and used largely for conspicuous consumption. Poor public sector management has resulted in large government budget deficits, which contribute to inflation, which in turn encourage undesirable import growth and serious balance of payments deficits. Quite simply African leaders, admin-

istrators, businesses, and political insiders have been engaged in corruption on a massive scale. The result has been almost complete destruction of the economic potential in many nations.

For the purpose of solving Africa's serious economic problems, there is need for the political will to attack the fundamental causes. If the present disquieting trends are not urgently tackled with the appropriate policies, then an even more somber future looms on the horizon for many Africans. Any package of measures should include policies designed to revitalize, expand, and transform the productive sectors into viable and self sustaining entities. In the absence of corruption public resources can be allocated efficiently to facilitate growth in the productive sectors. The microeconomic efficiency that results from efficient resource allocation, coupled with appropriate macroeconomic stabilization policies, would greatly enhance the prospects for economic growth and prosperity.

## Assessing IMF Programs

Studies aimed at evaluating IMF programs in Africa conclude that the results are mixed, ranging from disappointing to marginally good. Inasmuch as it is difficult to assess the overall effect of IMF programs some studies have shown that they have been somewhat successful in terms of a number of key economic indicators. One main reason for the contention that IMF programs have been harmful is that many countries with programs have performed as badly as those without IMF programs. One must be cautious in examining the performance of key economic indicators following IMF programs because of the dynamics of the setting in which they are implemented. But let us suppose for the sake of argument that IMF programs actually result in deteriorating economic conditions immediately following the program. For example, suppose economic growth declines as a result of the program. Even though economic growth is perhaps the most important objective of national development policy, it is still reasonable to consider a program successful if it laid down the basis for future realization of economic growth, within some reasonable time period. In other words if it established the economic structure that promotes and facilitates long term growth, then it can still be



regarded as successful. In addition it is possible that even though conditions did not improve, the program may have prevented economic conditions from deteriorating even more. It is not possible to subject IMF programs to controlled experiments. However, it seems more reasonable to argue that without IMF programs, in many countries, conditions would have been much worse, than one would argue that IMF programs cause conditions to worsen.

It has somewhat been fashionable, especially amongst those with very limited knowledge of the various economic rationales behind IMF recommendations, to reject those recommendations without presenting a feasible alternative. Many object to the IMF and some regard it not only as a representation of western economic interest, but as too uncompromising and arrogant in its relationship with nations in crisis. The indications are that IMF is usually anxious to intervene even before conditions deteriorate into a crisis. But like any prudent banker it has to be concerned about repayment prospect, which is essential for its very own survival and continuous provision of its service to other deserving members.

### Why IMF Programs May Be the Answer for Africa

IMF programs in the 1990s should have a major attraction for Africans genuinely concerned with the welfare of the people for a number of reasons. First, the programs are no doubt based on sound theory, always a useful guideline for policy-formulation.

The peculiar social, political, and economic circumstances of African nations and the inability or refusal of the IMF to take them into account in the design and implementing of programs have been cited as reasons why IMF programs have "failed" in Africa, or are doomed to fail. On the contrary, these particular African circumstances are in fact another good reason why IMF programs may be the right answer to the problem. Because of the nature of African economic circumstances, particularly problems in economic administration, the conspicuous absence of commitment on the part of politicians and administrators to the development and welfare of the nations, the absence of institutional capacity, and the weak civic consciousness, the best policy

is to embrace IMF programs. IMF programs encourage the dismantling of controls and simplification of the bureaucratic process; emphasize the strengthening of institutional capacity; require public accountability and responsibility; emphasize efficiency and economic discipline; encourage private sector participation in the economy; foster coordination in economic decisions and promote macroeconomic stability; and emphasize measures designed to expand aggregate supply.

The optimal policy intervention for dealing with an inefficiency or distortion is to seek the source of the problem. IMF programs are attractive because they are designed to attack the problems at their source. In African nations there are many problems that are outside the control of the officials and administrators. However corruption is not one such problem and it need not be so pervasive and economically destructive. Although it is very important not to under-emphasize the importance of many other problems of development, corruption is an obstacle that can largely be controlled, if the top leadership is committed to that objective. It is not the same problem as say drought or poor resource endowment, or an absence of a skilled workforce, that is largely outside the control of officials.

One major attraction of IMF programs is that they tend to remove all opportunities for corruption, i.e., they seek the source of the problem. For example, the suggestion that controls should be dismantled is in recognition that the reliance on physical controls for resource allocation is inferior to the market mechanism, especially in the absence of an efficient administrative machinery for the effective administration of controls. But perhaps the more relevant point is that a proliferation of controls usually lays the foundation for corruption, which has continued to destroy economic life in the region.

In reality it is not the IMF who has failed Africa, but the African leadership. The politicians and public sector officials have conspired with private businessmen and firms to adopt and implement policies that benefit themselves at the expense of national development and welfare. The inability or unwillingness of Africans to demand more accountability and responsibility from both politicians and public servants ensures that violations of the public trust are not treated as illegal, immoral, unethical or non-nationalistic actions. If the IMF has failed Africa, it has done so by failing to

vigorously condemn or expose corruption or even assign it the prominent place it deserves in the design of programs.

Many who oppose IMF programs have argued that they impose severe economic harm on the deprived peoples of Africa. Who are these deprived peoples and what is the evidence? The majority of them are rural inhabitants who have virtually been untouched by modernity. They are largely farmers, have limited participation in the modern economy, consume limited manufactured goods, and have very limited access to basic social services provided by governments. In the urban areas there are Africans of diverse economic circumstances ranging from those in abject poverty and squalor, to those of enormous wealth. The urban population is usually more politically powerful and its views have been the barometer used to measure or assess the political climate. On balance IMF programs will tend to harm the urban poor given the structure of their consumption basket and their production pattern. On the other hand the rural population could benefit immensely from IMF programs for similar reasons, and the efficiency gain to the nation would more than compensate for the loss experienced by the urban population. No convincing evidence has been advanced to support the claim of impoverishment of the majority of rural African peoples.

Even though the urban poor could face the most severe hardship as a result of IMF programs such adverse consequences could be mitigated even within the context of those same programs that supposedly impose such hardships. There is some empirical evidence that IMF reforms will improve the distribution of income and help the poor. There is also evidence that appropriate exchange rates and price incentives improve economic performance, and that private enterprises perform better than state enterprises.

What Africans need is a set of institutions that would enable them to effectively demand the very modest conditions the people deserve and subject all officials to full responsibility and accountability. Given the levels of ignorance, ethnic loyalties, poverty, disillusionment and despair, absence of strong nationalistic and patriotic attitudes, I shudder to imagine the difficulties associated with establishing such institutions. Notwithstanding, the task is possible if the leadership is committed to doing so. Based on the current structure

of African institutions, and the record of policy makers, IMF programs are more likely to be effective than other possible alternatives.

Let us examine some of the recommendations and issues in IMF programs and discuss their effects on national welfare.

### Devaluation

A devaluation increases the prices of traded (relative to nontraded) goods and will induce changes in production and consumption. First, as imports become more expensive less will be demanded, thereby curbing excessive import demand which is a major source of balance of payments deficits. At the same time production of import substitutes will be encouraged. Secondly, exports will become expensive so that less will be consumed locally and more will be produced. Exports will also be cheaper in foreign countries, so that more will be demanded. Foreign firms that split production into several stages will find the country attractive for their investments, and tourism will also receive a boost. The devaluation will therefore stimulate the export and import substitution sectors. The political concern usually is that the urban consumers whose purchasing power has already been eroded by inflation partly from excessive government spending, will have to pay more for basic manufactured goods, the bulk of which are imported. Not surprisingly, there is usually an anti-devaluation sentiment in the main urban areas. It is very important to emphasize that the devaluation by itself will not correct the problem of macroeconomic instability. It must be accompanied by sound fiscal management that complements rather than counteracts the effects of the devaluation. For example, if the government continues to maintain significant fiscal deficits after devaluation, then the devaluation would soon be reversed as the exchange rate becomes overvalued again. An overvalued exchange rate is subversive to long-term growth and balance of payments adjustment.

The African rural population consumes imported manufactured goods only in limited amounts, but could potentially benefit from devaluation because it will increase the price of agricultural exports. A program that prescribes a devaluation so that exchange rates are competitive, should ensure that the producers of exports are not unreasonably exploited by middlemen

(including government) to the extent that they have no incentive to expand production.

A legitimate concern is that devaluation will raise the price of essential inputs and stifle the supply response as the cost of production rises. In the first place, as long as cost of production lags behind prices, producers will find it profitable to expand production. In any case the appropriate supply response could be encouraged by an appropriate production subsidy. This of course involves an additional strain on the budget, and the IMF insists on fiscal restraint as we will see shortly. Fiscal reform involves maximizing tax revenue and ensuring that it is used to maximize macroeconomic performance. This means that those who have been avoiding their tax burden, especially the self employed, must be made to meet their tax obligations, and that frivolous and wasteful expenditures must be avoided.

#### Government budget deficit

When IMF programs recommend reductions in government expenditures, the concern is not only with the adverse effects of budget deficits on inflation and the balance of payments, but also with bogus budgetary appropriations that benefit private individuals and deprive the nation of developmental resources. As a result of the pervasiveness of corruption, many governments typically appropriate funds for the salaries of nonexistent civil servants or for goods and services that are not received. Similarly it is common for governments not only to pay highly inflated prices for goods and services, some of which are totally inessential, but also for governments to receive far less than market value for goods bought by some individuals or firms. IMF prescriptions on the budget can be viewed as perhaps a subtle way of telling African leaders that from their past record they cannot be trusted to appropriate the nation's resources in the national interest. This appears paternalistic, but should be acceptable to all concerned with the welfare of the mass of African peoples.

Government budget deficits as a percentage of GDP increased sharply after independence in many countries, as the states intervened ostensibly to correct the perceived flaws of a market economy. The evidence indicates that throughout the region the states have failed to perform the role of a prudent entrepreneur,

and government investments have resulted largely in considerable inefficiency. Public enterprises have been inefficiently operated, as they have largely been used as a way of providing patronage to political insiders.

Government budget deficits financed largely through money creation, have contributed to serious inflation and balance of payments problem. These deficits have not been consistent with other macroeconomic objectives of the government. The control of the deficit usually requires reducing expenditure, including the elimination of subsidies to consumption, and increasing taxes. In many African nations it is common for the government to subsidize the consumption of essential food items, gasoline, electricity, public transportation etc. The major beneficiaries are the urban population and mostly political insiders who for example obtain goods at subsidized prices and resell at black market rates. The typical rural inhabitant, because of the structure of the consumption basket does not benefit much from government subsidies.

#### Market prices

IMF programs attempt to promote a strong link between work effort and reward. This involves appropriate prices of goods and services, and factors of production. Prices not only provide information to producers but serve as an incentive that facilitates efficient resource allocation. The major problem in African countries has been inadequate production. Production has been constrained by a large number of factors including inappropriate prices. In many African countries the tax system has turned the terms of trade against agriculture and has resulted in very slow or negative growth rates in this sector. Overvalued exchange rates are an implicit tax on exporters since exporters receive the official rate.

The imposition of market prices for agricultural commodities typically results in higher food prices. Rural farmers benefit as producers, but as consumers they lose. However as long as they can respond sufficiently as producers, their gains will be more than enough to compensate for their losses and the nation as a whole will benefit. The challenge of reforming prices is to ensure adequate production response, which may require other complementary policies.

The continuous proliferation of price controls will only continue to stifle production, worsen shortages, and reduce incentive for investment.

### Privatization

African governments have argued that they have an obligation to provide goods and services usually provided by private enterprises in developed countries, because too often the market fails to do so. Thus they are compelled to invest in capital formation that will increase output, improve efficiency in resource allocation, and make the distribution of income more equitable. Those are desirable objectives and any government that achieves them deserves widespread commendation. Unfortunately the record of the public enterprises which are usually set up to pursue these objectives has been very disappointing. These public enterprises have been very inefficiently administered, and have been widely used by politicians as opportunities for patronage to their supporters.

In recommending privatization of certain public enterprises, IMF programs attempt to deal with two problems. The first is micro inefficiency in the productive sector, and the second is government budget deficits that result partly from the need to subsidize inefficiently run enterprises. Private enterprises that continuously make losses go out of business, but government enterprises with similar balance sheets receive political relief. By turning over certain enterprises to private institutions, the pressure on the budget eases, and there is a greater chance of increasing efficiency in production.

### Corruption and rent-seeking

The issue of corruption is inadequately treated in IMF programs even though it is perhaps the most important cause of economic decline or stagnation. This issue has been left to the African peoples to deal with. Unfortunately they seem to lack the capacity to do so effectively. International institutions should adopt a more aggressive role in the process of eliminating corruption, rather than the somewhat lukewarm support for the establishment of democratic institutions.

In African nations in which corruption is acceptable and institutions are structured such that they can easily

be transformed into breeding grounds for corruption and rent seeking it is not surprising that corruption is so extensive.

The IMF way of dealing with corruption and rent-seeking is to destroy all opportunities for those activities. If all economic agents realize that prosperity can only be achieved through hard work, innovation or other legitimate means, then most people will become hard working, innovative or pursue other legitimate activities. But as long as public officials or businessmen can conspicuously display their enormous wealth that cannot be attributed to their innovation, business acumen, hard work, inheritance, winning a lottery, etc., without any fear of been asked by the appropriate authorities to account for their wealth, inefficiencies and corruption will continue to flourish. The average African must first realize that the luxury automobiles or the villas arrogantly displayed by a public servant, may be connected with his or her poverty and deplorable living conditions. Then the African must insist on full accountability of all public servants. Possessing a sense of nationalism that is much stronger than ethnic loyalties, in addition to strong leaders who are obsessed with the welfare of the people instead of an obsession with status, power, and wealth, will contribute immensely toward the elimination of corruption in the region.

There can be no doubt that if corruption is eliminated, or even controlled, a sizeable proportion of Africa's problems will disappear and the continent can then fully focus on utilizing its scarce resources for maximizing production and consumption.

## Conclusion

African economic problems over the last two decades, can be traced mainly to a host of international and domestic factors. Many of the international factors and some of the domestic factors such as lack of suitable resource endowment, are outside the control of the governments and administrators. However, a significant part of the problems can be traced to corruption and other forms of inefficiencies. Instead of blaming the IMF for the dismal performance in Africa, we should focus on the African leaderships and their policies. The level of their commitment and

the policies they have adopted and implemented increasingly seem to confirm only their deplorable lack of compassion for fellow Africans and a callous detachment from the people's welfare. The status quo must change to prevent further erosion of the economic base on the continent.

The best foreign assistance is one that has a lasting effect; it is one that would empower Africans to fully participate in the growth process, and provide them with the irrevocable ability to effectively demand the modest living conditions that they have been unjustly deprived of by their leaders for so long.

# Nation-State

One of the most hotly debated issues in the study of globalization is the fate of the nation-state in the global age. There are so many statements on this issue, and so many different positions are staked out, that it is impossible to do them all justice in this chapter, even though the chapter includes a comparatively large number of essays. We devote much attention to this issue not only because it has been the subject of so much academic work, but also because it tells us a great deal about the process of globalization.

Donald Levine's work is useful in outlining some of the factors that have served to erode allegiance to the nation-state. Those factors are allegiances to the sub-national (the local or the primordial), the transnational (e.g. multinational organizations, MNCs), and the supranational (e.g. the EU and "Europeanness").

Susan Strange is concerned with the system which emerged from the Treaty of Westphalia in 1659 and involved the international focus on nation-states and their relationship with one another. In her view, however, that system is under great stress, leading her to the notion of the "Westfailure system." Thus her focus, at least here, is on the failure of the global system that accorded centrality to the nation-state and not on the failure of the nation-state *per se*. More generally, in other work, she feels that academics (especially those in the field of international relations, IR) accord too

much importance to the nation-state and in the process ignore other centers of political and economic power.

She focuses on problems created by the economic system that the nation-state has proven unable to handle. The first is global economic crises. Writing in the late 1990s, Strange deals with Asian financial crisis, but this failure has been demonstrated once again, and much more extremely, in the global recession beginning in late 2007. Here was a far greater economic crisis that was caused by the excesses in the economic system and the inability of the nation-states (especially the United States) to control and regulate economic agents within their borders. The plight of the nation-state is even clearer in the case of those agents that operated globally and were therefore beyond the control of any single nation-state. The second is the inability of the nation-state to deal with ecological problems - problems which are far worse today than they were a decade ago. Finally, there is the failure of the nation-state to do much of significance about the problem of global inequality which, like the other problems discussed by Strange, has grown far worse in the last decade.

Linda Weiss deals with the "myth of the powerless state." She argues that transnational movements and global flows are not new and they are not nearly as widespread as is believed by those who forecast the demise of the nation-state. Furthermore, the

nation-state is more adaptable than its detractors believe. While nation-states have a differential ability to deal with transnational and global developments, there are at least some ("catalytic states") that are not only able to deal with them, but facilitate their development. Thus, she sees all of this as part of a general history of adaptation of the nation-state to external and internal changes. Over time, as globalization proceeds, nation-states will differentiate on the basis of their ability to adapt to globalization. The nation-states that adapt best will remain strong, while those that fail to adapt will risk being weakened and even overwhelmed by globalization.

Daniel Béland argues that "the role of the state is enduring - and even increasing - in advanced industrial societies."<sup>1</sup> He sees greater demands being placed on the state because of four major sources of collective insecurity: terrorism, economic globalization leading to problems such as outsourcing and pressures toward downsizing, threats to national identity due to immigration, and the spread of global diseases such as AIDs. Further, the state does not merely respond to these threats; it may actually find it in its interests to exaggerate or even create dangers and thereby make its citizens more insecure. A good example is the US and British governments' arguments prior to the 2003 war with Iraq that Saddam Hussein had weapons of mass

destruction (WMDs) that posed a direct threat to them. The US even claimed that Iraq could kill millions by using offshore ships to lob canisters containing lethal chemical or biological material into American cities. The collective insecurity created by such outrageous claims helped foster public opinion in favor of the US invasion of Iraq and the overthrow of Saddam Hussein.

Rather than examining the nation-state *per se*, Robinson looks at the academic study of the nation-state within a global context. Because of the decline of the nation-state and the rise of the transnational, Robinson argues for the need for an epistemological shift to parallel the ontological change. That is, sociology and political science (especially IR), and other academic fields, should shift their focus from the national to the transnational (see chapter 7). In terms of sociology, Robinson argues that it should focus on the "study of *transnational social structure*."<sup>2</sup>

It is worth noting that Robinson, like many other analysts, reduces globalization to economic globalization. In Robinson's case, he goes further and reduces it to capitalism: "The essence of globalization is global capitalism."<sup>3</sup> This tendency to conflate globalization and economics, even when focusing on politics, greatly reduces the overall adequacy of analyses of the relationship between globalization and the nation-state.

## NOTES.....

1 Daniel Béland, *States of Global Insecurity: Policy, Politics, and Society*. New York: Worth, 2008, 48.

2 William I. Robinson, "Beyond Nation-State Paradigms:

Globalization, Sociology, and the Challenge of Transnational Studies." *Sociological Forum* 13, 4, 1998: 562.

3 *Ibid.*, 563.


 READING 20

## Sociology and the Nation-State in an Era of Shifting Boundaries

Donald N. Levine

[...]

### Eroding Commitments to National Boundaries

Now, I find it fascinating to contemplate the fact that the new configurations that have come to compete with the authority of established disciplines resemble developments within the universe of nation-states. Just as allegiances to disciplinary fields have had to compete with intellectual alliances that I have glossed as *subdisciplinary*, *transdisciplinary*, and *supradisciplinary*, so over the past generation, commitments to national political entities have been weakened by the spread of allegiances that are *subnational*, *transnational*, and *supranational* in scope.

The locus classicus for formulating the dynamics of subnational loyalties is a paper written in 1962 by Geertz. "The Integrative Revolution." That paper identifies two powerful, interdependent, and often opposed motives: the desire to be recognized as a responsible person whose wishes, acts, hopes, and opinions "matter," and the desire to build an efficient, dynamic modern state. The one aim is to be noticed: it is a search for identity, and a demand that the identity be publicly acknowledged as having import, a social assertion of the self as "being somebody in the world." The other aim is a demand for progress - for a rising standard of living, more effective political order, greater social justice - and for playing a part in the larger arena of world politics.

As Geertz formulated the matter, tension between these two motives is a central driving force in the evolution of nations, yet one of the greatest obstacles to such evolution. The tension gets exacerbated in the new states, because of the accelerating importance of the sovereign state as a positive instrument for

pursuing collective aims, when people's sense of self remains bound up with attachments based on blood, race, language, locality, religion, or tradition - attachments that Geertz designated generically (following Shils) as "primordial" ties.

A decade later Geertz was chagrined to note that the tensions among primordial groups that he had associated with the new states of Africa and Asia were by no means limited to those countries. When republishing his essay he confessed that in 1972

my passage about the declining role of primordial divisions in "modern" countries seems, to put it mildly, rather less convincing than [it] did in 1962, when this essay was originally written. But if events in Canada, Belgium, Ulster, and so on have made primordial definition seem less predominantly a "new state" phenomenon, they have made the general argument developed here seem even more germane.

Two decades after that, the assertion of subnational identities based on primordial ties had become one of the fastest-spreading social phenomena in the world, ranging from the benign move to legitimate a dozen provincial languages and dialects in France to conflagrations in Eastern Europe and Northeast Africa.

The remarkable thing is that precisely the opposite tendency has been increasing as well. Transnational organizations of many kinds have proliferated in recent decades. Corporations like General Motors, Royal Dutch Shell, and Goodyear Tire have emerged as multinational enterprises commanding vast resources outside the control of any national regulatory system. Some years ago, Elise Boulding reported a figure of about 10,000 transnational corporations with 90,000 affiliates, spread over all the continents. Comparable expansions took place with intergovernmental organizations (IGOs)



and international nongovernmental organizations (INGOs). According to the 1995/1996 edition of the *Yearbook of International Organizations*, IGOs increased from a baseline of 37 in 1909 to nearly 4,000 in 1995. During the same period, INGOs exploded from a baseline of 176 to the current count of nearly 22,000.

Just as dramatic has been the expansion of supranational processes, processes that parallel what we have called the supradisciplinary spheres of discourse. In a colorful metaphor, Benjamin Barber designates this general phenomenon as "McWorld." Barber analyzes four imperatives that make up the dynamic of McWorld: a market imperative (all national markets now being vulnerable to the inroads of larger markets within which trade is free and currencies are convertible); a resource imperative; an information-technology imperative; and an ecological imperative. The trope - and reality - of cyberspace is a perfect manifestation of these new supranational realities.

Supranational forces manifest themselves even in the area of normative social controls. Yasemin Soysal has identified ways in which criteria of nationhood and citizenship have now accommodated to heavy streams of international migration. Her work, based on interviews in Britain, France, Germany, The Netherlands, Sweden, and Switzerland - and on data from an additional half dozen countries - documents the widely spread pattern of granting rights to guest workers and other non-nationals, rights that previously had been restricted to national citizens. These guests have been able to gain access to most kinds of employment, to enjoy social services such as health care, education, and social insurance schemes, and even to vote in local elections. Commenting on this new phenomenon, Soysal observes:

The predominant conceptions of political sociology posit that populations are organized within nation-state boundaries by citizenship rules that acclaim national belonging as the legitimate basis of membership in modern states. This study, however, finds that [...] the state is no longer an autonomous and independent organization closed over a nationally defined population [...] My analysis of the incorporation of guest-workers in Europe reveals a shift in the main organizing principle of membership in contemporary polities: the logic of personhood supersedes the logic of national citizenship.

Soysal suggests that the principle of human rights has come to ascribe a universal status to individuals and their rights. She therefore theorizes these developments by construing them in terms of two contrasting principles of the global system: national sovereignty and universal human rights. Barber casts his analysis in terms of a different pair of principles. To the globalizing processes of McWorld he counterposes the principle of "jihad," the term he uses to designate a tendency to mobilize actors around more parochial kinds of allegiances. Thus, where Geertz found national loyalties in tension with subnational, primordial allegiances and Soysal finds national sovereignties in tension with global expectations about universal human rights, Barber removes nation-states from the equation altogether and conceives the great dualism of the contemporary world as a tension between tendencies toward global unification and subnational fragmentation.

In a searching critique of Barber's formulations, Roland Robertson rejects a conceptualization that counterposes local against global processes. While Robertson sees an inexorable trend toward globalization, he argues that it is incorrect to view this as taking place at the expense of or in opposition to local allegiances. Consequently, he urges us to adopt the term "glocalization" to symbolize a simultaneous expansion in both global and local directions, the universalization of particularisms and the particularization of universals.

However these processes get theorized, the growing consensus is that major developmental tendencies in the social world are weakening the claims of *national* boundaries. In Barber's words, the forces of jihad recreate ancient subnational borders from within, while the forces of McWorld make national borders porous from without. As Barber foresees it, the optimal development would be toward

a confederal union of semi-autonomous communities smaller than nation-states, tied together into regional economic associations and markets larger than nation-states - participatory and self-determining in local matters at the bottom, representative and accountable at the top. The nation-state would play a diminished role, and sovereignty would lose some of its political potency. The Green movement adage "Think globally, act locally" would actually come to describe the conduct of politics.



## READING 21

## The Westfailure System

Susan Strange

From a globalist, humanitarian and true political economy perspective, the system known as Westphalian has been an abject failure. Those of us engaged in international studies ought therefore to bend our future thinking and efforts to the consideration of ways in which it can be changed or superseded. That is the gist of my argument.

The system can be briefly defined as that in which prime political authority is conceded to those institutions, called states, claiming the monopoly of legitimate use of violence within their respective territorial borders. It is a system purporting to rest on mutual restraint (non-intervention); but it is also a system based on mutual recognition of each other's 'sovereignty' if that should be challenged from whatever quarter.

But while we constantly refer to the 'international political system' or to the 'security structure' this Westphalian system cannot realistically be isolated from - indeed is inseparable from - the market economy which the states of Europe, from the mid 17th century onwards, both nurtured and promoted. To the extent that the powers of these states over society and over economy grew through the 18th, 19th and 20th centuries, they did so both in response to the political system in which states competed with other states (for territory at first but later for industrial and financial power) and in response to the growing demands made on political authority as a result of the capitalist system of production and its social consequences. The label 'capitalist' applied to the market-driven economy is justified because the accumulation of capital, as the Marxists put it, or the creation and trading in credit as I would describe it, was the necessary condition for continued investment of resources in the new technologies of agriculture, manufacture and services. As I put it in *States and Markets*, the security structure and the production, financial and knowledge structures constantly interact with each other and cannot therefore be analysed in isolation. The point is 'kid's-stuff to

social and economic historians but is frequently overlooked by writers on international relations.

When I say that the system has failed, I do not mean to say that it is collapsing, only that it has failed to satisfy the long-term conditions of sustainability. Like the empires of old - Persian, Roman, Spanish, British or Tsarist Russian - the signs of decline and ultimate disintegration appear some while before the edifice itself collapses. These signs are to be seen already in the three areas in which the system's sustainability is in jeopardy. One area is ecological: the Westfailure system is unable by its nature to correct and reverse the processes of environmental damage that threaten the survival of not only our own but other species of animals and plants. Another is financial: the Westfailure system is unable - again, because of its very nature - to govern and control the institutions and markets that create and trade the credit instruments essential to the 'real economy'. The last area is social: the Westfailure system is unable to hold a sustainable balance between the constantly growing power of what the neo-Gramscians call the transnational capitalist class (TCC) and that of the 'have-nots', the social underclasses, the discontents that the French call *les exclus* - immigrants, unemployed, refugees, peasants, and all those who already feel that globalisation does nothing for them and are inclined to look to warlords, Mafias or extreme-right fascist politicians for protection. The point here is that until quite recently the state through its control over the national economy, and with the fiscal resources it derived from it, was able to act as an agent of economic and social redistribution, operating welfare systems that gave shelter to the old, the sick, the jobless and the disabled. This made up for the decline in its role - in Europe particularly - as defender of the realm against foreign invasion. Now, however, its ability to act as such a shield and protector of the underprivileged is being rapidly eroded - and for reasons to which I shall return in a while.

In short, the system is failing Nature - the planet Earth - which is being increasingly pillaged, perverted and polluted by economic enterprises which the state-system is unable to control or restrain. It is failing Capitalism in that the national and international institutions that are supposed to manage financial markets are progressively unable - as recent developments in east Asia demonstrate - to keep up with the accelerating pace of technological change in the private sectors, with potentially dire consequences for the whole world market economy. And it is failing world society by allowing a dangerously wide gap to develop between the rich and powerful and the weak and powerless.

The fact that the system survives despite its failures only shows the difficulty of finding and building an alternative. No one is keen to go back to the old colonialist empires. And though Islam and Christian fundamentalism make good sticks with which to beat the western capitalist model, the myriad divisions within both make any kind of theocratic-religious alternative highly improbable. So the old advice, 'Keep hold of nurse, for fear of worse' is still widely followed even while faith in her skill and competence is more than a little doubted.

[...]

## The Three Failures

[The financial failure]

Let us start with the failure to manage this credit-creating system of finance. Up to summer 1997, the conventional wisdom was that states and their inter-governmental organisations between them were well able to supervise, regulate and control the banks and other institutions that created and traded in credit instruments - from government bonds to securitised corporate paper to derivatives. This was the message of a much-praised study by Ethan Kapstein. While national regulatory systems in each of the major developed economies functioned at the state level, the International Monetary Fund (IMF) and the Bank for International Settlements in Basle (BIS) functioned at the transnational level. This two-level, belt-and-braces system of governance could take care of any problems

arising in the markets. But in the course of 1997, events in east Asia cast serious doubt on this comforting conclusion. The turmoil that hit the Malaysian, Indonesian and Thai currencies and stock exchange prices came out of a clear blue sky. Neither of those international regulatory institutions had foreseen or warned against such a contingency. As the turmoil spread and grew, the first rescue packages proved insufficient to restore even minimal confidence and had to be substantially increased. The common factor in all the stricken economies was an influx of mobile short-term capital, too much of which went in ill-considered speculative loans or in unproductive real-estate investments. Prime Minister Mahomed Mahathir of Malaysia blamed George Soros and other foreign speculators who had moved their funds out of the country as quickly as they had taken them in. But it was soon apparent that national regulations over the banks and over short-term capital movements in each of the east Asian countries (Taiwan excepted) had been totally inadequate. The admonitions to embrace financial liberalisation that came from Washington and the IMF had been taken altogether too literally.

But it is not just that the national systems and the international financial organisations were equally unprepared for the shocks of summer and autumn 1997. The case against Epstein's comfortable conclusions concern much more (a) the inadequacy of both the BIS and the IMF as global regulators; and (b) the inadequacy of *all* national systems of financial regulation. To be fair to Epstein, it only became apparent after he had done his study that the Basle system of capital-adequacy rules devised by the Cooke Committee in the 1980s and subsequently elaborated was not after all really effective. In its 1997 report the BIS more or less admitted as much and, making a virtue out of necessity, announced that in future the supervisory responsibility would rest with the banks themselves. Now, as the Barings story had shown, trusting the poachers to act as gamekeepers was an unconvincing strategy. The bosses at Barings neither knew nor wanted to know what Nick Leeson was up to. Barings' survival under acute international competition made them glad of the profits while discounting the risks he was taking. And even in the most prudent of banks these days, the complexities of derivative trading are often beyond the comprehension of elderly managers.

As for the IMF, its competence to coerce Asian governments into supervising and reforming their banking and financial systems is open to grave doubt. The IMF is used to negotiating with states (especially Latin American ones) over sovereign debts. Its officials - mostly economists - have no experience that helps them catch out wily and secretive bankers when they lie or cover up their business. Moreover, as the record in Kenya, for example, shows, IMF economists have no leverage when it comes to obdurate dictators protecting their corrupt and clientelist power structures. The problem with Suharto is above all political, not technical. The same is true of the African debt problem. Everyone, including the IMF, now agrees that rescheduling old debt in the Highly Indebted Poor Countries (HIPC) is only making the problem worse, not better. But the IMF and World Bank are unable to force the creditor governments into the necessary agreement on whose debt should be wiped out and by how much.

As for the declining effectiveness of national systems of financial regulation and control, this may be less evident to Americans than it is to Europeans and Japanese. The German, French, British and Japanese systems function very differently. But all are currently being undermined by the technological innovations in financial dealing and the almost-instant mobility of capital across borders and currencies. A dangerous gap is therefore opening up between the international institutions that are unable and unwilling to discipline the banks, the hedge and pension fund managers and the markets, and the national systems of supervision and control whose reach is not long enough nor quick enough to prevent trouble. Eric Helleiner has argued that supervisors now have the technical know-how to trace funds as they move about the global financial system. True, but only far too slowly and with too much painstaking effort; not fast enough nor regularly enough to protect the system. So long as tax havens provide a refuge for wrongdoers, from drug dealers to corporate tax-evaders and heads of state who regard their country's aid funds as personal property, the national regulators' hands are tied.

#### The environmental failure

I have put the financial failures of the state-based system first because my recent research has convinced

me that it is the most acute and urgent of the current threats-without-enemies. If we do not find ways to safeguard the world economy before a succession of stockmarket collapses and bank failures eventually lands us all in a 20-year economic recession - as the history of the 1930s suggests it might - then no one is going to be in a mood to worry overmuch about the long-term problems of the environment.

On the other hand the environmental danger is much the most serious. The planet - even the market economy - could survive 20 years of slow economic growth. But if nothing is done to stop the deterioration of the environment then the point might come with all these dangers when it was too late. The destructive trend might have become irreversible. Nothing anyone could do then would stop the vicious circle of environmental degradation, and it would be the Westfailure system that brought it about and prevented remedial and preventive action. Why? Because the territorial principle which lies at the heart of it proclaims that the territorial state is responsible for its own land - but not for anyone else's.

There are three distinct kinds of environmental danger. But for each, it is not the lack of technical knowledge, nor of appropriate policy measures that is lacking. It is the ability of the Westfailure system to generate the political will to use them. One is the destruction of the ozone layer. This is mainly attributed to the release of CFC gases from aerosols and other sources. As the 'hole' in the ozone layer grows larger, the protection from the sun given by the earth's atmosphere is weakened with serious atmospheric and climatic consequences. Another environmental problem is caused by carbon dioxide and sulphur pollution of the air. Some of this pollution comes from industry. But a lot comes from cars - cars that use petrol or diesel for fuel. Third, there is the depletion of the planet's resources - primarily of water, shrinking the acreage available for cultivation. Secondly, there is the depletion of forests - not only rainforests - bringing unforeseeable climatic consequences, and also the depletion of species of plants, fish and animals, upsetting ecological balances that have existed for millennia.

With each of these environmental dangers, it is not hard to see that it is the state, with its authority reinforced by the mutual support provided by the Westfailure system, that is the roadblock, stopping remedial action. One consequence of the principle can

be seen in the indifference of British governments to the acid rain carried by prevailing westerly winds to Scandinavian forests; or the indifference of US governments to the same kind of damage to Canadian forests. Another can be seen in the impasse reached at the Rio and Kyoto intergovernmental conferences on the environment. European and Japanese concerns left the United States substantially unmoved when it came to stricter controls over CFC gases. Nothing much has changed since. The agreements at the Kyoto conference in 1997 were more cosmetic than substantial. And when it comes to the pollution danger, the biggest *impasse* is between the developed countries and China. Pressure on Beijing from the United States and others to slow down the consumption of fossil fuels for the sake of the environment is met with the question, 'If we do, will you pay?' After all, they argue, the environmental dangers you perceive today were the result of your past industrialisation, not ours. Why should you expect us to be more environmentally aware today than you were yesterday? With our growing population, we cannot afford - unless, of course, you are prepared to pay - to slow down our growth to keep the air pure and the water unpolluted. Only rarely, as when Sweden offered to contribute funds to Poland to pay for tougher environmental rules on Polish coal and chemical plants, is the Westphalian territorial principle set aside. But Sweden is rich, was directly damaged by Polish pollution and could justify the transfer on grounds of self-interest. China and the rest of the developing countries are a far bigger nut to crack. So long as the Westfailure system persists, Nature will be its victim.

As Andrew Hurrell commented in a recent review, 'the pitfalls outweigh the promise by a very considerable margin' when it comes to transmuting short-term transfers into well-institutionalised long-term commitments on environmental matters. Hurrell also quotes one of the concluding chapters in the book, 'The studies of environmental aid in this volume paint a rather dark picture. Constraints on the effectiveness of environmental aid seem more pronounced than windows of opportunity'.

[The social failure]

The third Westphalian failure is social, or social and economic. The discrepant and divergent figures on

infant mortality, on children without enough to eat, on the spread of AIDS in Africa and Asia, and on every other socio-economic indicator tell the story. The gap between rich countries and very poor ones is widening, and so is the gap between the rich and poor in the poor countries and the rich and poor in the rich countries. It is not that we do not know the answer to socio-economic inequalities; it is redistributive tax and welfare measures and what Galbraith called countervailing power to make good the tendency of capitalism to private affluence and public penury, and to booms followed by slumps. But applying that answer to world society is frustrated by the Westfailure system, so closely tied in as it is with the 'liberalised' market economy. If national Keynesian remedial policies are made difficult by the integrated financial system - as Mitterrand found out so painfully in 1983 - transnational Keynesian policies are practically inconceivable. We have had one demonstration of this in central Europe in the early 1990s. Here was a case, if ever there was one, for a second Marshall Plan to prime the pump for a rapid transition from state-planning to an open, competitive and therefore productive market economy. But the Reagan and Bush administrations were ideologically unsympathetic and the Germans too self-absorbed in their own unification to bother about the fate of their nearest neighbours. Indifference, whether to central Europe or to Africa, is not just a matter of the selfish, conservative mindsets that Gerald Helleiner recently parodied in verse:

The poor complain. They always do. But that's just idle chatter. Our system brings rewards to all, at least to all that matter.

It is actually an inevitable result of the symbiosis between a world market economy and a state-based political system in which those with political authority are inherently unable to see that socio-economic polarisation is not in anyone's long-term interest. It is not just that the underprivileged may riot and loot as in Los Angeles in the 1980s or Jakarta today, or that they may pass their new epidemic diseases to the rich, or wage terrorist campaigns under the guise of religious *jehads*. It is that socio-economic inequality becomes intolerable if people believe it will get worse, not better. They can bear deprivation and hardship if they believe

that their children's lot will be better than theirs. Moreover, a flourishing market economy needs new customers, with money to spend, not homeless beggars and starving African farmers. America would not be what it is today without the millions of penniless immigrants that constantly expanded the mass market for its manufactures.

## What Is To Be Done?

The two commonest reactions to the three failures of the system I have briefly described are either to deny the failures and to defend the dual capitalism-state system in panglossian fashion as the best of all possible post-Cold War worlds, or else fatalistically to conclude that, despite its shortcomings there is nothing that can be done to change things. Only quite recently has it been possible to detect the first tentative indications of a third response. It is to be heard more from sociologists than from international relations writers, perhaps because sociologists tend to think in terms of social classes and social movements rather than in terms of nation-states. As a recent collection of essays around the theme, 'The Direction of Contemporary Capitalism' shows; there is little consensus among them either about current trends or about possible outcomes. A good deal of this thinking has been inspired by the rediscovery of Antonio Gramsci and his concepts of hegemony, the historic bloc and social myths that permit effective political action. A common assumption is that the present system is sustained by the power of a transnational capitalist class (TCC).

I have no doubt that such a class exists and does exert its power over the market economy and the rules - such as they are - that govern it. Nearly a decade ago, I referred to it as the dominant 'business civilization'. I think Gill was mistaken in seeing evidence of its power in the Tripartite Commission, which was more a club of well-meaning has-beens than an effective political actor, a mirror rather than a driver. But he was right in spotlighting the emergence of a transnational interest group with powerful levers over national governments including that of the United States and members of the European Union. Recent research in telecommunications, trade negotiations concerning intellectual property rights and a number of other

spheres where international organisations have been penetrated and influenced by big-business lobbies all point to the existence of such a TCC. Yet to call it a class suggests far more solidarity and uniformity than in fact exists. The more I look into the politics of international business, the more I am struck by the growing divide between big business - the so-called multinationals - and the people running and employed by small and medium business enterprises. These enjoy few of the perks and privileges of the big corporations yet have to conform to the rules and agencies created by them. For them, globalization is something to be resisted, if only because it so blatantly tramples on the democratic principles of accountability and transparency.

The environmental issue area is a good example of the fissures in the TCC. On the one side are the big oil companies, the giant chemical combines, the vested interests of the car manufacturers and associated businesses. On the other are firms in the vanguard of waste disposal and clean-up technologies and interestingly - the transnational insurance business. Fear of the vast claims that might be made against their clients on environmental grounds is putting insurers increasingly in opposition to the polluters. Their opposition, of course, is predicated on legal systems that are sensitive to public opinion. The power of the latter meanwhile is also evident in the growing sensitivity of some elements in business to shareholders and consumers.

Thus, the notion tentatively posited by some of the neo-Gramscians that while there is some sort of TCC there is also an emerging global civil society is not likely to be dismissed. To quote Leslie Sklair:

No social movement appears even remotely likely to overthrow the three fundamental institutional supports of global capitalism [...] namely, the TNCs, the transnational capitalist class and the culture-ideology of consumerism. Nevertheless in each of these spheres there are resistances expressed by social movements.

Similarly, Rodolfo Stavenhagen, writing on 'People's movements, the antisystemic challenge' in the collection of essays edited by Bob Cox, finds the growth points of a nascent transnational opposition, or counterforce to Sklair's three institutional supports sustaining the Westfailure system. Not only, he says, are such

social movements non-governmental, they are popular in the widest sense of that word; they are alternative to established political systems, and therefore often at odds with national governments and political parties and they seek 'to attain objectives that would entail alternative forms of economic development, political control and social organisation'.

In his introduction to this collection of essays, Cox does not predict the imminent demise of the 'fading Westphalian system'. The future world, he observes, 'will be determined by the relative strength of the bottom-up and top-down pressures'. The contest may be a long one and no one should underestimate the power of big business and big government interests behind these top-down pressures. Yet at the same time there is no denying that as Cox says, 'people have become alienated from existing regimes, states and political processes'. Witness the recent amazing, unforeseen turn-out - a quarter of a million in Paris and the same in London - in anti-government marches by country dwellers of every class and occupation. Everywhere, in fact, politicians are discredited and despised as never

before. The state is indeed in retreat from its core competences in security, finance and control over the economy; and this retreat is not inconsistent with its proliferating regulation of many trivial aspects of daily life. The new multilateralism Cox predicates 'will not be born from constitutional amendments to existing multilateral institutions but rather from a reconstitution of civil societies and political authorities on a global scale building a system of global governance from the bottom up'.

For international studies, and for those of us engaged in them, the implications are far-reaching. We have to escape and resist the state-centrism inherent in the analysis of conventional international relations. The study of globalisation has to embrace the study of the behaviour of firms no less than of other forms of political authority. International political economy has to be recombined with comparative political economy at the sub-state as well as the state level. It is not our job, in short, to defend or excuse the Westphalian system. We should be concerned as much with its significant failures as with its alleged successes.



## READING 22

# Globalization and the Myth of the Powerless State

**Linda Weiss**

The new globalist orthodoxy posits the steady disintegration of national economies and the demise of the state's domestic power. This article, instead, seeks to show why the modern notion of the powerless state, with its accompanying reports about the demise of national diversity, is fundamentally misleading. It is undeniable that striking changes have taken place inside nation-states in recent times. On the social policy front, there has been a decisive move towards fiscal conservatism, whether from the Right or the Left, with reforms to taxation systems and the trimming of social programmes. In the economic sphere, governments have moved towards greater openness in matters of trade, investment and finance. These changes are often rep-

resented as *prima facie* evidence of the emergence of a new global 'logic of capitalism'. According to this logic, states are now virtually powerless to make real policy choices; transnational markets and footloose corporations have so narrowly constrained policy options that more and more states are being forced to adopt similar fiscal, economic and social policy regimes. Globalists therefore predict convergence on neoliberalism as an increasing number of states adopt the low-taxing, market-based ideals of the American model.

In contrast to the new orthodoxy, I argue that the novelty, magnitude and patterning of change in the world economy are insufficient to support the idea of a 'transnational' tendency: that is to say, the creation

of genuinely global markets in which locational and institutional - and therefore national - constraints no longer matter. The changes are consistent, however, with a highly 'internationalized' economy in which economic integration is being advanced not only by corporations but also by national governments. Proponents of globalization overstate the extent and 'novelty' value of transnational movements; they also seriously underrate the variety and adaptability of state capacities, which build on historically framed national institutions. My argument therefore seeks not simply to highlight the empirical limits and counter-tendencies to global integration. More importantly, it seeks to elucidate theoretically what most of the literature has hitherto ignored: the adaptability of states, their differential capacity, and the enhanced importance of state power in the new international environment.

Given such variety, even where globalization has gone furthest, as in finance, we continue to find important differentials in national levels of savings and investment, the price of capital, and even the type of capital inflows and outflows. This suggests that any significant 'weakening' in the capacity for macroeconomic management - to the extent that this has occurred - may owe at least as much to 'domestic' institutions as to global processes.

[...]

#### Different hypotheses of 'globalization'

While I have thus far alluded only to the 'strong globalization' hypothesis, there are in fact at least three hypotheses that can be identified in the literature:

- (i) strong globalization; state power erosion
- (ii) strong globalization; state power unchanged
- (iii) weak globalization (strong internationalization); state power reduced in scope.

The findings of various studies summarized in the following section provide strong grounds for rejecting the first and second propositions in favour of the 'weak globalization' thesis. However, I find no compelling evidence for that part of the third proposition which claims that the state's role is now generally reduced to that of legitimating decisions initiated and implemented

elsewhere. Instead, I propose a fourth proposition that stresses the differential capacities of states and how the world economy, far from eliminating such differences, is more likely to sharpen and further emphasize their salience for national prosperity:

- (iv) weak globalization (strong internationalization); state power adaptability and differentiation emphasized.

The full development of this proposition rests on more extensive comparative material than can be mustered here. Nevertheless, I shall present a two-step argument, for the globalization thesis can be tackled in two different ways. The more common strategy to date has been to evaluate the extent of economic globalization: how far has it gone? What are its limits and counter-tendencies? Most of the literature has adopted this quantitative approach, often with considerable ability and finesse. Though such assessments are indispensable, they are also controversial. The controversy arises as much from the notorious inaccuracies of the available data as from the different uses to which the data are put. For these reasons, I shall confine this first part of my account to highlighting some of the main findings, and where relevant, the pitfalls. The second part of my argument is concerned with the impact of so-called globalization and its implications for the ability of states to pursue particular policy goals.

## I Limits to Globalization

There is clearly some substance to the new globalist orthodoxy. The sheer volume of cross-border flows, of products, people, capital and, above all, of money is impossible to dispute. The important issue, however, turns on the meaning of these flows. Do they point to a clear globalization tendency? If such a tendency existed, one would expect to find evidence indicating that the changes in question conformed to at least three criteria: (i) novelty - is it unusual or without parallel, thus suggesting secular growth rather than oscillation? (ii) magnitude - how substantial is it in size? and (iii) distribution - to what extent is it world-wide in scope? I summarize the main counter-evidence under these three headings.



### The novelty of global flows

Are contemporary international flows without historical precedent and therefore posing perhaps novel challenges? Are the post-war trends onward and upward? If the answer to both questions is in the affirmative, then we have clear evidence of a globalization tendency, of secular growth rather than oscillation. The answer, however, varies greatly according to when one starts to measure the changes, hence the often conflicting claims in the literature. At least two findings suggest room for caution.

First is the existence prior to 1913 of trade and capital flows not dissimilar in size to flows in the recent post-war period. [...]

The second finding is straightforward. The post-war trend towards greater trade integration, especially marked since the 1960s has been weakening. While world trade has grown much faster than output, this growth has actually been slowing over the 1980s and 1990s, the ratio declining from 1.65 in 1965-80 to 1.34 in 1980-90. Moreover, as Robert Wade has argued, there are not only cyclical but also structural reasons for expecting this slow-down to continue. Structurally, a gradual shift away from manufacturing within the OECD will mean less rather than more trade integration as the share of less trade-intensive services rises. Thus, from the perspective of our first criterion, evidence of an unprecedented tendency is not compelling.

### The magnitude of global integration

How big are the changes? The answer depends not simply on when one starts measuring, but on what changes are measured. I will address this point with two examples commonly offered up by globalists as evidence of globalization: Foreign Direct Investment (FDI) and capital mobility.

#### *FDI*

Globalists identify the transnationalization of production as the driving mechanism of economic integration, drawing readily on aggregate FDI figures in support of that hypothesis. However, the use of aggregate FDI figures as proxies for the so-called 'globalization of production' seriously distorts reality.

[...]

Taking a more disaggregated approach to the investment figures, we can therefore see why FDI does not automatically extend economic linkages, especially in those areas of multinational economic activity that might have a direct bearing on state policies. If the level of FDI is indicative of a globalization tendency at work in the sphere of production, present trends do not point in that direction.

A more realistic indication of the extent to which the 'national' economy is being outflanked by transnational linkages can be gained by measuring inflows and outflows of FDI as a percentage of gross domestic investment. By this standard, the rates of FDI are actually quite modest. With certain notable exceptions - for instance, Britain and Sweden - gross domestic investment in Europe exceeds total FDI, both outbound and inbound, by at least 90 per cent.

#### *Capital mobility*

Globalists assume that the world economy is now so integrated that the constraints of location and of institutional frameworks are increasingly irrelevant; that corporations - whether satisfied or disgruntled with a particular national environment - can simply take a 'random walk' in the world market, escaping the confines of any one nation-state. It is this footloose quality of MNCs - above all the threat of exit - that is seen to pose the greatest threat to territorially constituted forms of governance. The reality, however, is at odds with this vision. For, as many studies report, the number of genuinely transnational companies is rather small.

On virtually all the important criteria - share of assets, ownership, management, employment, the location of R&D - 'the importance of a home base remains the rule, not the exception'.

Conventional wisdom nevertheless tells us that cost-reduction is the driving force compelling MNCs toward a footloose career, and that new transport and information technology liberates and encourages MNCs to exploit low-cost production sites, resulting in a globalization of production. Yet, if cost-reduction were the driving force behind the mobile MNC, we would expect to find most, or at least a very sizeable chunk of FDI going to the developing countries. However, the evidence firmly contradicts that expectation. As of 1991, a good 81 per cent of world stock of FDI was located in the high-wage - and relatively high-tax

- countries: principally the US, followed by the UK, Germany, and Canada. Moreover, this figure represents an increase of 12 points since 1967. Indeed the stock of FDI in the UK and the US exceeds the stock in Asia and the entire South.

Such figures underline the point that MNCs do not by and large invest where wages and taxes are lowest. Why not? Three considerations seem relevant. First, new technologies place a premium on fixed costs (equipment, machinery and so on), while reducing the importance of variable costs (such as wages and raw materials). While certain types of labour - especially knowledge-intensive labour - tend to be treated increasingly as a fixed cost, the general effect of this overall transformation is to reduce the cost savings to be gained by moving to low-income sites. Second, new production methods emphasize the growing importance of physical proximity between producers and suppliers - especially in non-assembly operations. These methods privilege local supplier networks, thus driving a trend towards the constitution of regional, not global, sourcing networks. A third factor, underscoring the critical importance of a home base, is the advantage firms derive from domestic linkages: national institutional frameworks which enmesh business in support relationships with trade associations, training and financial institutions, and national and local governments. In sustaining high-wage economies, one of the most important of these support systems is the relationship between government and business, which underpins the national innovation system. Being generally exclusive rather than open to all, support relationships of this kind constitute a competitive advantage.

These considerations suggest that the advantages of maintaining a firm 'home' or regional base may be stronger than ever, perhaps for most companies outweighing those to be gained from 'going global'. It would therefore appear that not only the incidence but also the advantages of mobility have been overstated. But the case against a strong globalization tendency does not rest here. We turn next to evidence concerning how the changes are distributed.

#### The distribution of trade and investment

Up to this point, my objective has been to show that the novelty and the magnitude of change has been

overplayed. I have not sought to deny the existence of a more integrated world economy, a fact which I broadly acknowledge. My concern here is to draw attention to the way trade and investment are distributed. Three trends are inconsistent with a globalization tendency.

(i) *The national bases of production* First, even if we accept that national economies are more integrated through trade and investment flows than in the recent past, it appears that in all but the smallest economies, trade constitutes quite a small share of GDP, with exports accounting for 12 per cent or less of GDP in Japan, the US and the EC. This means that in the main industrialized economies around 90 per cent of production is still undertaken for the domestic market. The national bases of production - and, as we saw, for investment - therefore seem as pronounced as ever.

(ii) *North-South divisions* A second pattern runs counter to the idea of a globalizing tendency. Whereas globalization predicts more even diffusion between North and South, in fact world trade, production and investment remain highly concentrated in the OECD - that is, in the rich North. Over the 1970-89 period, the North's share of trade grew from 81 per cent to 84 per cent - though the decline of the South's share in world exports masks their changing composition, with largely negative growth of primary product exports, and a rising share of manufactured exports. Investment has followed a similar pattern, with around 90 per cent going to the North over the same period.

(iii) *Regionalization* Finally, this predominantly Northern trade and investment is itself becoming more geographically concentrated in intra-regional patterns. For example, intra-European trade now accounts for some 62 per cent of its total export trade. Intra-regional trade within the American region - the US, Canada and Mexico - increased between 1980 and 1992 from 68 per cent to 79 per cent of total US-Japan and US-EU trade. Intra-regional trade has also become the dominant trend in Asia - China, ASEAN, Japan and the NICs - as the region has steadily enhanced its importance as export market and production site for Japan and the NICs. Intra-Asian trade in the period 1986-92 rose from 32.4 to 47.7 per cent of total exports, thus reversing the traditional dominance of trade with the US. In short, trade within Asia has been

growing more rapidly than trade between Asia and the US.

Compelling evidence for a strong globalization tendency has thus far been wanting. In some respects, indeed, counter-tendencies seem more apparent. If we turn to the finance sector, however, the reality of a global market seems unassailable.

Since formal removal of the gold standard in 1971 and subsequent liberalization of exchange controls, international capital flows have reached truly spectacular levels. Whichever way we look, it is hard to escape the reality of global money markets where enormous sums are traded daily. This is the 'casino' face of capitalism, unleashed by national governments which now appear powerless to contain its destabilizing effects. It is this change which has given most life to the idea and reality of 'globalization'.

However, there is evidence of national diversity even in money markets. First, the price of capital has not converged. While studies disagree on whether real interest rates in different national markets continue to diverge, the price differential for both loan and equity capital remains considerable. Second, whereas globalization implies equalization, marked differences in savings and investment rates persist. For example, in 1992, the ratio of savings to GDP in eleven countries ranged from 0.5 to 25 per cent. In the lowest band (0.5-2 per cent) sat the US, the UK, Australia and Sweden; Germany and Austria occupied the middle band (10-15 per cent); and in the highest band (20-25 per cent) were Japan, Taiwan and Korea. The differentials in national investment rates tend to parallel those for savings. In 1992, investment as a percentage of GDP ranged from around 15 to 36 per cent, with the US, the UK, Australia and Sweden in the lowest band (15-19 per cent), Germany, Austria and Taiwan in the middle (22-25 per cent), and Japan and Korea in the highest (31-36 per cent).

This strong correlation between savings and investment rates has been interpreted to mean that countries do not draw freely on other countries' savings. Robert Wade, however, reports a fall in the OECD savings-investment correlation from 75 per cent in the mid 1970s to 60 per cent in the 1980s. Financial markets, he suggests, have therefore become more integrated,

even if the mobility of capital is somewhat less than anticipated.

Finally, 'dualism' rather than 'transnationalism' seems to distinguish the operation of financial markets, most notably in the area of company shares. These tend to be fixed to specific national stock markets, thus contrasting dramatically with other parts of the financial market - for example, the bond, currency and futures markets - which are genuinely 'transnational'.

These qualifications to 'global' finance suggest that the relevance of national institutions is far from insignificant. Thus, the conclusion to the first part of my argument is that while national economies may in some ways be highly integrated with one another, the result - with the partial exception of money markets - is not so much a globalized world (where national differences virtually disappear), but rather a more internationalized world (where national and regional differences remain substantial and national institutions remain significant). What does this mean then for the power of governments to govern?

## II The Extent of Government Powerlessness

For many commentators, the power of global finance - especially of the bond market - to undermine the monetary and fiscal policies of governments seems an incontrovertible truth. It is also viewed as the key constraining feature of a globalized economy: forcing all governments to adopt similar neoliberal - deflationary, fiscally conservative - policies. From this perspective, two conclusions follow. First, global money markets are all-powerful, forcing on governments fiscal conservatism - read 'powerlessness'. Second, it matters not whether a state is weak or strong; all national governments are impotent in the face of global finance. Here I will examine each of these claims in turn.

The problem with the 'powerlessness' argument is not that it is wrong about the new constraints on government capacity to make and implement policy. Rather, it is the assumption that such constraints are absolute rather than relative, and that they represent 'the end of state history' rather than an evolving history of state adaptation to both external and

internal challenges. Three weaknesses in particular deserve highlighting.

#### Overstating earlier state powers

First, globalists tend to exaggerate state powers in the past in order to claim feebleness in the present. Whilst financial globalization is commonly identified as the factor undermining governments' ability to practise effective macroeconomic management - of the Keynesian reflationary variety - some commentators have recently questioned just how effective Keynesian demand management ever was. While in theory the fixed exchange rates guaranteed under the Bretton Woods system provided a more stable policy-making environment, in reality there is little compelling evidence that the state has ever had the sorts of powers that allegedly it has been forced to relinquish.

[...]

#### Overstating uniformity of state response

The fact that not all governments follow neoliberal dictums surely throws into question the central assumptions of the powerlessness argument.

[...]

Thus, if global finance has not exerted the uniformly debilitating effects so often claimed for it, why then, we may ask, has the idea of the powerless state seemed so persuasive to so many?

#### The political construction of helplessness

Perhaps more than anything, it has been the rise of monetarist policies in the 1980s, the emergence of fiscal retrenchment in bulwarks of social democracy like Sweden, and the various speculative attacks on national currencies that have led globalists to conclude that - while governments may reign - the global economy rules.

It must be said, however, that political leaders - especially in the English-speaking world dominated by neoliberal economic philosophy - have themselves played a large part in contributing to this view of government helplessness in the face of global trends. In canvassing support for policies lacking popular appeal, many OECD governments have sought to 'sell' their

policies of retrenchment to the electorate as being somehow 'forced' on them by 'global economic trends' over which they have no control.

While it is true that governments are responding to similar pressures in the world economy - the long slump in world-wide demand, stagnant or falling living standards - it is quite misleading to conclude that these pressures derive solely or largely from 'globalization' tendencies, or that the latter produces a uniformity of response.

### III Convergence versus Varieties of State Capacity

Globalists have not only overstated the degree of state powerlessness. They have also *over-generalized* it. It is to this final weakness in the globalist argument that we now turn.

The variety of 'national capitalisms' - continental European, East Asian, Anglo-American - finds a parallel in the variety of 'state capacities' for domestic adjustment strategies. In a different context, I will undertake to show how the two may be linked. At issue here, however, is the variety, as opposed to the convergence, of state capabilities. Contrary to globalist predictions, I propose that national differences are likely to become more rather than less pronounced in a highly internationalized environment, thus exacerbating rather than diminishing current differences between strong and weak states.

Yet even those who agree that 'globalization' has been highly exaggerated, nevertheless part company when considering the effects of economic internationalization on state capacity. While some conclude that the nation-state persists as an important locus of accumulation, and that national - and international - actors and institutions continue to structure economic space, others see state powers much more circumscribed through the shedding and shifting of traditional responsibilities.

In a comprehensive recent study, Hirst and Thompson propose that certain traditional powers are declining: 'The power of nation states as administrative and policy-making agencies has declined' while the state's role as an economic manager is 'lessening'. In this respect, they appear to overlap with the globalists. In

a more nuanced approach, however, they insist on the enduring importance of the nation-state - not in traditional terms as sovereign power or as economic manager, but as the key source of legitimacy and the delegator of authority to powers above and below the national level. Its territorial centrality and constitutional legitimacy assure the nation-state a distinctive and continuing role in an internationalized world economy, even as conventional sovereignty and economic capacities lessen: 'Nation-states should be seen no longer as "governing" powers [...] Nation-states are now simply one class of powers and political agencies in a complex system of power from world to local levels.' According to this interpretation of current tendencies, state power is being reduced and redefined on a broad scale, stripped to the basics, becoming even a shell of its former self: still the supreme source of legitimacy and delegator of authority, but exercising no real capacity over its economic domain. The question is whether one can identify any clear cases which might fit this conception, and whether, having identified them, they represent not simply a group of traditionally 'weak' states, but a group where real power shifts are in train.

It is doubtful that the 'basic state' hypothesis fits even the EU experience, which appears to inform so much of this kind of reasoning. In the German case neither sub-national nor supranational agencies have supplanted the national state's coordinating capacities. Indeed, in a number of important respects - technological innovation and industrial investment - coordination has been growing, not declining, over the past two decades.

Although Hirst and Thompson do insist on the state's continuing importance as the source of legitimacy and the rule of law, and would therefore probably reject the 'weak state' characterization of their position, it is hard to see what kind of substantive powers the state would retain if it is no longer where the action is. If the state is increasingly becoming merely the place from which law is promulgated, authority delegated, powers devolved, then is that not simply a form of power shrinkage by stealth - somewhat akin to the centrifugal tendencies of feudalism? After all, their image of the evolving role of the state (as *Rechtsstaat*) has much in common with the role envisaged by eighteenth-century liberals: thus, not an eclipse of state power as

some globalists are led to claim, but certainly a very narrowly defined power.

This seems to me mistaken. For it is blind to state variety and to adaptation. I, too, would emphasize change, but change is hardly novel to the state. Adaptation is the very essence of the modern state by virtue of the fact that it is embedded in a dynamic economic and inter-state system - even the evolving forms of warfare must be seen in that context. My argument is that nation-states will matter more rather than less - and, though not elaborated here, this will advance rather than retard development of the world economy. The argument is in three parts, emphasizing: (i) state adaptation rather than decline of functions; (ii) strong states as facilitators not victims of internationalization; and (iii) the emergence of 'catalytic' states consolidating national and regional networks of trade and investment.

#### Adaptiveness of the state

[...]

The major point to emphasize is that the capacity for domestic adjustment strategy does not stand or fall with macroeconomic capacity, whether of the reflationary or deflationary variety. It rests, perhaps more than ever, on industrial strategy, the ability of policy-making authorities to mobilize savings and investment and to promote their deployment for the generation of higher value-added activities.

This capacity for a coordinated and strategic response to economic change depends, in turn, not so much on specific policy 'instruments' or levels of 'integration into the world economy'. The contrasting cases of Singapore and Britain are testimony to this. Highly integrated Singapore - whose per capita GDP now exceeds that of Britain - maintains strong control over its savings and investment rates, thus engineering upward mobility in the international system. By contrast, highly integrated Britain, with little capacity for industrial adjustment, has failed to arrest its downward slide in the international order - Britain's traditional strength in promoting its financial sector being part of that drama. Thus, high integration does not necessarily mean the displacement of 'national' economies as the locus of accumulation, or the weakening of national economic management.

[...]

The state as victim or facilitator of 'globalization'?

In failing to differentiate state capacities, global enthusiasts have been blinded to an important possibility: that far from being victims, (strong) states may well be facilitators (at times perhaps perpetrators) of so-called 'globalization'. Although those researching in the field have yet to explore this possibility, there is sufficient evidence to suggest that this would be a promising line of enquiry. Such evidence as exists for Japan, Singapore, Korea, and Taiwan indicates that these states are acting increasingly as catalysts for the 'internationalization' strategies of corporate actors. As 'catalytic' states (see below), Japan and the NICs are taking the bull by the horns, providing a wide array of incentives to finance overseas investment, promote technology alliances between national and foreign firms, and encourage regional relocation of production networks.

[...]

The emergence of 'catalytic' states

The final strand in my argument is that we are witnessing changes in state power; but these changes have to do not with the diminution but with the reconstitution of power around the consolidation of domestic and international linkages.

As macroeconomic tools appear to lose their efficacy, as external pressures for homogenization of trade regimes increase, and as cross-border flows of people and finance threaten the domestic base, a growing number of states are seeking to increase their control over the external environment. State responses to these pressures have not been uniform. They have varied according to political and institutional differences. But, in general, one of two strategies has prevailed. Both involve building or strengthening power alliances: 'upwards', via inter-state coalitions at the regional and international level, and/or 'downwards', via state-business alliances in the domestic market.

To the extent that states are seeking to adapt and reconstitute themselves in these ways, they can perhaps best be seen as 'catalytic' states, to use Michael Lind's term. Catalytic states seek to achieve their goals less by relying on their own resources than by assuming a dominant role in coalitions of states, transnational institutions, and private-sector groups.

As a catalyst, this kind of state is one that seeks to be indispensable to the success or direction of particular strategic coalitions while remaining substantially independent from the other elements of the coalition, whether they are other governments, firms, or even foreign and domestic populations. Thus, far from relinquishing their distinctive goals and identity, states are increasingly using collaborative power arrangements to create more real control over their economies - and indeed over security. As such, these new coalitions should be seen as gambits for building rather than shedding state capacity.

There are many who would support the claim that we are witnessing the end of an era marked by the 'integral state', with assured territorial control over the means of legitimacy, security, and production. But at a time when serious analysis of 'state power' or the 'state's role' has become academically unfashionable, there will undoubtedly be less support for Lind's assertion that in place of the integral state we are now witnessing the rise of the catalytic state.

To what extent can the catalytic state be generalized? The first point to make is that 'catalytic' is being contrasted with 'integral'. It is a way of highlighting the tendency of states to seek adaptation to new challenges by forging or strengthening partnerships with other (state and non-state) power actors, rather than going it alone. Consolidation of such alliances is taking place primarily at regional and international level, between states, though also domestically, between states and corporate actors. The proliferation of regional agreements between nation-states - including the EU, APEC, and NAFTA - can be seen as one manifestation of this tendency. The evolving character of close domestic government-business cooperation, most notably in East Asia, is another.

The second point, however, is that even catalytic states have differential capabilities: some, like Japan and Germany, have both domestic and international clout, and hence are able to use their domestic leverage to position themselves advantageously, for example, in regional coalitions. Others, like the United States, exploit strong international leverage but at the expense of domestic adjustment capacity. Still others, like Russia, are so lacking in domestic capability that they are not even serious candidates for the kind of regional coalitions they otherwise might aspire to lead or join.

Recent examples of states using international agreements as a means of pursuing domestic economic goals include such initiatives as NAFTA and APEC. While both weak and strong states enter into such alliances, it is often the domestically weaker states which take the lead in seeking out this external path, aspiring to constrain others to adopt their own more 'hands off' approach to trade and industry. Australia's enthusiastic efforts in seeking to establish APEC, and the United States' leadership of NAFTA can be seen in this light. These states, with their traditional 'arms length' approach to the corporate sector, lack the more strategic capacities of their East Asian counterparts. In the absence of a normative and institutional base for strengthening developmental capabilities at home, both countries have sought instead to 'level the playing field' outside their domain. To this extent, one might agree with the conclusion that unlike the EU, such moves are driven not by a supranational vision but by 'insecure governments' seeking 'new tools to stimulate growth, employment, and a stable regional policy community'. To make the point in slightly different language, regionalism (inter-state coalitions) without domestic capacity (public-private coalitions) is only half the story, akin to conducting a war of movement without having established a war of position.

What this analysis suggests is that the most important power actors in these new inter-state coalitions will not be those initiating them - for instance, the US and Australia - but those who participate in them from a position of domestic strength. For the major solidity of Japan as a catalytic state in international coalitions is that it has developed robust capability at home via domestic (government-business) linkages. By contrast, the major weakness of the US is the underdevelopment of such linkages, reinforced by the overdevelopment of external strength.

If this reasoning is accepted, then we must enter a caveat to the notion of the rise of the catalytic state. Domestically strong states will more likely act in concert with others; while domestically weak states - especially large ones like the United States - will not completely lose their 'integral' character. In such cases, rather than a concentration on power-sharing we can expect to find an oscillation, as weak states shift between acting alone - through, for instance, defensive protectionism and bilateralism - and with others.

Thus, in this new era, the most successful states will be those which can augment their conventional power resources with collaborative power: engaging others - states, corporations and business associations - to form cooperative agreements and 'consortia' for action on this or that issue. But by far the most important of these coalitions will be partnerships of government and business, for this goes to the very heart of state capacity.

In contrast to Hirst and Thompson's conception discussed earlier, both domestic and regional coalitions imply that the state is not so much 'devolving' power - in a negative sum manner - to other power actors from whom it then maintains a passive distance. Rather, the state is constantly seeking power sharing arrangements which give it scope for remaining an active centre, hence being a 'catalytic' state.

#### Responses to globalization

Against the hypotheses of advancing globalization, diminishing state capabilities, and eroding institutional diversity, this paper has advanced three propositions. First, the world economy is an internationalized economy, increasingly a regionalized economy; but it is not genuinely a globalized economy in which territorial boundedness and geographic proximity have declining importance for economic accumulation. While money and finance have increasingly become 'global' in some - but not all - aspects of their operation, the same cannot be said of production, trade or corporate practice.

Second, convergence towards a neoliberal model of political economy is highly improbable. This is not simply because economic 'globalization' is rather more limited and subject to counter-tendencies than many accounts would suggest. It is also because nation-states themselves exhibit great adaptability and variety - both in their responses to change and in their capacity to mediate and manage international and domestic linkages, in particular the government-business relationship.

Finally, however, because domestic state capacities differ, so the ability to exploit the opportunities of international economic change - rather than simply succumb to its pressures - will be much more marked in some countries than in others. For while current tendencies in the world economy subject more and more national economies to similar challenges and opportunities, these are likely to solidify the institutional

differences that separate the weaker from the stronger performers. Change is indeed occurring, but by the end of the millennium, one should be able to see more clearly that the changes in process in different national systems are those of adaptation rather than of convergence on a single neoliberal model.

The rise of East Asia, the national responses elicited by that challenge, together with the proliferation of regional agreements suggest that we can expect to see more and more of a different kind of state taking shape

in the world arena, one that is reconstituting its power at the centre of alliances formed either within or outside the state. For these states, building state capacity, rather than discarding it, would seem to be the lesson of dynamic integration. As we move into the next century, the ability of nation-states to adapt to internationalization - so-called 'globalization' - will continue to heighten rather than diminish national differences in state capacity and the accompanying advantages of national economic coordination.



## READING 23

# Globalization and the Resilience of State Power

**Daniel Béland**

Despite growing evidence that contradicts their claims, several prominent contemporary thinkers argue that globalization favors a decline of the national state. According to Michael Hardt and Antonio Negri, for example, the world is witnessing the emergence of a global capitalist "Empire" in which national states have a far less central position than before. Discourse on the decline of the national state, though shared across ideological lines, is especially popular on the far left, where Marxists and former Marxists have long promoted internationalism and the revolt of the "multitude" (i.e., ordinary people) against global capitalism.

For sociologist Manuel Castells, the planetary expansion of information networks like the Internet goes against national institutions and hierarchies:

Networks dissolve centres, they disorganize hierarchy [...] Thus, contemporary information networks of capital, production, trade, science, communication, human rights, and crime, bypass the national state, which, by and large, has stopped being a sovereign entity.

From this perspective, the development of global capitalism and new communication technologies makes national states increasingly irrelevant: in a world of global communication, national boundaries lose their meaning.

However, these views oversimplify globalization's impact on the national state. Far from being passive in the process of globalization, policymakers in advanced industrial countries often promote free trade, economic integration, and foreign investment in order to gain electoral power and to push their own political agendas at home. These actors stress the domestic prosperity that can result from global exchange: economic openness may benefit countries and may even stimulate welfare state development and coordination. In Canada, for example, the Liberal Party in power between 1993 and 2006 promoted economic integration through the North American Free Trade Agreement (NAFTA) while stressing the need to preserve and even improve the country's welfare state. This welfare state was reframed as a competitive tool oriented toward the reproduction of a well-educated and competitive workforce.

The enactment of NAFTA and, more significant, the creation of the European Union (EU), are the most spectacular outcomes of the integration strategy many political leaders have initiated. Yet institutional and political integration remains limited even within the EU; for example, national states remain in charge of the large social insurance systems that protect workers and citizens against economic insecurity. As such, national states remain the primary source of economic, environmental, social, and military protection in advanced industrial societies.



Consequently, the role of the state is enduring - and even increasing - in advanced industrial societies, despite international variations in taxes and public spending levels. Since 2001, increased public awareness of terrorism in these societies has reinforced the state's legitimacy as the main source of security; when facing the threat of global terrorism, citizens and private businesses like the aviation industry turn to the state for protection. Considering this, as well as the long-term trends of public spending (see Table 1), economic globalization has not caused a massive decline of state power. These trends in public spending suggest that, in the advanced industrial world, national states remain massive actors involved in a number of complex and expensive tasks. Recent scholarship on the national state strengthens the claim that it can still implement policies that strongly affect the life of its citizens.

We should keep in mind three precautionary remarks about globalization and the resilience of state power. First, what is true of advanced industrial societies does not necessarily apply to other parts of the world. In many former socialist countries, for example, the departure from economic planning, widespread neoliberal reforms, and the expansion of organized crime and the informal economic sector (i.e., activities that are neither taxed nor regulated by the legal system) have temporarily reduced the state's capacity to extract fiscal resources and protect citizens. Declining or insufficient state protection and growing collective insecurity stimulate the development of alternative providers of protection like militias and criminal organizations. This happened in Russia before and

immediately after the collapse of the Soviet Union in 1991, suggesting that a strong decline in state power is possible, and that globalization is not necessarily the main factor behind it.

Second, state protection is not an institutional "status quo." Even in advanced industrial countries, state protection may not expand, or even maintain itself, indefinitely. Across countries and policy areas, neoliberal cutbacks and restructuring have reduced the concrete level of state protection offered without any influence from the global economy. The drastic 1996 American welfare reform [...] is an example of the decline of state protection in a specific policy area. Furthermore, in analyzing changes in the level of state protection, we must distinguish between political rhetoric about protection and the concrete reforms that have been enacted. For example, "social democratic" rhetoric may have hidden the true scope of cutbacks and restructuring that have significantly altered - and even reduced the level of - state protection in countries like Denmark and Sweden.

Third, domestic policy decisions may shrink a state's fiscal resources through the enactment of widespread income tax breaks, which in the long run may seriously reduce the state's capacity to protect citizens effectively. Because protection capacity is tied to fiscal revenues, and because income tax cuts are politically difficult to overturn, fiscal crises triggered by deep income tax breaks represent a potential menace to state protection. The deficits incurred by these tax breaks may legitimize budget cuts in social and environmental programs, and may lead to the multiplication of alternative,

Table 1 State real expenditure, 1937-95 (as a percentage of GDP)

	1937	1960	1980	1990	1995
Canada	10.1	13.4	19.2	19.8	19.6
France	15.0	14.2	18.1	18.0	19.3
Italy		12.0	14.7	17.4	16.3
Germany	21.0	13.4	20.2	18.4	19.5
Spain	10.7	8.3	12.5	15.5	16.6
Sweden	10.4	16.0	29.3	27.4	25.8
United Kingdom	11.7	16.4	21.6	20.6	21.4
United States	12.9	19.4	18.7	18.9	16.2

Source: Tanzi, V. and Schuknecht, L. (2000). *Public Spending in the 20th Century*. Cambridge: Cambridge University Press, p. 25.

market-based providers of protection. This situation may then lead to increased social inequality, as market-based protection tends to cover more affluent citizens.

The United States is probably the main advanced industrial country where a large-scale fiscal crisis is most likely to have a negative impact on state protection. The massive federal income tax cuts enacted in 2001 and 2003 have already led to the return of mammoth federal deficits. Though these tax cuts were ostensibly enacted as temporary measures, political pressure to make them permanent is strong, even in light of the new protection demands created by the 2005 Katrina catastrophe in New Orleans. In the future, fiscal crises related to these tax cuts could justify bolder budget cuts and reduce the federal state's capacity to effectively fight threats from economic insecurity and environmental hazards to international terrorism.

The United States faces a deepening contradiction between limited tax revenues and rising protection needs; elected officials who promote the economic interests of specific, frequently narrow, constituencies have significantly reduced the capacity of the state to raise revenues, while greatly increasing military spending and breeding fears concerning global terrorism. Fighting terrorism, environmental threats, and economic insecurity is increasingly expensive, and a growing number of citizens may soon discover that cutting income taxes - especially those of the wealthy - diminishes the state's capacity to protect society against the threats that concern them.

As we have discussed, state protection involves major tradeoffs and necessitates setting fiscal and policy priorities. Income tax cuts and budget deficits are thus a major aspect of the debate over the future of state protection, in the United States and abroad. The state must raise enough taxes to finance appropriate policy responses to growing protection demands. But who should pay for such expanding protection? This is a difficult *political* question, as setting fiscal priorities and tax levels is largely about power relations.

## New Protection Needs

Globalization itself has not greatly reduced the capacity of the modern state to protect its citizens. However,

globalization has definitely affected state protection and the politics of insecurity in two main ways.

### Complicating the actions of the state

First, global trends may complicate or undermine the actions of the state regarding economic, social, or environmental insecurity. For example, pressures from global trade, capital markets, and production create fiscal constraints for policymakers who seek to attract foreign investment and to prevent companies from relocating to other countries. European monetary integration, an example of economic globalization, has forced EU member states to adopt strict budget policies that have reduced their capacity to enact new protection programs, or even to finance existing ones. Financial globalization and competition for foreign investment have also increased the political leverage of business interests, which tend to oppose constraining labor regulations and high corporate and payroll taxes. With the internationalization of protection, the increasingly common idea that firms could relocate to another country "gives more leverage to capital and thus puts downward pressures on employer contributions to welfare state programs and on corporate taxation." This increase in business power may also give more momentum to neoliberal campaigns aimed at privatizing - or downsizing - significant components of state protection. Where the welfare state is concerned, however, evidence shows that national actors and institutions still matter a great deal and that economic globalization has not favored strong institutional convergence.

Regarding the environment, the effects of air and water pollution are increasingly global in nature, and it is difficult for national states to act alone to fight these global environmental threats. Cooperation between states thus becomes necessary. [...] Environmental and economic globalization can reinforce each other, as in the field of food safety. In that policy area, global trade can facilitate the propagation of food hazards like BSE while creating new trade conflicts.

### Growing protection demands

Second, globalization and the social, economic, and environmental fears it triggers can lead to new protection demands in society, as is clearly the case with global

terrorism. In the past, local and regional terrorist networks challenged the authority of the national state in countries, as in Spain (Basque Country) and the United Kingdom (Northern Ireland). In recent decades, new communication technologies and increased transnational mobility have accelerated the development of global terrorist networks, making them difficult to detect and dismantle; to do so, national states rely on intelligence and international cooperation. The global nature of contemporary terrorist networks has complicated the role of the state, but has simultaneously reinforced its legitimacy as the main provider of protection. The strong reliance of the United States on the FBI, the CIA, and the recently created Department of Homeland Security to fight terrorist threats provides ground to this claim. Still, collaboration between these federal agencies and foreign state agencies like Britain's Secret Intelligence Service (SIS) is increasingly common.

Economic globalization can complicate or undermine the actions of the state, but it can also justify more comprehensive state protection. As workers from advanced industrial countries fear downsizing and international production relocation stemming from globalization, they depend more on the national state for economic security; paradoxically, global trade and finance aggravate economic insecurity, which in turn makes the national state the only stable source of protection against global insecurity.

In advanced industrial societies, political leaders can use the insecurity associated with economic globalization to appeal to voters and to justify the policy alternatives they champion. During the 2004 American presidential campaign, for example, Democratic candidate John Kerry referred often to economic globalization as a source of collective insecurity that the federal state should fight. For Kerry, this insecurity was a challenge that the state can confront, not an irredeemable source of state decline. Despite the emergence of global social movements that challenge neoliberal globalization and promote alternative, transnational forms of governance and solidarity, many national political leaders still depict themselves as genuine defenders of ordinary citizens against the (perceived) negative effects of economic globalization.

Immigration, a symbol of globalization also remains an enduring source of concern and protection demands. In many advanced industrial countries, national iden-

tity is deeply rooted in common languages and culture. In these countries, immigrants may become scapegoats for the social and economic problems that citizens link to globalization. During the last two decades, far-right parties have exploited economic insecurity and urban delinquency to gain support from insecure voters who believe that immigrants are the source of these problems. In countries as varied as Austria, Belgium, Denmark, France, the Netherlands, and Switzerland, populist, far-right parties have depicted immigrants and their children as threatening national values and institutions; for these xenophobic parties, the state must protect national societies from "excessive levels" of immigration and globalization. When depicted as a threat to national identity, globalization can thus strengthen the protective mission of the state, but in this context protection applies only to native-born citizens, not to immigrants and their children. Although xenophobia is not a new phenomenon, politically manipulated fears associated with globalization and transnational migrations can legitimize a potentially repressive form of state protection.

The global spread of diseases such as BSE, SARS, and "bird flu" is another growing source of collective insecurity in advanced industrial countries. Because of their potential to sicken millions of citizens, these diseases receive much media attention, and as a result, global disease has become a key political issue.

Bird flu (avian influenza) presents a striking example of the relationship between global disease and collective insecurity. Especially since 2003, the public has been acutely aware of this potential pandemic threat. At the pinnacle of media buzz on this issue in late 2005, birds became the symbol of a health threat that propagates beyond national borders. As with BSE, bird flu has also presented political leaders with opportunities to depict themselves as competent risk fighters devoted to public safety and security. For example, in November 2005 President Bush used this issue to portray himself as a responsive politician able to cope with potential national and global emergencies. This helped the president to divert attention from the Hurricane Katrina catastrophe, during which many journalists and politicians accused his administration of responding slowly to emergencies.

Global issues like those discussed above create new anxieties and, for that reason, feed national debates about state protection and collective insecurity. Although globalization is clearly an important trend, variations

between countries remain strong and the national discourse about them are playing a growing political role within many of these national states, states remain the enduring focal point of the politics of insecurity. Interestingly, however, global trends and the [...]

## READING 24

# Beyond Nation-State Paradigms: Globalization, Sociology, and the Challenge of Transnational Studies

William I. Robinson

### Introduction

Sociology, and the social sciences in general, are attempting to come to terms with globalization as the world-historic context of events on the eve of the 21st century. Acknowledgment of the growing importance of studying the whole world "as a legitimate object of knowledge" has contributed to the emergence of multidisciplinary units dedicated to "global studies" or "transnational studies" in universities in the United States and elsewhere. Alongside this emergence is a proliferation of research institutes, nongovernmental and intergovernmental organizations dedicated to exploring the diverse dimensions of globalization, including its nature, consequences, and policy implications.

I do not propose in this essay a survey of the current state of transnational studies or a comprehensive review of recent literature, much less to elaborate a new transnational paradigm. Rather, my intent is twofold. First, I call for a break with the "nation-state framework of analysis" that continues to guide much macrosocial inquiry despite recognition among scholars that globalization involves fundamental change in our paradigmatic reference points. Even as the social sciences turn toward transnational studies, scholars often fail to recognize the truly *systemic* change represented by globalization, or what Ruggie terms an "epochal threshold". Consequently, research into transnationalism unfolds within the straightjacket of a nation-state framework. The nation-state is still taken as the basic unit of analysis,

and transnationalism and globalization are seen as merely some new stage in international relations or in cross-national comparative studies. I suggest that much macrosocial inquiry has run up against certain cognitive and explanatory limitations in the face of globalization since nation-state conceptualizations are incapable of explaining phenomena that are transnational in character. The way out of this impasse is to shift our focus from the nation-state as the basic unit of analysis to the global system as the appropriate unit. Sociology's fundamental contribution to transnational studies should be the study of *transnational social structure* as the discipline's essential object of inquiry and as a key variable in the global system. I also will selectively examine some recent and promising lines of research into globalization, and suggest elements of an ongoing research agenda in transnational studies.

[...]

In sum, in its transnational stage, the national-international axis upon which the world capitalist system has been based has mutated into a qualitatively new global axis in which world zones (e.g., center, semiperiphery, periphery) and nation-states are no longer the central locus of social change. However, the supersession of the nation-state system will be drawn out over a lengthy period and checkered by all kinds of social conflicts played out along national lines and as clashes between nation-states. Social science should be less concerned with static snapshots of the momentary than with the dialect of historic *movement*, with

capturing the central *dynamics* and *tendencies* in historic processes. The central dynamic of our epoch is globalization, and the central tendency is the *ascendance* of transnational capital, which brings with it the transnationalization of classes in general. In the long historic view, the nation-state system and all the frames of reference therein is in its *descendance*. However, capitalist globalization is a process, not so much consummated as in motion, and is unfolding in a multilayered world system. Determinacy on the structural side is shifting to new transnational space that is eroding, subsuming, and superseding national space as the locus of social life, even though this social life is still "filtered through" nation-state institutions. This situation underscores the *highly contradictory* nature of transnational relations as well as the *indeterminacy* of emergent transnational social structure.

One key disjuncture in the transnationalization process that has caused confusion in this regard is the internationalization of productive forces within an institutional system still centered around the nation-state. A full capitalist global society would mean the integration of all national markets into a single international market and division of labor and the disappearances of all national affiliations of capital. These economic tendencies are already well underway. What is lagging behind are the political and institutional concomitants - the globalization of the entire superstructure of legal, political, and other national institutions, and the transnationalization of social consciousness and cultural patterns.

[...]

While much neo-Gramscianism has emphasized the transformation of the nation-state system under globalizing dynamics, Sklair's "theory of the global system" proposes taking "the whole world" as the starting point [see chapter 7, reading 25] - that is, viewing the world not as an aggregate of nation-states but as a single unit and object of study, as "increasingly necessary for the analysis of a growing number of rapidly changing phenomena". Critiquing "state-centrism" in comparative and macrosociology, Sklair identifies transnational *practices* (TNPs) as operational categories for the analysis of transnational phenomena. The model involves TNPs at three levels: the economic, whose agent is transnational capital; the political, whose agent is a transnational capitalist class; and the

cultural, involving a "culture-ideology of consumerism": "The global system is made up of economic transnational practices and at the highest level of abstraction these are the building blocks of the system. The political practices are the principles of organization of the system. They have to work with the materials on hand, but by manipulating the design of the system they can build variations into it. The cultural-ideological practices are the nuts and bolts and the glue that hold the system together". Locating these practices in the field of a transnational global system, Sklair thus sets about to explain globalizing dynamics from outside of the logic of the nation-state system (indeed, he theorizes globalization at the *systemic* level). And Sklair, like the neo-Gramscians, is also concerned with the disjuncture between globalization and the continued institutional existence of the nation-state. "The nation-state [...] is the spatial reference point for most of the crucial transnational practices that go to make up the structures of the global system, in the sense that most transnational practices intersect in particular countries and come under the jurisdiction of particular nation-states". One result of this disjuncture is that "while capitalism is increasingly organized on a global basis, effective opposition to capitalist practices tends to be manifest locally".

Robinson attempts to synthesize neo-Gramscian insights with Sklair's theory of the global system in his analysis of an emergent global social structure of accumulation. A social structure of accumulation refers to a set of mutually reinforcing social, economic, and political institutions and cultural and ideological norms that fuse with and facilitate a successful pattern of capital accumulation over specific historic periods. A new global social structure of accumulation is becoming superimposed on, and transforming, existing national social structures of accumulation. Integration into the global system is the causal structural dynamic that underlies the events in nations and regions all around the world over the past few decades. The breakup of national economic, political, and social structures is reciprocal to the gradual breakup, starting some three decades ago, of a preglobalization nation-state based world order. New economic, political, and social structures emerge as each nation and region becomes integrated into emergent transnational structures and processes.

## Concluding Remarks: a Research Agenda in Transnational Studies

If the picture I have painted here is incomplete (it is) by having not established any new transnational paradigm, then this essay will not have exceeded its intentions, which was to make a case for a break with nation-state analysis. To recapitulate by way of conclusion, a new multidisciplinary field of transnational studies should be predicated on a decisive break with the nation-state framework of analysis, and diverse *transnational phenomena and processes* should constitute its general subject matter. The "commanding heights" of transnational studies are economic globalization, the transnationalization of the state, classes, political

processes, and culture, and the current integration processes taking place around the world (e.g., NAFTA, the European Union, etc.). In addition, transnational studies should interact with all area studies by helping to illuminate the changes globalization brings to each region as components of a global system. Perhaps the principal contribution of such a field, therefore, is less to open new avenues of research into the social universe than to *recast* numerous current social science research agendas in light of globalization, to expunge nation-state centrism in the process, and to explore the complex scenarios that emerge from the dialectic interaction of descendant nation-state and ascendant transnational spaces.

[...]

# Transnationalism

Leslie Sklair distinguishes between two systems of globalization. The first - the neoliberal capitalist system of globalization - is the one that, as we have seen (chapter 4), is now predominant. The other is the socialist system that is not yet in existence, but is foreshadowed by current alter-globalization movements, especially those oriented toward greater human rights throughout the world. The alter-globalization movements, and the potentiality of socialism, are made possible by the problems in the current system of neoliberal globalization, especially class polarization and the increasingly ecologically unsustainable capitalist globalization.

While the nation-state remains important in his view, it is the case that Sklair focuses on transnational practices that are able to cut across boundaries - including those created by nation-states - with the implication that territorial boundaries are of declining importance in capitalist globalization. As a Marxist, Sklair accords priority to economic transnational practices, and it is in this context that one of the central aspects of his analysis - *transnational corporations* - predominates. Underlying this is the idea that capitalism has moved away from being an international system to a globalizing system that is decoupled from any specific geographic territory or nation-state.

The second transnational practice of great importance is political, and here the *transnational capitalist class*

predominates. However, it is not made up of capitalists in the traditional Marxian sense of the term. That is, they do not necessarily own the means of production. Sklair differentiates among four "fractions" of the transnational capitalist class. The first is the *corporate fraction* made up of executives of transnational corporations and their local affiliates. Second, there is a *state fraction* composed of globalizing state and interstate bureaucrats and politicians. The third, *technical fraction*, is made up of globalizing professionals. Finally, there is the *consumerist fraction* encompassing merchants and media executives. These four fractions are obviously very different from the capitalists conceptualized by Marx.

The transnational capitalist class may not be capitalist in a traditional sense, but it is transnational in various ways. First, its "members" tend to share global (as well as local) interests. Second, they seek to exert various types of control across nations. That is, they exert economic control in the workplace, political control in both domestic and international politics, and culture-ideological control in everyday life across international borders. Third, they tend to share a global rather than a local perspective on a wide range of issues. Fourth, they come from many different countries, but increasingly they see themselves as citizens of the world and not just of their place of birth. Finally, wherever they may be at

any given time, they share similar lifestyles, especially in terms of the goods and services they consume.

The third transnational practice is culture-ideology, and here Sklair accords great importance to the *culture-ideology of consumerism* in capitalist globalization. While the focus is on culture and ideology, this ultimately involves the economy by adding an interest in consumption to the traditional concern with production (and the transnational corporations) in economic approaches in general, and Marxian theories in particular. It is in this realm that the ability to exert ideological control over people scattered widely throughout the globe has increased dramatically, primarily through the greater reach and sophistication of advertising, the media and the bewildering array of consumer goods that are marketed by and through them. Ultimately, they all serve to create a global desire to consume what benefits transnational corporations, as well as the advertising and media corporations that both provide examples of such corporations and profit from them.

Ultimately, Sklair examines the relationship among the transnational social practices and the institutions that dominate each by arguing that transnational corporations utilize the transnational capitalist class to develop and solidify the consumerist culture and ideology that is increasingly necessary to feed the demands of the capitalist system of production. Indeed,

it is this relationship that defines global capitalism today and it is the most important force in ongoing changes in the world.

William Robinson expands the idea of transnationalism by adding the concept of the *transnational state* (TNS). He accepts the notion that the nation-state, as well as the Westphalia system, have been superseded (see chapter 6), especially as they relate to capitalism. He looks at the TNS from the point of view of a neo-Marxian analysis of capitalism: "The TNS comprises those institutions and practices in global society that maintain, defend, and advance the emergent hegemony of a global bourgeoisie and its project of constructing a new global capitalist historical bloc. This TNS apparatus is an emerging network that comprises transformed and externally-integrated national states, *together with* the supranational economic [e.g. IMF] and political [e.g. UN] forums."

Philip McMichael criticizes Robinson for developing his concept of the TNS abstractly and theoretically, rather than embedding it in "a conception of the contradictory historical relations within which it emerges."<sup>3</sup> Because he does not historicize his notion of TNS, Robinson is in danger of reifying the concept. In a way, Robinson is guilty of many of the same abuses as the "globalizers" who "impose a singular and abstracted logic on a culturally, ecologically, and politically diverse world."

## NOTES.....

1 William I. Robinson, "Social Theory and Globalization: The Rise of a Transnational State." *Theory and Society* 30,2001: 165-6.

2 Philip McMichael, "Revisiting the Question of

the Transnational State: A Comment on William Robinson's 'Social Theory and Globalization'." *Theory and Society* 30, 2001: 207.

3 Ibid., 208.





## Transnational Practices

Leslie Sklair

The argument of this book is that we need to move to what we can term global systems theory if we are to understand the contemporary world and explain what is happening in it. We cannot ignore the nation-state, but this book attempts to offer in addition a conception of globalization based on transnational practices (TNPs). Globalization, therefore, is defined as a particular way of organizing social life across existing state borders. Research on small communities, global cities, border regions, groups of states, and virtual and mobile communities of various types provides strong evidence that existing territorial borders are becoming less important and that transnational practices are becoming more important. The balance of power between state and non-state actors and agencies is changing. This is what is meant by the transnational approach to globalization.

TNPs are analytically distinguished on three levels, economic, political, and culture-ideology, what I take to constitute the sociological totality. In the concrete conditions of the world as it is, a world largely structured by global capitalism, each of these TNPs is typically, but not exclusively, characterized by a major institutional form. The transnational corporation (TNC) is the major locus of transnational economic practices; the transnational capitalist class is the major locus of transnational political practices; and the major locus of transnational culture-ideology practices is to be found in the culture-ideology of consumerism. Not all culture is ideological, even in capitalist societies. The reason why I run culture and ideology together is that consumerism in the global system can only be fully understood as a culture-ideology practice. When we buy something that has been imported we are engaged in a typical economic transnational practice. When we are influenced to vote or support a cause by those whose interests are transnational we are engaged in a typical political transnational practice. When a global brand establishes a set of meanings for us and our friends and

many others we do not know personally, we are engaged in a typical culture-ideology transnational practice.

The TNPs make sense only in the context of a global system. Global systems theory based on transnational practices is an attempt to escape from the limitations of state-centrism and to avoid the exaggerations of globalism. In order to do this, it is necessary to spell out exactly what these limitations and exaggerations are. The capitalist global system is marked by a very great asymmetry. The most important economic, political, and culture-ideology goods that circulate around the world tend to be owned and/or controlled by small groups in a relatively small number of places, mainly in and around global cities. Until recently it was both convenient and accurate to use the term Western to describe this asymmetry, and the idea of Western imperialism was widely acknowledged as a way of analysing the global system. Other terms, such as superpower, the triad of centre, semi-periphery, and periphery states, and hegemon state are also common. However, these terms appear to be losing their theoretical point as globalization threatens to displace state-centrism as the most fruitful approach for analysing the world today.

Nevertheless, the inter-state system has been the spatial reference point for most of the crucial transnational practices that go to make up the structures of the global system, in the sense that transnational practices intersect in particular places and these places usually come under the jurisdiction of particular nation-states. But it is not the only reference point, and some argue that it can distort the ways we try to understand the world today. The argument of this book is that the most important global force at the beginning of the twenty-first century is the capitalist global system. Transnational corporations provide the material base for a transnational capitalist class that unquestionably dictates economic transnational practices, and is the most important single force in the struggle to dominate political and culture-ideology transnational practices.

There are several other systems, regionally important, ethnically, culturally, and/or theologically based but none has, as yet, dominated the global system as capitalism did in the twentieth century. Resistances to capitalism, particularly in the form of radical social movements, have been and continue to be numerous and influential, though few offer genuine alternatives to capitalist society and none has had the pervasive success in state-building or the creation of institutions that capitalism enjoyed in the twentieth century. As I shall argue in the latter part of this book, this phase may be coming to an end.

The success of historical systems is often bound up with the success of the states that are their dominant powers. Britain in the nineteenth century was the leading power of the imperialist system, and the United States of America in the twentieth century was the leading power of the international capitalist system. Through their (respective) imperialist and neo-imperialist trajectories the ruling classes of these two countries etched the forms of home-grown capitalism onto what has become the capitalist global system. Mighty domestic economies, progressive ruling classes (in comparison with most others actually existing), and at least some desirable culture-ideology features particularly attractive to modernizing elites were combined with the willingness to use military force to open doors to them all over the world. This ensured the creation, persistence, and often aggrandisement of dominant social classes everywhere willing and eager to adopt their ways.

These dominant classes provided many members of what was to become the transnational capitalist class. The TCC consists of those people who see their own interests and/or the interests of their social and/or ethnic group, often transformed into an imagined national interest, as best served by an identification with the interests of the capitalist global system. In particular, the interests of those who own and control the major transnational corporations dictated the interests of the system as a whole. The fundamental in-built instability of the capitalist global system, and the most important contradiction with which any theory of the global system has to grapple, is that the dominant ideology of the system is under constant challenge. The substantive content of the theory, how those who own and control the transnational corporations harness the transnational capitalist class to solidify their hegemonic

control of consumerist culture and ideology, is the site of the many struggles for the global system. Who will win and who will lose these struggles is not a foregone conclusion.

The role of elites in Britain and the USA in the history of capitalism and the very existence of the TCC that the capitalist classes in Britain, the USA, and other places helped create, have historically built in the asymmetries and inequalities that now characterize capitalist globalization. Just as the leaders of dominant states (whether acting directly in the interests of the capitalist class or not) can call on superior economic, political, and culture-ideology resources in their dealings with those who challenge their interests, the transnational capitalist class enjoys similar dominance. The transnational approach to globalization that provides the framework for this book, therefore, is an attempt to replace the state-centrist paradigm of the social sciences with a paradigm of transnational practices, practices that cross state borders but do not originate with state actors, agencies, or institutions. It is not the state as such that drives globalization, but the transnational capitalist class (the institutional focus of political TNPs). The state, as we shall see, has a place in the transnational capitalist class via globalizing bureaucrats, politicians, and professionals. This class derives its material base from the transnational corporations (the institutional focus of economic TNPs) and the value-system of the culture-ideology of consumerism (culture-ideology TNPs).

[...]

## Transnational Corporations and Capitalist Globalization

The impact of transnational corporations in the global system, especially *Fortune* Global 500 corporations, is plain for all to see. Tourists and business travellers will more often than not travel on a plane manufactured by one of the few corporations that dominate the aerospace industry, operated by one of the airlines that dominate the civil airline industry (nine airlines were big enough to make the FG500 in 2001). They will mostly occupy hotel rooms subcontracted to or owned or managed by the local affiliate of one of the few chains that dominate the global hotel industry. The cars they rent will be

products of the few TNCs that dominate the global auto industry, and the agency may well be part of one of the small group of companies that dominate the car rental industry. And they will pay for some or all of this with one of the credit cards or travellers cheques issued by the few TNCs that control global personal finance.

The traveller will be able to watch television programmes and films produced and distributed by the major media conglomerates, will be able to buy globally branded products, at a price, and will usually be able to get around using English, the major global language. The traveller is also liable to be bombarded with advertisements for global consumer goods placed by the local affiliates of the transnational advertising agencies. While TNCs from the United States no longer dominate these sectors as they once did, they are still the leaders in a wide variety of fields and even when they are not the leaders it is often what are labelled American-style (a problematic idea) cultural products or local adaptations of them that are on offer.

This much is obvious at the level of perception. However, it would be simplistic to conclude that the two Mes (McLuhan and McDonald's) have succeeded in shaping the global village in the form of a fast food outlet or that the real world is in the process of being reconstructed as a universal theme park along the lines of Disneyland. The reality is much more complex than this, though we would be well advised to remember the central insight of McLuhan, that the world is becoming a global village, and of McDonald's, that global packaging creates global desires.

In the previous chapters I dealt briefly with some of the major ways in which the global system has been categorized. Now is the time to act on the reasons why I find most of these approaches unsatisfactory. Lying behind my summary evaluations of these theories is the conviction that most of them are fixated around the unhelpful ideas that the state is the most appropriate unit of analysis and that First World states exploit Third World countries. The view that is propounded here is that it is more fruitful to conceptualize the global system in terms of transnational practices. Those who dominate in the realm of economic, political, and culture-ideology transnational practices in one community, one sub-national region, country, supranational region or, indeed, globally, may exploit, ignore, or help those in other places. The state-centrist approach can lead to empirical

enlightenment in some cases (...), but at the expense of some theoretical confusion. The crux of the matter lies in moving beyond state-centrism to a theory of globalization based not in states and the inter-state system, but in transnational practices.

[...]

#### TNCs and foreign direct investment

The history of the TNC is, of course, bound up with the history of foreign direct investment (FDI). Although FDI had been substantial from the beginning of the twentieth century, it really took off in the 1950s, as a result of the flow of funds from the United States into Europe after the Second World War. US-based firms already had considerable sums invested in European subsidiaries since the second half of the nineteenth century, and post-1945 investments served both to rebuild what had been destroyed and to extend it. A political motive was clearly bound up with this economic activity. US foreign policy was based on the necessity of stopping the worldwide advance of communism in Europe and elsewhere through the economic development of areas under threat. US firms did not meekly follow the foreign policy line of their government against their own interests. There were large profits to be made from investing in a whole host of European industries and TNC executives and their local affiliates worked closely with globalizing politicians, bureaucrats, and professionals to make this happen.

In the 1950s and the 1960s many US firms grew so large so fast that Europeans began to speak of the American takeover of their economies. The widely read and influential book of the French politician and columnist, Servan-Schreiber, translated as *The American Challenge*, summed up these fears about the loss of economic independence. This and many other books and newspaper and magazine articles recommended that European industry and commerce should learn from the methods of the Americans and try to beat them at their own game. It is interesting to note that at the turn of the new millennium politicians, bureaucrats, and intellectuals in France were still displaying great suspicion about American influence in Europe. In the late 1990s France was the first government to break ranks on the OECD-sponsored Multilateral Agreement on Investment, and social movements against

globalization, McDonald's, and *le fast food* were thinly veiled attacks on the Americanization of Europe. This populist rallying loses some credibility when it is discovered that the entrepreneur Ong Beng Seng from Singapore owned Planet Hollywood; Silas Chou of Hong Kong owned Tommy Hilfiger; Vincent Tan and Khoo Kay Peng, both from Malaysia, owned Kenny Rogers Roasters and Laura Ashley respectively. 'Western icons; Asian owners - such are the fruits of the global marketplace.'

American economic activity in the international arena (or American economic imperialism, as it was increasingly being labelled) began to be identified as a problem in urgent need of resolution. For many, the TNCs were the problem. Since the 1970s, almost all the major international agencies in the economic and trade fields have been producing recommendations on how to regulate the activities of the TNCs in recognition that both the rich countries in which the bulk of FDI was located and the poorer countries needed protection. TNC investments might appear minor relative to the total GNP of most large and rich countries, but they are extremely important in the context of specific economic sectors in poor countries as well as in struggling regions all over the world. The UN Department of Economic and Social Affairs took a special interest in these issues and a series of intensively researched reports in the 1970s led to the creation of a Commission on Transnational Corporations and a research centre. This eventually became institutionalized as the UN Centre on Transnational Corporations, with the difficult task of trying to reconcile the interests of TNCs, communities eager for their investments and those adversely affected. As part of a reorganization at the United Nations, the UNCTC was dissolved in the early 1990s and became the Transnational Corporations and Management Division of the UN Department of Economic and Social Development. Subsequently it was relocated from New York to Geneva and incorporated into the United Nations Conference on Trade and Development (UNCTAD) as the Division on Investment, Technology and Enterprise Development. The UNCTC influential quinquennial publication *Transnational Corporations in World Development* was replaced by an annual *World Investment Report*. While it still produces reviews of the place of TNCs in the global economy and a journal, *Transnational Corporations* (largely an

outlet for conventional academic and policy-oriented articles), its role as an independent monitor of the practices of TNCs appears to be over.

Activity at the quasi-governmental level, like the UN and OECD, has been more than paralleled by a plethora of unofficial pressure groups that monitor the activities of the TNCs, wherever they may be. Church, consumer, and other campaigning groups frequently expose abuses of TNC power. The Amsterdam-based Transnational Information Exchange (TIE) was a pioneer of counter-strategies to combat the overwhelming resources that the TNCs can muster when they are attacked. These strategies are based on research to identify the interests behind the target companies 'to such an extent that their image, reputation and credibility are jeopardized by continued support of corporate denial of justice'. Some of the campaigns that TIE has been involved in with other networks have lasted many years, such as the Nesde Infant Formula boycott, the campaign to force corporations to divest in South Africa, the struggles on behalf of Coca-Cola workers in Guatemala and Control Data workers in Korea, as well as several campaigns against TNC policies in the United States. The US-based International Labor Rights Fund is also very active in these areas. The Washington-based Public Citizen (part of the network founded by Ralph Nader), the New York based Inter-faith Center on Corporate Responsibility, the Boston-based INFACT, the Penang-based International Organization of Consumer Unions, and the Cambridge (UK)-based Baby Milk Action, have all also helped to organize successful campaigns, and there are thousands of similar small transnational networks now monitoring the TNCs in various parts of the world. Most of these organizations have regular newsletters, and many have influential magazines, for example Public Citizen's *Multinational Monitor*. The flood of environmentalist and consumer-advice literature that began in the 1980s often contains material critical of the TNCs.

The views of the TNCs can be found in a variety of sources, for example in their public interest advocacy advertising in the world's mass media, and in countless government sponsored settings. The contest between the TNCs and their critics is, however, very unequal. Mander noted, in all seriousness, that in the USA: 'During the early 1970s, all environmental groups together spent about \$500,000 per year in advertising

in order to offset an average of about \$3 billion in corporate expenditures on the same subjects. This ratio was relatively small, only 6,000 to 1, which may help explain the early success of the environmental movement.' While some of the environmental and human rights organizations now have much greater budgets, the ratio is still weighted heavily in favour of the corporations and business in general.

These struggles pit the small people against the might of the transnational corporations, some of whom are richer than most countries. Nevertheless, even the poorest or smallest countries can, theoretically at least, frustrate the expansion plans of any one of these TNC giants by the simple, if often costly, expedients of refusing them permission to trade or manufacture within their territory or by nationalizing (expropriating) their property if they are already in business there. There is a large literature on this question, and this raises the thorny issue of the relations between TNCs and governments.

#### TNCs and governments

The theory of capitalist globalization presented here is a direct challenge to the conventional idea that there are different national styles of capitalism (Anglo-American, Japanese, German, French, Chinese, and so on) and that these are consequences of the relations between big business and governments, the historical trajectories of each country (path dependency) and styles of regulation and corporate governance. Obviously there is some truth in all this. There are some differences between big business and the organization of capitalism from place to place, between cities, regions, countries, areas settled by different ethnic groups, and so on, just as there are obviously differences between different industries, companies of different sizes, and companies operating under totally different systems of regulation, wherever they are located. The issue is not whether there are differences (of course there are) but what is the significance of these differences. Most theorists and researchers who accept the reality of globalization accept that there has been a fundamental change in the relations between transnational corporations and governments (or the state, not exactly the same thing). The globalizing challenge to the conventional view is that most governments and the states they

purport to govern have less power over domestic and foreign TNCs than they once had (this cannot be denied, in my view) and, more controversially, that most governments appear to be quite satisfied with this state of affairs and some even want to push it further. My explanation for this is bound up with the structure of the transnational capitalist class, and the role of the state fraction (globalizing politicians and bureaucrats) within it.

[...]

## The Transnational Capitalist Class

The transnational capitalist class is not made up of capitalists in the traditional Marxist sense. Direct ownership or control of the means of production is no longer the exclusive criterion for serving the interests of capital, particularly not the global interests of capital.

The transnational capitalist class (TCC) is transnational in at least five senses. Its members tend to share global as well as local economic interests; they seek to exert economic control in the workplace, political control in domestic and international politics, and culture-ideology control in everyday life; they tend to have global rather than local perspectives on a variety of issues; they tend to be people from many countries, more and more of whom begin to consider themselves citizens of the world as well as of their places of birth; and they tend to share similar lifestyles, particularly patterns of luxury consumption of goods and services. In my formulation, the transnational capitalist class includes the following four fractions:

- TNC executives and their local affiliates (corporate fraction);
- globalizing state and inter-state bureaucrats and politicians (state fraction);
- globalizing professionals (technical fraction); and
- merchants and media (consumerist fraction).

This class sees its mission as organizing the conditions under which its interests and the interests of the global system (which usually but do not always coincide) can be furthered within the transnational, inter-state, national, and local contexts. The concept of the transnational capitalist class implies that there is one central

transnational capitalist class that makes system-wide decisions, and that it connects with the TCC in each community, region, and country.

Political transnational practices are not primarily conducted within conventional political organizations. Neither the transnational capitalist class nor any other class operates primarily through transnational political parties. However, loose transnational political groupings do exist and they do have some effects on, and are affected by, the political practices of the TCC in most countries. There are no genuine transnational political parties, though there appears to be a growing interest in international associations of parties, which are sometimes mistaken for transnational parties. The post-Comintern Communist Movement, the Socialist International, international Fascist organizations, and various liberal and neo-liberal multi-state parties have never had much success.

There are, however, various transnational political organizations through which fractions of the TCC operate locally, for example, the Rotary Club and its offshoots and the network of American, European, and Japan-related Chambers of Commerce that straddles the globe. As Errington and Gewertz show in their study of a Rotary Club in Melanesia as well as my own research on AmCham in Mexico, these organizations work as crucial transmission belts and lines of communication between global capitalism and local business. For example, a visit to the website of BISNIS (Business Information Service for the Newly Independent States) of the USA Trade Center in the Russian Far East tells us that in addition to two International Business Associations there were eight Rotary Clubs operating in this remote region in 2001.

At a more elevated level are the Trilateral Commission of the great and good from the United States, Europe, and Japan whose business is 'Elite Planning for World Management'; the World Economic Forum which meets at Davos in Switzerland and the annual Global conferences organized by *Fortune* magazine that bring together the corporate and the state fractions of the TCC. Many other similar but less well-known networks for capitalist globalization exist, for example the Bilderberg Group and Caux Round Table of senior business leaders. There are few major cities in any First or Third World (and now New Second World) country that do not have members of or connections

with one or more of these organizations. They vary in strength from the major First World political and business capitals, through important Third World cities like Cairo, Singapore, and Mexico City, to nominal presences in some of the poorer countries in Africa, Asia, and Latin America. They are backed up by many powerful official bodies, such as foreign trade and economics departments of the major states. Specialized agencies of the World Bank and the IMF, WTO, US Agency for International Development (USAID), development banks, and the UN work with TNCs, local businesses, and NGOs (willing and not so willing) in projects that promote the agenda of capitalist globalization.

The political practices of the transnational capitalist class will be analysed in terms of two issues. First, how it operates to change the nature of the political struggle between capital and labour, and second, the downgrading of indigenous practices.

#### Labour and the transnational capitalist class

The relative strength of the transnational capitalist class can be understood in terms of the relative weakness of transnational labour. Labour is represented by some genuinely transnational trade unions. The World Federation of Trade Unions (WFTU) was founded in 1945, with 350 delegates representing 67 million workers in 56 countries. This immediately postwar show of labour unity included members from the CIO (Congress of Industrial Organizations), one of the two main union movements in the USA (but not the other, the AFL (American Federation of Labor)), Britain, the Soviet Union, China, and India. WFTU split under the pressure of the Cold War in 1949, when the British TUC and the CIO from the United States (followed by the AFL) set up in opposition the International Confederation of Free Trade Unions (ICFTU). ICFTU followed a strict international and national no-contact policy with the WFTU, which it saw as entirely Soviet-dominated. In the 1980s, the WFTU had over 200 million members in seventy countries (most of Eastern Europe and communist unions in Western Europe and Japan), though the Italian communist trade union had withdrawn and the French began to distance themselves in the mid 1970s, ostensibly to improve the climate for domestic solidarity. ICFTU had about 90 million

members (in ninety-two countries, including Western Europe, the Americas, and most of the Third World). The World Council of Labour, a Christian-oriented movement, had about 15 million members. The collapse of the Soviet Union and communism in general in Eastern Europe in the 1990s led to the collapse of the WFTU, and splits that developed as a result of this in the ICFTU suggest that labour solidarity in opposition to capitalist globalization is an uncertain prospect.

In addition, there are some industrially based transnational union organizations, for example the International Metalworkers Federation, and the International Union of Food and Allied Workers' Associations. These have been involved in genuine transnational labour struggles, and have gained some short-term victories. However, they face substantial difficulties in their struggles against organized capital, locally and transnationally and they have little influence.

However, there is a good deal of research on how the labour movement reacts to globalization. The level of unionization to be found in TNC-owned industry in different countries varies widely as do the prospects for successful campaigns. Wills and Herod, in case studies from Europe and the USA respectively, both emphasize the need for strategic flexibility. In some circumstances organizing globally promises better prospects of success, in others organizing locally does. The question cannot be realistically discussed, however, unless there is some measure of the genuine independence of the union. We must distinguish at least three cases: first, where unions are prohibited or repressed; second, where unions are the creatures of governments or companies; third, where genuinely independent unions actually operate. While most TNCs in most countries will follow the local rules regarding the unions, host governments, particularly those promoting export-processing industries (not always under pressure from foreign investors), have often suspended national labour legislation in order to attract TNCs and/or to keep production going and foreign currency rolling in. Some cases will be discussed in the next chapter. With very few exceptions, most globalizing bureaucrats and politicians wanting to take advantage of the fruits of capitalist globalization will be unhelpful towards labour unions, if not downright hostile to them when they dare to challenge the transnational capitalist class.

### Downgrading of indigenous practices

Even the most casual observer of transnational practices in the economic, political, and culture-ideology spheres cannot but be struck by the fact that indigenous practices are often unfavourably compared with foreign practices. Despite conceptual difficulties of the indigenous-foreign distinction (similar to traditional-modern), such comparisons are common between countries, cities, neighbourhoods, and regions. The downgrading of indigenous practices in many parts of the world is a subtle and circular process in which the newcomer has all the advantages and the incumbent all the handicaps. The necessity for and the presence of foreign companies, for example, are constant reminders of the deficiencies of the domestic economy. The new methods that TNCs bring are defined as more efficient (if not necessarily more desirable) than the traditional methods of production current in the host economy, and where entirely new products enter, this only underlines the inadequacies of the host. These can all have a depressing effect on local industry.

[...]

It is necessary to distinguish between economic, political, and culture-ideology practices here. In terms of economic logic, an indigenous enterprise may be fulfilling the needs of the local consumers through efficient use of domestic inputs, while in terms of political (transnational) logic it is perceived as quite inefficient because of its lack of international competitiveness. In more dramatic terms, the downgrading of local industries reflects the success of the transnational capitalist class in dragging them into the global economy and thereby transforming them, even in a rather minimal sense, into transnational industries.

The presence of expatriate managers and technicians in foreign firms in even the most industrially advanced economies serves to intensify the distinction between superior foreign and inferior indigenous industry. Recruitment of top management appears to be through two circuits, but with a predominantly one-way flow. Transnational companies, particularly those with global reputations, have less difficulty in recruiting the available staff, either from indigenous firms or from other foreign companies. Indeed, there is some evidence of a transnational staff circuit as random conversations in airports and more systematic interviews with TNC

executives confirm. The larger transnational commonly train key staff at headquarters (usually in the USA, Japan, and Europe) and for some a job with a major TNC is the first step in a global career. There is a good deal of evidence to suggest that managerial and technical talent flows from the indigenous sector to the transnational companies rather than vice versa, particularly but not exclusively in the Third World. Gershenberg argued this for Kenya as Okada did for Indonesia, though my own later research on Mexico suggests that this may be more of a two-way process in some industries. *Fortune* (18 August 1997) reported that Microsoft had subsidiaries in sixty countries employing 6,200 people of whom only five were expatriates! While this sounds exceptional, local economies may derive benefits from this type of brain drain, even sufficient to offset the costs, if there is seen to be fair competition between the TNCs and the indigenous firms for trained managerial, technical, and craft personnel. The optimum situation would be a policy that would encourage the TNCs to train young people rather than entice away those already trained and working in the indigenous sector. Some of these young people are, of course, tomorrow's transnational capitalist class.

The downgrading of indigenous industry may be compensated for by the more progressive business environment that foreign companies promote, and particularly the high-technology companies of US, European, or Japanese origin. Transnational corporations can give a competitive stimulation to existing local companies by demonstrating the business potential of new lines or products, and they can also directly influence the market for new indigenous firms, as Evans has shown for the computer industries in several countries. In general, higher expectations of transnational firms for business services and a better-educated workforce may provoke the state into public spending that might otherwise not have taken place. For example, some governments would probably not have spent as much on telecommunications and infrastructure as they have done without the stimulus of a foreign-dominated export sector that produces hard-currency earnings and the expectation that such facilities, however expensive, would attract even more companies. The managers and workers of those firms may well benefit from this in the long run, as well as the TNCs. It must be noted, however, that the managers and workers of those

indigenous firms that go under will not see this as an undiluted benefit and that state subsidies to attract FDI will not benefit the poor much.

There can also be a knock-on effect of the higher and more innovative technology that some foreign firms employ, all through society. This generates a climate for the technological upgrading of industry as a commercial proposition, and it also ensures that hardware and software are conveniently available, at a price, for those who wish to take advantage of them in any sphere. The presence of famous name globalizing firms undoubtedly encourages some enterprising local businesses to take opportunities that are offered for joint ventures and other forms of strategic alliances.

In these ways the transnational capitalist class downgrades certain indigenous practices by comparison with new and more glamorous transnational practices (some of which, paradoxically, might have originated locally as hybrid cultural practices). This creates what used to be termed a comprador mentality, the attitude that the best practices were invariably connected with foreigners who were the bearers of capitalist practices. Comprador mentality was either a cost or a benefit, depending on your position in the ideological struggle between those who believed that capitalism would inevitably damage Third World development prospects in the long run, and those who believed that there would be no development prospects without capitalism. This struggle revolved around the opposing material interests of competing classes and groups, and it still does.

Capitalist globalization has created new groups of what can be termed indigenous globalizers, aspiring members of the transnational capitalist class who have replaced the old compradors. They identify with global capitalism rather than any particular powerful country or corporation. Like all globalizers they are intellectually and geographically mobile. They make their connections with their countries of residence through the globalizing politicians and professionals who are officially responsible for regulating business, politics, and culture-ideology at the level of the national and local state.

The thesis that defines my approach to political transnational practices is that the state is a site of struggle between globalizers and localizers, principally between globalizing bureaucrats and politicians (indigenous globalizers) on the one hand and localizing bureaucrats and politicians on the other.



There are those who see the destiny of the world as bound up with the adoption of all that is modern, often embodied in the products and practices of the TNCs. On the other hand, there are those who are deeply suspicious of the modernization represented by the TNCs, particularly where this is perceived as Western or US dominance in culture, industry, warfare, science, and technology. A battery of concepts, some of which have migrated from social science jargon to the mass media, identify those on either side of the divide. The academically discredited distinction between traditional and modern is still common currency, while the notions of inward-oriented and outward-oriented describe those who look for guidance and sustenance to the resources of their own groups as opposed to those who look outside, usually to the West. Much the same idea is expressed by the distinction between local and cosmopolitan orientation. [...]

The price that the state will pay to sustain the costs of foreign investment will depend largely on the powers of indigenous globalizers, the local members of the transnational capitalist class. Whatever the price happens to be at a given time, and this can vary dramatically, it will be a price worth paying for some and not for others. What accounts for the complexity of the problem of evaluation is not only the economic and social costs involved themselves, but the interests, conflicting or in harmony, of those who pay the costs and those who reap the benefits. It may be an over-simplification to conceptualize all the different interests in terms of class struggle, particularly as some of the interest groups involved and some of the alliances of interests forged may defy analysis in conventional Marxist terms, particularly in the Third World. Nevertheless, there are class interests involved even though they may not always conveniently reduce to one labouring class versus one capitalist class.

The transnational capitalist class supported by the strata that the TNCs have created (globalizing bureaucrats, politicians, and professionals) and even in some circumstances privileged fractions of the labour force, will all increasingly identify their own interests with those of the capitalist global system. Those on the fringes of the TCC will often be forced to make a choice

between acting on behalf of it against what many would define as the interests of their own communities, as the transnational practices of capitalist globalization penetrate ever deeper into the areas that most heavily impact on their daily lives. The specific function of those who are directly responsible for transnational political practices is to create and sustain the organizational forms within which this penetration takes place and to connect them organically with those indigenous practices that can be incorporated and mobilized in the interests of the capitalist global system. In order to do this the transnational capitalist class must promote, all over the world, a specific structure of culture-ideology transnational practices, namely the culture-ideology of consumerism. It is no accident that the age of capitalist globalization should have begun to flower in the second half of the twentieth century, just when the electronic revolution that heralded the age of the globalizing mass media took root.

## The Culture-Ideology of Consumerism

The transformation of the culture-ideology of consumerism from a sectional preference of the rich to a globalizing phenomenon can be explained in terms of two central factors, factors that are historically unprecedented. First, capitalism entered a qualitatively new globalizing phase in the 1960s. As the electronic revolution got under way, the productivity of capitalist factories, systems of extraction and processing of raw materials, product design, marketing and distribution of goods and services began to be transformed in one sector after another. This golden age of capitalism began in the USA, but spread a little later to Japan and Western Europe and other parts of the First World, to the NICs, and to some cities and enclaves in the Third World. Second, the technical and social relations that structured the mass media all over the world made it very easy for new consumerist lifestyles to become the dominant motif for these media. Therefore, in the second half of the twentieth century, for the first time in human history, the dominant economic system, capitalism, was sufficiently productive to provide a basic package of material possessions and services to almost

everyone in the First World and to privileged groups elsewhere. Capitalism, particularly in its neo-liberal phase from the 1980s, promised that eventually the rising tide would raise all boats, that is, everyone else in the world would get rich as long as they did what the transnational capitalist class told them to do. A rapidly globalizing system of mass media was also geared up to tell everyone what was available and, crucially, to persuade people that this culture-ideology of consumerism was what a happy and satisfying life was all about. In a powerful empirical study of the increasing hours and more intensive nature of work in the United States since the 1950s, Schor demonstrated how capitalist consumerism led North Americans (and, I would argue, other groups elsewhere) into a sort of Faustian bargain whereby those who can find work trade off their time for more and more consumer goods and services.

Mass media perform many functions for global capitalism. They speed up the circulation of material goods through advertising, which reduces the time between production and consumption. They begin to inculcate the dominant ideology into the minds of viewers, listeners, and readers from an early age, in the words of Esteinou Madrid, 'creating the political/cultural demand for the survival of capitalism.' The systematic blurring of the lines between information, entertainment, and promotion of products lies at the heart of this practice. This has not in itself created consumerism, for consumer cultures have been in place for centuries. What it has created is a reformulation of consumerism that transforms all the mass media and their contents into opportunities to sell ideas, values, products, in short, a consumerist world-view. Elements of this are found in Boorstin's idea of the consumption community, integral to his thesis of American distinctiveness. Muniz and O'Guinn take this forward in the concept of brand community. Their ethnographic studies of owners of Macintosh computers and Saab and Ford Bronco cars illustrate the existence of three traditional markers of community, namely shared consciousness, shared rituals and traditions, and a sense of moral responsibility. They conclude, somewhat controversially: 'We believe brand communities to be real, significant, and generally a good thing, and evidence of the persistence of community in consumer culture.'

Contemporary consumer culture would not be possible without the shopping mall, both symbolically and substantively. As Crawford argued, the merging of the architecture of the mall with the culture of the theme park has become the key symbol and the key spatial reference point for consumer capitalism, not only in North America but increasingly all over the world. What Goss terms the magic of the mall has to be understood on several levels, how the consuming environment is carefully designed and controlled, the seductive nature of the consuming experience, the transformation of nominal public space into actual private terrain. Although there are certainly anomalies of decaying city districts interspersed with gleaming malls bursting with consumer goods in the First World, it is in the poorer parts of the Third World that these anomalies are at their most stark. Third World malls until quite recently catered mainly to the needs and wants of expatriate TNC executives and officials, and local members of the transnational capitalist class. The success of the culture-ideology of consumerism can be observed all over the world in these malls, where now large numbers of workers and their families flock to buy, usually with credit cards, thus locking themselves into the financial system of capitalist globalization. The integration of the medium of the mall and the message of the culture-ideology of consumerism had a formative influence on the trajectory of global capitalism. The medium looks like the message because the message, the culture-ideology of consumerism, has engulfed the medium. The problem, therefore, is not *Understanding Media* (the title of McLuhan's great if somewhat misconceived book) but understanding capitalist globalization, the system that produces and reproduces both the message and the media that incessantly transmit it.

A fundamental problem that has plagued media studies is the precise relationship between, on the one hand, the media and the messages they relay and, on the other, the audiences that receive these messages and the meanings they take from them and/or read into them. As we shall see below, it is naive to assume that most media messages actually do have the effects that their creators intend, even when the audiences are deemed to be unsophisticated and lacking in education. A growing body of theory and research has tested these ideas in a wide variety of social, cultural, and geographical settings. Ang, and Liebes and Katz, who carried out

research projects on attitudes to the soap opera *Dallas*, discovered that different audiences read the same programmes very differently. While Ang's notion of a critical ethnography of reception and the social dynamics of meaning-making of Liebes and Katz problematize the message-reception issue very fruitfully, my contention here is that this research is mainly directed to a second order of meanings, no more and no less important than the first order of meaning of these media products. However, it is the first order of meanings, the culture-ideology of consumerism, with which I am concerned here. This provides the framework for the second order of meanings which raises different, more nuanced, and sometimes contradictory issues.

The connections between capitalist globalization and the culture-ideology of consumerism must be laid bare. In an attempt to do this, Featherstone develops a useful composite picture of contemporary consumer culture. He writes:

- 1 Goods are framed and displayed to entice the customer, and shopping becomes an overtly symbolic event.
- 2 Images play a central part, constantly created and circulated by the mass media.
- 3 Acquisition of goods leads to a 'greater aestheticisation of reality'.

The end result of these processes is a new concept of lifestyle, enhanced self-image. This 'glosses over the real distinctions in the capacity to consume and ignores the low paid, the unemployed, the old', though the ubiquity of the culture-ideology of consumerism actually does include everyone (or, at least, all those with the potential to buy) however poor, because no one can escape its images. And, it must be added, very few people would choose to escape its images and what they represent in terms of the good, or better, life. Monga insightfully analyses this issue through the stories of women from Africa who eventually found asylum in France and USA (and many more who did not). 'Though the perspectives of these women are in themselves of interest, what is of real import is their fundamental goal: survival in a rapidly changing world where the rhetoric of globalisation poorly conceals the reality of the increasing marginalisation of Africa and its inhabitants [including men].' This is concretely expressed in three strategies

for African women and their children mainly through migrating to the USA. The first is through the sale of beauty products for immediate income. The cosmetics industry in the USA, uniquely, has designed a range for black women, so women in Africa are keen to get hold of them, usually through high end informal sector locations. These locations are also socio-economic markers of a system based on credit in which authentic products straight from the USA are at a premium. The second strategy is education of children, a route to intermediate material well-being. The possibility of working through college in the USA makes this an attractive option. While France focuses on rhetoric for African women, the USA focuses on marketable skills, and the myth of America as the land of opportunity contrasts with the racism that black people often find in France. The third, long-term strategy, is the Americanization of children, through giving birth in the USA. This involves the rapid Americanization of names in Africa (usually taken from TV characters) and, Monga argues, illustrates a deeper desire to participate in the global village. She quotes Zhan to the effect that the 'success of American brand-name products abroad is due not to their "Americanism" per se but to their ability to match the demands of a diverse market throughout the world.' Monga is entirely on the mark when she argues: 'whereas women from Africa turn to American culture, some members of the African-American community look to African, or African-inspired culture as a means of expressing their need for self-affirmation and social recognition, often utilizing the same cultural markers as African women: first names, apparel, and art objects.'

The issue of Americanization is clearly a central dilemma of any critique of consumerism (and also of the politics of the consumer movement). Many scholars point up the distinctive role of the United States in the campaign to make consumer culture universal. Through Hollywood, and the globalization of the movies, via Madison Avenue, from where Ewen's captains of consciousness created the modern advertising industry, to the more geographically diffuse but ideologically monolithic television networking conceptualizers, the consumerist elites of the transnational capitalist class in the United States has assumed leadership of the culture-ideology of consumerism in the interests of global capitalism in the twentieth century.

A good illustration of this is in the origin of the soap opera, one of the most highly developed media forms through which mass consumerism is projected. It began in the 1920s when Glen Sample, an American advertising agent, had the idea of adapting a newspaper serial for the radio, a medium already dominated by commercial interests. The programme, *Betty and Bob*, was sponsored by a flour manufacturer, and Sample used the same idea to promote Oxydol washing powder for Procter & Gamble, under siege from Unilever's Rinso in the US market. Oxydol won out, and the so-called soap opera that was used to sell it gave its name to a genre, massively reinforced by its wholesale adoption by television all over the world since the 1950s.

The universal availability of the mass media has been rapidly achieved through relatively cheap transistor radios, cassette recorders, and televisions, which now totally penetrate the First World, almost totally penetrate the urban Second and Third Worlds, and are beginning to penetrate deeply into the countryside even in the poorest places. Thus, the potential of global exposure to global communication, the dream of every merchant in history, has arrived. The socialization process by which people learn what to want, which used to occur mainly in the home and the school, is increasingly taking place through what the theorists of the Frankfurt School had so acutely termed the culture industry.

[...]



## READING 26

# Social Theory and Globalization: The Rise of a Transnational State

**William I. Robinson**

Globalization is a relatively new concept in the social sciences. What this concept exactly means, the nature, extent, and importance of the changes bound up with the process, is hotly debated. But few would doubt that it is acquiring a critical importance for the academic as well as the political agenda of the twenty-first century, or that it poses a distinctive challenge to theoretical work in the social sciences. The historic limitations of social theory, insofar as it has been informed by the study of "national" societies and the nation-state, are brought into focus by the universalizing tendencies and transnational structural transformations bound up with globalization. To what extent is the nation-state a historically specific form of world social organization now in the process of becoming transcended by capitalist globalization? This is the question that underlies the present essay, although the matter I intend to address is more circumscribed.

The debate on globalization has increasingly centered on the relation of the nation-state to economic globalization. But the issue of globalization and the state has been misframed. Either the nation-state (and the inter-state

system) is seen as retaining its primacy as the axis of international relations and world development - the "strong state" thesis - in a dualist construct that posits separate logics for a globalizing economic and a nation-state based political system, or the state is seen, as in the "weak state" or diverse "end of the nation-state" theses, as no longer important. Rejecting these frames, I intend here to clarify the relationship between globalization and the nation-state by critiquing and moving beyond this global-national dualism by developing the concept of a transnational state. I argue that the state and the nation-state are not coterminous. The conflation of the two in the globalization literature has impeded analysis of the increasing separation of state practices from those of the nation-state.

Specifically, I call for a return to a historical materialist conception of the state, and on this basis explore three interrelated propositions: (1) economic globalization has its counterpart in transnational class formation and in the emergence of a transnational state (henceforth, TNS) that has been brought into existence to function as the collective authority for a global ruling

class; (2) the nation-state is neither retaining its primacy nor disappearing but becoming transformed and absorbed into this larger structure of a TNS; (3) this emergent TNS institutionalizes a new class relation between global capital and global labor.

[•••]

A TNS apparatus is emerging under globalization *from within* the system of nation-states. The nation-state system, or inter-state system, is a historical outcome, the particular form in which capitalism came into being based on the complex relations among production, classes, political power, and territoriality. The material circumstances that gave rise to the nation-state are now being superseded by globalization. If capitalism's earlier development resulted in a geographic (spatial) location in the creation of the nation-state system, then its current globalizing thrust is resulting in a general geographic dislocation. What is required is a return to a historical-materialist theoretical conceptualization of the state, not as a "thing," or a fictional macro-agent, but as a specific social relation inserted into larger social structures that may take different, and historically determined, institutional forms, only one of which is the nation-state. Nothing in the current epoch suggests that the historic configuration of space and its institutionalization is immutable rather than itself subject to transformation.

This is to say that the political relations of capitalism are entirely historical, such that state forms can only be understood as historical forms of capitalism. Although the proposition cannot be explored here, I suggest that the explanation for the *particular* geographic expression in the nation-state system that world capitalism acquired is to be found in the historical uneven development of the system, including its gradual spread worldwide. Territorialized space came to house distinct market and capital accumulation conditions, often against one another, a process that tended to be self-reproducing as it deepened and became codified by the development of nation states, politics, and culture, and the agency of collective actors (e.g., Westphalia, nationalism, etc.). This particular spatial form of the uneven development of capitalism is being overcome by the globalization of capital and markets and the gradual equalization of accumulation conditions this involves.

To summarize and recapitulate: the state is the congealment of a particular and historically determined

constellation of class forces and relations, and states are always embodied in sets of political institutions. Hence states are: (a) a moment of class power relations; (b) a set of political institutions (an "apparatus"). The state is not one or the other; it is both in their unity. The separation of these two dimensions is purely methodological (Weber's mistake is to reduce the state to "b"). National states arose as particular embodiments of the constellations of social groups and classes that developed within the system of nation-states in the earlier epochs of capitalism and became grounded in particular geographies. What then is a transnational state? Concretely, what is the "a" and the "b" of a TNS? It is a particular constellation of class forces and relations bound up with capitalist globalization and the rise of a transnational capitalist class, embodied in a diverse set of political institutions. These institutions are transformed national states and diverse supranational institutions that serve to institutionalize the domination of this class as the hegemonic fraction of capital worldwide.

Hence, I submit, the state as a class relation is becoming transnationalized. The class practices of a new global ruling class are becoming "condensed," to use Poulantzas's imagery, in an emergent TNS. In the process of the globalization of capital, class fractions from different countries are fusing together into new capitalist groups within transnational space. This new transnational bourgeoisie or capitalist class is that segment of the world bourgeoisie that represents transnational capital. It comprises the owners of the leading worldwide means of production as embodied principally in the transnational corporations and private financial institutions. What distinguishes the transnational capitalist class from national or local capitalist fractions is that it is involved in globalized production and manages global circuits of accumulation that give it an objective class existence and identity spatially and politically in the global system, above any local territories and polities.

The TNS comprises those institutions and practices in global society that maintain, defend, and advance the emergent hegemony of a global bourgeoisie and its project of constructing a new global capitalist historical bloc. This TNS apparatus is an emerging network that comprises transformed and externally-integrated national states, *together with* the supranational economic and political forums and that has not yet acquired any

centralized institutional form. The rise of a TNS entails the reorganization of the state in each nation - I will henceforth refer to these states of each country as *national states* - and it involves simultaneously the rise of truly supranational economic and political institutions. These two processes - the transformation of nation-states and the rise of supranational institutions - are not separate or mutually exclusive. In fact, they are twin dimensions of the process of the transnationalization of the state. Central to my argument is that under globalization the national state does not "wither away" but becomes transformed with respect to its functions and becomes a functional component of a larger TNS.

The TNS apparatus is multilayered and multi-centered. It links together functionally institutions that exhibit distinct gradations of "stateness," which have different histories and trajectories, and which are linked backward and forward to distinct sets of institutions, structures, and regions. The supranational organizations are both economic and political, formal and informal. The economic forums include the International Monetary Fund (IMF), the World Bank (WB), the Bank for International Settlements (BIS), the World Trade Organization (WTO), the regional banks, and so on. Supranational political forums include the Group of 7 (G-7) and the recently formed Group of 22, among others, as well as more formal forums such as the United Nations (UN), the Organization of Economic Cooperation and Development (OECD), the European Union (EU), the Conference on Security and Cooperation in Europe (CSCE), and so on. They also include regional groupings such as the Association of South East Asian Nations (ASEAN), and the supranational juridical, administrative, and regulatory structures established through regional agreements such as the North American Free Trade Agreement (NAFTA) and the Asia-Pacific Economic Cooperation (APEC) forum. Here I wish to theorize this emerging configuration. These supranational planning institutes are gradually supplanting national institutions in policy development and global management and administration of the global economy. The function of the nation-state is shifting from the formulation of national policies to the administration of policies formulated through supranational institutions. However, it is essential to avoid the national-global duality: national states are not external to the TNS but are becoming incorporated into it as component

parts. The supranational organizations function in consonance with transformed national states. They are staffed by transnational functionaries that find their counterparts in transnational functionaries who staff transformed national states. These *transnational state cadres act* as midwives of capitalist globalization.

The TNS is attempting to fulfill the functions for world capitalism that in earlier periods were fulfilled by what world-system and international relations scholars refer to as a "hegemon," or a dominant capitalist power that has the resources and the structural position that allows it to organize world capitalism as a whole and impose the rules, regulatory environment, et cetera, that allows the system to function. We are witnessing the decline of US supremacy and the early stages of the creation of a transnational hegemony through supranational structures that are not yet capable of providing the economic regulation and political conditions for the reproduction of global capitalism. Just as the national state played this role in the earlier period, I suggest, the TNS seeks to create and maintain the preconditions for the valorization and accumulation of capital in the global economy, which is not simply the sum of national economies and national class structures and requires a centralized authority to represent the whole of competing capitals, the major combinations of which are no longer "national" capitals. The nature of state practices in the emergent global system resides in the exercise of transnational economic and political authority through the TNS apparatus to reproduce the class relations embedded in the global valorization and accumulation of capital.

[...]

I have suggested here that the nation-state is a historically-specific form of world social organization in the process of becoming transcended by globalization. Historic structures may be transcended by their destruction and replacement. This is how, for instance, the historic structures of monarchy and feudalism in France were superseded. Such structures may also be superseded by transformation through incorporation into emergent new structures. This was the route through which monarchic and feudal structures were transcended in England. Hence there are monarchical and feudal residues in England that we do not find in France. I am suggesting here that a TNS is emerging through the latter route: the nation-state system is

not being destroyed but transformed and incorporated through the process of globalization into the larger emergent structure of a TNS.

Let us recall that we study static structures for methodological purposes only, because there are abstractions from reality that can only be understood in relation to the dynamics of structural change. The static structure is of less concern than movement in structure. Social reality is best grasped in a synthesis of its synchronic and diachronic dimensions. Seen in this light, the nation-state and the inter-state system are not a constitutive component of world capitalism as an integral social system but a (the) historic form in which

capitalism came into being. Temporally, the nation-state is penetrated from the past and the future as a disintegrating structure. The state, shed of its cotermination with the nation-state, may be seen as structure in motion whose form is changing under globalization. The emergent TNS as an unfinished and open-ended process is, as are all historic processes, subject to being pushed in new and unforeseen directions and even to reversals. Beyond state theory, the globalization perspective presented in this essay may enhance our ability to comprehend the nature and direction of world social change in the new century and enrich the development of social theory more generally.



## READING 27

# Revisiting the Question of the Transnational State: A Comment on William Robinson's "Social Theory and Globalization"

**Philip McMichael**

William Robinson's thoughtful and provocative essay calls for a recasting of the parameters of social theory in light of the structural shifts associated with globalization. In particular, he argues that the sociology of the state needs to acknowledge the growing "deterritorialization" of economic and political relationships at the turn of the twenty-first century. To accomplish this, he deploys the concept of the "transnational state" (TNS) as the embryonic political form of economic globalization. Robinson bases this conceptual intervention on a theoretical claim for "a 'deterritorialization' of the relationship of capital to the state," and "the 'pure' reproduction of social relations, that is, a process not mediated by fixed geo-political dynamics." This is a bold claim indeed. It suggests that we have arrived at a point where Marx's theory of capital now corresponds to reality. Alternatively, it reaffirms the claims made by the agents of capital that globalization is here to stay and there is no alternative. It is these implications that I wish to address in this comment.

While I support Robinson's position that social science is infected with an unhealthy dualism in state/market, and global/national terms, I question the way in which he advocates his position. Although he argues for a revival of a historical materialist conception of the state, the methodology employed tends toward an abstract formalism. The absence of a historical theory of capitalism is expressed in his unproblematized conception of globalization. Robinson views globalization as the "near culmination" of a process of capitalist expansion at the expense of "all pre-capitalist relations around the globe." The provocative telos here suspends the dialectic. This conception of globalization lacks contradiction and suppresses the fact that globalization is a relationship itself. Rather than viewing global/national tensions as immanent to globalization, Robinson presents, or dismisses, these as dualistic thinking. As a historical phenomenon, globalization contradicts national organization, local knowledge, self-sufficiency, and the like. Its proponents seek to deconstruct or

appropriate these "obstacles," and in so doing they constitute the politics of globalization. My point is that a theorist may look for underlying tendencies that transcend such apparent "residuals," but "residuals" have a way of asserting themselves and conditioning the process under examination. The crisis of the Washington consensus, for example, expresses the global resistances and contradictions that constitute globalization.

Let me pursue the conception of "globalization" further. It seems to me that there are two ways to think about it. One way is to *theorize history* as a process of progressive commodification of social life, which allows one to state that "globalization is not a new process." This is Robinson's tack. The other way is to *historicize theory* and problematize globalization as a relation immanent in capitalism, but with quite distinct material (social, political, and environmental) relations across time and time-space. In this formulation, globalization assumes specific *historical* forms. These forms are not unrelated, in fact they can be theorized as either resolutions of prior, or preconditions of succeeding, forms of global arrangements. The current form of globalization, for example, can be viewed as a political counter-mobilization of capital to mid-twentieth-century state-protectionism, as a resolution of the crisis of the nineteenth-century self-regulating market institution, described in Karl Polanyi's *The Great Transformation*. In this view, the late-twentieth-century form of globalization is understood, via the method of incorporated comparison, as a repetition, but not a replication, of a prior globalization that conditioned its successor. Here, globalization is not simply the unfolding of capitalist tendencies, but a historically distinct project shaped, or complicated, by the contradictory relations of previous episodes of globalization.

The point is to develop a historical, rather than a theoretical, conception of capitalism, where the theory of capital is deployed methodologically and reflexively to interpret, rather than reveal, history. While Robinson notes that in "the historical materialist conception, the economic and the political are distinct moments of the same totality," his argument about globalization is that the political reorganization of world capitalism *lags* behind its economic reorganization. The implication is that globalization is essential to capitalist economic integration, which is currently outpacing its political form. That is, the political superstructure has yet to

complement its economic base. But "superstructures" are not distinct binary elements of capitalism with minds of their own. Certainly politics, law, and ideology, on the one hand, and economy, on the other, *appear* as independent binary elements, but these are fetishistic representations in thought. Political relations are economic relations, and vice versa. Even if there is an apparent mismatch between the scope of economic and political relations this is a theoretical, not a historical, observation. Contemporary globalization is a historical relation in which economic and political relations are necessarily in tension - in both historical and *ideological* terms. To suggest economic integration outpaces its political shell is to concede the definition of globalization to its ideologues. This mode of argument discounts the political moment, obscuring the political struggles that define the relations of globalization. It also encourages economic fetishism - attributing autonomy to the market, and eliminating a diverse array of social relations and lifestyles from consideration (especially among the roughly eighty percent of the world's population lacking consumer cash or credit to participate in the global market).

Robinson notes that historically "capitalism unfolded through a system of nation-states" whose boundaries are increasingly eroded by globalization, which supersedes the nation-state as "the organizing principle of capitalism, and with it, of the inter-state system as the institutional framework of capitalist development." The process of supersession involves the emergence of a "transnational state." I would not quarrel with this scenario other than with the image of supersession of the inter-state system. As David Myhre and I have argued, like Robinson, the concept of the "transnational state" speaks to the metamorphosis of the national state as much as it speaks to the elaboration of multilateral institutions to regulate global circuits of capital and commodities. But the multilaterals are extensions of their member states, some of which are more equal than others. Robinson's mode of argument is to map the trajectories of capitalism and the state together, shifting their scale in sequential moves from nation-state to transnational state. It is one thing to theorize a distinction between the national and the transnational state, but it is another to impose that theoretical distinction on the political history of capitalism, which has always been global.



Robinson claims that "there is nothing in the historical materialist conception of the state that necessarily *ties* it to territory or to nation-states," and that for Marx "the state gives a political form to economic institutions and production relations." Theoretically, there is no spatial specification in the movement of capital, beyond that social space governed by times of circulation and social reproduction, and composed of commodity circuits and class relations between the representatives of rent, profit, and wages. Geographic space only comes into play historically, but in the various theoretically posited social forms. For example, absolutism emerged out of medieval political domains, reformulating power as a politicized form of class rule by the European aristocracy. Capitalism emerged in the political alliance of "proto-capitalist" absolutist states and long-distance traders, where absolutist states "crystallized merchant wealth into capital by the political and legal regulation of commerce, thereby sponsoring the foundations of a world market which constituted the precondition of industrial capital." Absolutism integrated foreign and local commodity circuits, developing public authority and private property simultaneously through the recovery of Roman law and aristocratic power. That is, historically, capitalism emerged as apo/irz'caZ-economic phenomenon.

The subsequent episodes of mercantilism, colonialism, and the movement toward "free-trade imperialism" of the nineteenth century all accompanied the maturation of the state as a national territorial, but world-historical, entity. Capitalist markets were never confined to the national territory - the colonies animated a global division of labor, incubated social labor in the form of slavery, and fueled state treasuries. The nation-state may have been the organizing principle of capitalist politics, but not of the composition and scope of markets. In fact, the nation-state was not only a world-historical product, but it was also the source of political expansion into the non-European world. It is not just that "territorialized space came to house distinct market and capital accumulation conditions, often against one another, a process that tended to be self-reproducing as it deepened and became codified by the development of national states, politics, and culture" as Robinson claims. Rather, territorial space was a vehicle of politics historically defined and redefined more by the claims made on states by merchants, industrialists, proletarians,

and eventually colonial subjects for certain (nationalist) political protections and entitlements within a global market, than by some underlying national economic logic. The nineteenth-century world market was organized by powerful (British) national capitalists, and, because of the dominant ideology of economic liberalism (backed by the force of the British state), the gold standard came to regulate national currencies. In this formulation, nineteenth-century globalization combined the international machinations of *haute finance* and the regime of gold, through which world market relations were embedded in states via the institution of central banking. Polanyi linked the rise of constitutionalism to the politics of currency adjustment under a gold regime, emphasizing that the nineteenth-century nation-state was an artifact of global monetary relations and their social consequences within states. Further, this was a political-economic arrangement orchestrated by British commercial hegemony vis-a-vis its rival states, and gunboat diplomacy vis-a-vis the non-European world.

In short, the nation-state is not simply an early spatial "protective cocoon" for capital, rather it is a historical product of specific global political-economic relations (an earlier "globalization"). Accordingly, it is questionable to argue, as Robinson does, that the "material circumstances that gave rise to the nation-state are now being superseded by globalization." Whether and to what extent this is so, the formulation loses sight of the significance of how global political-economic relations are embedded in the inter-state system. In particular, it obscures how they conditioned the "great transformation" toward the social-democratic, or developmentalist, state via early-twentieth-century class mobilizations that expressed the crisis of the international monetary regime based on gold. In my view, situating the "culmination" of the nation-state form in these conjunctural terms helps us to understand the complex interplay of global and national relations. And it suggests that the current "globalization project" is as much a counter-mobilization of capital against the constraints of social protectionism, as it is an expression of secular developments in the productive forces of capitalism. As such, globalization is not inevitable, rather it involves, again, a politically instituted world market privileging (rather than just expressing) "third wave" technologies.

Robinson's logic leads him to claim that the TNS "is attempting to fulfill the functions for world capitalism that in earlier periods were fulfilled by what world-system and international relations scholars refer to as a 'hegemon,' or a dominant capitalist power that has the resources and the structural position which allows it to organize world capitalism as a whole." This formulation reproduces the abstract formalism of state theory in positing a succession of state forms devoid of historical, geo-political content. Arguably, the mature nation-state form (as model) stemmed from the rise of the United States as a New World settler state challenging the nineteenth-century hegemonic model of the British state, which combined national with imperial relations of an international division of labor. The dynamic division of labor within the United States between agriculture and industry modelled coherence for the twentieth-century nation-state, and, following "the great transformation," came to embody the *ideal* of the developmentalist state universalized via US hegemony. In other words, the nation-state had definite geo-political lineages across time and space.

Just as the generalization of the nation-state form depended on specific geo-political relations, so the emergence of the TNS depends on specific geo-political relations, and is not simply a post-nation-state phenomenon. The transnationalization of state power embodies an attempt on the part of a declining hegemon (the United States) and (sometimes) its political allies in the G-7 to frame the institutions and political content of neo-liberalism in such a way as to preserve, or institutionalize, its power. Stephen Gill has captured the nuances of this process in his analysis of the deployment of neo-constitutionalism to lock neo-liberalism reforms into regional (NAFTA) and global (WTO) institutions, to prevent backsliding given neo-liberalism's relatively fragile status as a hegemonic ideology. Certainly Robinson rehearses the variety of impacts of neo-liberal restructuring of political and economic relations (states) in the process of constructing a TNS. And he includes an exemplary account of the multiple functions of the TNS as an expression of a global elite's attempt to reorganize regional, international, and multilateral institutions around the goal of sustaining the valorization and accumulation of capital on a global scale. However, his discussion of the construction of a global historic bloc by this elite lacks specific historical content,

discounting the contradictory initiatives taken by the United States via the G-7 and the World Economic Forum to build this power bloc.

It is no secret that the 1980s initiative for the GATT Uruguay Round, and for a free trade regime, came from the United States and its agribusiness lobby, which sought to institutionalize American "green power" to secure the United States as the "breadbasket of the world." It is also no secret that the United States and its corporate lobby subsequently initiated the establishment of the WTO in 1995. Washington favored the dispute-resolution and enforcement mechanism of the WTO as a decided improvement over the more diffuse rules and operation of the GATT. However, the enforcement of trade sanctions against member states violating "free trade" rules has had dramatically different impacts given the structural variation among states. The initial ambivalence of Japan regarding its industrial system and its rice culture, and of the EU regarding protection of agricultural policy, and the preference of southern states for plural institutions and negotiations rather than a single trade bureaucracy, still disrupts the attempt to establish a uniform set of rules. And, in Seattle, strong-arm measures orchestrated by the US Trade Representative, via the exclusive "green-room" negotiations, only confirmed Caribbean and African states' perceptions of the WTO as an instrument of the north. That is, the TNS is as much a tangle of geo-political relations as it is a political regulator of the global economy.

I have no argument with the concept of a TNS, but it is of questionable theoretical use if it is not derived from a conception of the contradictory historical relations within which it emerges. The historical conception tempers the tendency to transform a theoretical tendency into a trend, which in my view runs the risk of reification. Alliteration aside, we need to problematize globalization as a *historical project* rather than a *culminating process*. Certainly Robinson acknowledges that the TNS is a composite of "multiple centers and partial regulatory mechanisms," and the "diverse institutions that constitute a TNS have distinct histories and trajectories, are internally differentiated, and present numerous entry points as sites of contention." However, rather than using this insight to check an evolutionary conception of the TNS, Robinson goes on to detail the mechanisms of the TNS that replicate the functions

(once) associated with the national state: compensation for market failure (bail-outs), money creation (the Euro), legal guarantees of property rights and market contracts, provision of public goods, transnational social policies, and global policing. Despite a disclaimer that these policies are not so much functions, as instruments, of a global elite, Robinson still disconnects the instrumentality from specific, historical geo-political relations.

My emphasis on geo-political relations is not a neo-realist reflex, instead it is a plea to historicize the social categories we deploy. It resolves, for example, Robinson's quandary concerning one function "that the TNS has not been able to assume, such as reining in speculation and excesses that so characterize the frenzied 'casino capitalism' of the global economy." This should not be a quandary, as it historicizes the politics of the global economy. In the first place, financial capital is the dominant fraction of the post-hegemonic era, empowered by the US-led monetarist counterrevolution of the 1980s and instrumentalized in the institutional politics of the globalization project. In the second place, in the wake of the US abandonment of the Bretton Woods regime and the deployment of the debt regime of the 1980s to impose financial liberalization, states have lost effective control of national currencies. Currency is an object of speculation and currencies (and hence countries) are brought directly into competition with one another. The effect is to force states to adopt competitive neo-liberal policies in order to defend their national currency. In moments of financial crisis, precipitated by currency speculation, the "currency hierarchy" among states asserts itself, allowing the dominant states to "export" the consequences to those states with weakened currencies, such as Mexico, South Korea, Indonesia, Malaysia, Thailand, Brazil, and Russia in the 1990s. Through the instrumentality

of the IMF, such states cushion the global crisis with policies of enforced devaluation and financial liberalization. In short, the conditions and consequences of the speculative global economy express the power relations that stand behind the TNS.

In conclusion, Robinson's provocative and timely intervention problematizes many of the assumptions of *extant* social theory. My response stems from a long-held belief that all our social categories are historical and that we need to deploy them reflexively, that is, to capture the relations through which they are constituted. In this respect, Robinson's formulation is quite ambiguous: his positing of a "deterritorialization" of the relationship of capital to the state, where social relations are unmediated by fixed geo-political dynamics, is not consistent with his account of the transnational state emerging through the transformation and incorporation of the nation-state into a globalized economy. The theoretical image maybe compelling, but the reality is even more compelling, namely that the project of globalization is riddled with contradictions. Not only is the world larger, more diverse, and more substantive than the horizons of globalization, but also it constitutes globalization in a profound sense because it expresses the material and discursive conditions that the corporate agents and bureaucratic functionaries of globalization seek to appropriate. The globalizers impose a singular and abstracted logic on a culturally, ecologically, and politically diverse world. As such, globalization must be conceived as a historical relationship that is continually undergoing reformulation - dramatized by the rising efficacy of a multitude of resistance movements. Because capital is a historically situated social relation, rather than a thing in circulation, it will always embody worldly relations in its innermost contradictions, and will not be reduced to the "pure" reproduction of social relations.

# World Systems

The concept of the world system was created by a neo-Marxian thinker, Immanuel Wallerstein. He chose a unit of analysis very different from that of most Marxian thinkers. He did not look at workers, social classes, or even states because he found them too narrow for his purposes. Instead he looked at a broad economic entity with a division of labor not circumscribed by political or cultural boundaries. He found that unit in his concept of the world system, a largely self-contained social system with a set of boundaries and a definable lifespan (i.e. no world system lasts forever). It is composed internally of a variety of social structures and member groups. He viewed the system as held together by a variety of forces in inherent tension. These forces always have the possibility of tearing the system apart.

Wallerstein argues that thus far we have had only two types of world system. One was the world empire, of which ancient Rome was an example. The other is the modern capitalist world economy. A world empire was based on political (and military) domination, whereas a capitalist world economy relies on economic domination. A capitalist world economy is seen as more stable than a world empire for several reasons. It has a broader base because it encompasses many states, and it has a built-in process of economic stabilization. The separate political entities within the capitalist world economy absorb whatever losses occur, while economic

gain is distributed to private hands. Wallerstein foresaw the possibility of a third world system, a socialist world government. Whereas the capitalist world economy separates the political from the economic sector, a socialist world economy reintegrates them.

Within the capitalist world economy, the *core* geographic area is dominant and exploits the rest of the system. The *periphery* consists of those areas that provide raw materials to the core and are heavily exploited by it. The *semiperiphery* is a residual category that encompasses a set of regions somewhere between the exploiting and the exploited. To Wallerstein, the international division of exploitation is defined not by state borders but by the economic division of labor in the world.

Leslie Sklair offers the oft-made critique of world systems theory that there is no "concept of the 'global' in most world-systems literature." More specifically, any conception of the global in world system theory is "embedded in the world-economy based on the system of nation-states."<sup>2</sup> It is a much more an "inter-national" perspective than it is a global perspective. This is especially problematic for globalization theorists since most question the continuing importance of the nation-state. While he does not see it as a global perspective, Sklair is willing to acknowledge the fact that world systems theory helped to spread ideas about globalization in sociology.

## NOTES.....

- 1 Leslie Sklair, "Competing Conceptions of Globalization." *Journal of World-Systems Research* 5, Summer 1999:149.
- 2 Ibid., 151.


 READING 28

## *The Modern World-System: Theoretical Reprise*

### Immanuel Wallerstein

Theorizing is not an activity separate from the analysis of empirical data. Analyses can only be made in terms of theoretical schema and propositions. On the other hand, analyses of events or processes must include as a starting point a whole series of specific values of certain of the variables, on the basis of which one can explain how the final outcomes were arrived at. In order to convey the historical explanation with clarity, it is often the case that one has to assume or glide over the exposition of the formal interrelations between variables.

Consequently, it often makes sense to review the material a second time more briefly and abstractly at the conclusion. No doubt this should be useful to the reader. But it is even more important for the author, in forcing a degree of rigor in the analysis whose absence might readily pass unnoticed amidst the complexity of detail. The empirical material treated thus far has surely been complex - indeed, far more complex than it was possible to portray. Hence, I propose to review what I have been arguing in this book.

In order to describe the origins and initial workings of a world-system, I have had to argue a certain conception of a world-system. A world-system is a social system, one that has boundaries, structures, member groups, rules of legitimation, and coherence. Its life is made up of the conflicting forces which hold it together by tension, and tear it apart as each group seeks eternally to remold it to its advantage. It has the characteristics of an organism, in that it has a life-span over which its characteristics change in some respects and remain stable in others. One can define its structures as being at different times strong or weak in terms of the internal logic of its functioning.

What characterizes a social system in my view is the fact that life within it is largely self-contained, and that

the dynamics of its development are largely internal. The reader may feel that the use of the term "largely" is a case of academic weaseling. I admit I cannot quantify it. Probably no one ever will be able to do so, as the definition is based on a counterfactual hypothesis: if the system, for any reason, were to be cut off from all external forces (which virtually never happens), the definition implies that the system would continue to function substantially in the same manner. Again, of course, substantially is difficult to convert into hard operational criteria. Nonetheless the point is an important one and key to many parts of the empirical analyses of this book. Perhaps we should think of self-containment as a theoretical absolute, a sort of social vacuum, rarely visible and even more implausible to create artificially, but still and all a socially-real asymptote, the distance from which is somehow measurable.

Using such a criterion, it is contended here that most entities usually described as social systems - "tribes," communities, nation-states - are not in fact total systems. Indeed, on the contrary, we are arguing that the only real social systems are, on the one hand, those relatively small, highly autonomous subsistence economies not part of some regular tribute-demanding system and, on the other hand, world-systems. These latter are to be sure distinguished from the former because they are relatively large; that is, they are in common parlance "worlds." More precisely, however, they are defined by the fact that their self-containment as an economic-material entity is based on extensive division of labor and that they contain within them a multiplicity of cultures.

It is further argued that thus far there have only existed two varieties of such world-systems: world-empires, in which there is a single political system over most of the area, however attenuated the degree of its effective control; and those systems in which such a single

political system does not exist over all, or virtually all, of the space. For convenience and for want of a better term, we are using the term "world-economy" to describe the latter.

Finally, we have argued that prior to the modern era, world-economies were highly unstable structures which tended either to be converted into empires or to disintegrate. It is the peculiarity of the modern world-system that a world-economy has survived for 500 years and yet has not come to be transformed into a world-empire - a peculiarity that is the secret of its strength.

This peculiarity is the political side of the form of economic organization called capitalism. Capitalism has been able to flourish precisely because the world-economy has had within its bounds not one but a multiplicity of political systems.

I am not here arguing the classic case of capitalist ideology that capitalism is a system based on the non-interference of the state in economic affairs. Quite the contrary! Capitalism is based on the constant absorption of economic loss by political entities, while economic gain is distributed to "private" hands. What I am arguing rather is that capitalism as an economic mode is based on the fact that the economic factors operate within an arena larger than that which any political entity can totally control. This gives capitalists a freedom of maneuver that is structurally based. It has made possible the constant economic expansion of the world-system, albeit a very skewed distribution of its rewards. The only alternative world-system that could maintain a high level of productivity and change the system of distribution would involve the reintegration of the levels of political and economic decision-making. This would constitute a third possible form of world-system, a socialist world government. This is not a form that presently exists, and it was not even remotely conceivable in the sixteenth century.

The historical reasons why the European world-economy came into existence in the sixteenth century and resisted attempts to transform it into an empire have been expounded at length. We shall not review them here. It should however be noted that the size of a world-economy is a function of the state of technology, and in particular of the possibilities of transport and communication within its bounds. Since this is a constantly changing phenomenon, not always for the better, the boundaries of a world-economy are ever fluid.

We have defined a world-system as one in which there is extensive division of labor. This division is not merely functional - that is, occupational - but geographical. That is to say, the range of economic tasks is not evenly distributed throughout the world-system. In part this is the consequence of ecological considerations, to be sure. But for the most part, it is a function of the social organization of work, one which magnifies and legitimizes the ability of some groups within the system to exploit the labor of others, that is, to receive a larger share of the surplus.

While, in an empire, the political structure tends to link culture with occupation, in a world-economy the political structure tends to link culture with spatial location. The reason is that in a world-economy the first point of political pressure available to groups is the local (national) state structure. Cultural homogenization tends to serve the interests of key groups and the pressures build up to create cultural national identities.

This is particularly the case in the advantaged areas of the world-economy - what we have called the core-states. In such states, the creation of a strong state machinery coupled with a national culture, a phenomenon often referred to as integration, serves both as a mechanism to protect disparities that have arisen within the world-system, and as an ideological mask and justification for the maintenance of these disparities.

World-economies then are divided into core-states and peripheral areas. I do not say peripheral *states* because one characteristic of a peripheral area is that the indigenous state is weak, ranging from its non-existence (that is, a colonial situation) to one with a low degree of autonomy (that is, a neo-colonial situation).

There are also semiperipheral areas which are in between the core and the periphery on a series of dimensions, such as the complexity of economic activities, strength of the state machinery, cultural integrity, etc. Some of these areas had been core-areas of earlier versions of a given world-economy. Some had been peripheral areas that were later promoted, so to speak, as a result of the changing geopolitics of an expanding world-economy.

The semiperiphery, however, is not an artifice of statistical cutting points, nor is it a residual category. The semiperiphery is a necessary structural element in a world-economy. These areas play a role parallel to

that played, *mutatis mutandis*, by middle trading groups in an empire. They are collection points of vital skills that are often politically unpopular. These middle areas (like middle groups in an empire) partially deflect the political pressures which groups primarily located in peripheral areas might otherwise direct against core-states and the groups which operate within and through their state machineries. On the other hand, the interests primarily located in the semiperiphery are located outside the political arena of the core-states, and find it difficult to pursue the ends in political coalitions that might be open to them were they in the same political arena.

The division of a world-economy involves a hierarchy of occupational tasks, in which tasks requiring higher levels of skill and greater capitalization are reserved for higher-ranking areas. Since a capitalist world-economy essentially rewards accumulated capital, including human capital, at a higher rate than "raw" labor power, the geographical maldistribution of these occupational skills involves a strong trend toward self-maintenance. The forces of the marketplace reinforce them rather than undermine them. And the absence of a central political mechanism for the world-economy makes it very difficult to intrude counteracting forces to the maldistribution of rewards.

Hence, the ongoing process of a world-economy tends to expand the economic and social gaps among its varying areas in the very process of its development. One factor that tends to mask this fact is that the process of development of a world-economy brings about technological advances which make it possible to expand the boundaries of a world-economy. In this case, particular regions of the world may change their structural role in the world-economy, to their advantage, even though the disparity of reward between different sectors of the world-economy as a whole may be simultaneously widening. It is in order to observe this crucial phenomenon clearly that we have insisted on the distinction between a peripheral area of a given world-economy and the external arena of the world-economy. The external arena of one century often becomes the periphery of the next - or its semiperiphery. But then too core-states can become semiperipheral and semiperipheral ones peripheral.

While the advantages of the core-states have not ceased to expand throughout the history of the modern

world-system, the ability of a particular state to remain in the core sector is not beyond challenge. The hounds are ever to the hares for the position of top dog. Indeed, it may well be that in this kind of system it is not structurally possible to avoid, over a long period of historical time, a circulation of the elites in the sense that the particular country that is dominant at a given time tends to be replaced in this role sooner or later by another country.

We have insisted that the modern world-economy is, and only can be, a capitalist world-economy. It is for this reason that we have rejected the appellation of "feudalism" for the various forms of capitalist agriculture based on coerced labor which grow up in a world-economy. Furthermore, although this has not been discussed in this volume, it is for this same reason that we will, in future volumes, regard with great circumspection and prudence the claim that there exist in the twentieth century socialist national economies within the framework of the world-economy (as opposed to socialist movements controlling certain state-machineries within the world-economy).

If world-systems are the only real social systems (other than truly isolated subsistence economies), then it must follow that the emergence, consolidation, and political roles of classes and status groups must be appreciated as elements of this worW-system. And in turn it follows that one of the key elements in analyzing a class or a status-group is not only the state of its self-consciousness but the geographical scope of its self-definition.

Classes always exist potentially (*an sich*). The issue is under what conditions they become class-conscious (*fur sich*), that is, operate as a group in the politico-economic arenas and even to some extent as a cultural entity. Such self-consciousness is a function of conflict situations. But for upper strata open conflict, and hence overt consciousness, is always *faute de mieux*. To the extent that class boundaries are not made explicit, to that extent it is more likely that privileges be maintained.

Since in conflict situations, multiple factions tend to reduce to two by virtue of the forging of alliances, it is by definition not possible to have three or more (conscious) classes. There obviously can be a multitude of occupational interest groups which may organize themselves to operate within the social structure. But such groups are really one variety of status-groups,



and indeed often overlap heavily with other kinds of status-groups such as those defined by ethnic, linguistic, or religious criteria.

To say that there cannot be three or more classes is not however to say that there are always two. There may be none, though this is rare and transitional. There may be one, and this is most common. There may be two, and this is most explosive.

We say there may be only one class, although we have also said that classes only actually exist in conflict situations, and conflicts presume two sides. There is no contradiction here. For a conflict may be defined as being between one class, which conceives of itself as the universal class, and all the other strata. This has in fact been the usual situation in the modern world-system. The capitalist class (the *bourgeoisie*) has claimed to be the universal class and sought to organize political life to pursue its objectives against two opponents. On the one hand, there were those who spoke for the maintenance of traditional rank distinctions despite the fact that these ranks might have lost their original correlation with economic function. Such elements preferred to define the social structure as a non-class structure. It was to counter this ideology that the bourgeoisie came to operate as a class conscious of itself.

[...]

The evolution of the state machineries reflected precisely this uncertainty. Strong states serve the interests of some groups and hurt those of others. From however the standpoint of the world-system as a whole, if there is to be a multitude of political entities (that is, if the system is not a world-empire), then it cannot be the case that all these entities be equally strong. For if they were, they would be in the position of blocking the effective operation of transnational economic entities whose locus were in another state. It would then follow that the world division of labor would be impeded, the world-economy decline, and eventually the world-system fall apart.

It also cannot be that *no* state machinery is strong. For in such a case, the capitalist strata would have no mechanisms to protect their interests, guaranteeing their property rights, assuring various monopolies, spreading losses among the larger population, etc.

It follows then that the world-economy develops a pattern where state structures are relatively strong in the core areas and relatively weak in the periphery.

Which areas play which roles is in many ways accidental. What is necessary is that in some areas the state machinery be far stronger than in others.

What do we mean by a strong state-machinery? We mean strength *vis-a-vis* other states within the world-economy including other core-states, and strong *vis-a-vis* local political units within the boundaries of the state. In effect, we mean a sovereignty that is *de facto* as well as *de jure*. We also mean a state that is strong *vis-a-vis* any particular social group within the state. Obviously, such groups vary in the amount of pressure they can bring to bear upon the state. And obviously certain combinations of these groups control the state. It is not that the state is a neutral arbiter. But the state is more than a simple vector of given forces, if only because many of these forces are situated in more than one state or are defined in terms that have little correlation with state boundaries.

A strong state then is a partially autonomous entity in the sense that it has a margin of action available to it wherein it reflects the compromises of multiple interests, even if the bounds of these margins are set by the existence of some groups of primordial strength. To be a partially autonomous entity, there must be a group of people whose direct interests are served by such an entity: state managers and a state bureaucracy.

Such groups emerge within the framework of a capitalist world-economy because a strong state is the best choice between difficult alternatives for the two groups that are strongest in political, economic, and military terms: the emergent capitalist strata, and the old aristocratic hierarchies.

For the former, the strong state in the form of the "absolute monarchies" was a prime customer, a guardian against local and international brigandage, a mode of social legitimation, a preemptive protection against the creation of strong state barriers elsewhere. For the latter, the strong state represented a brake on these same capitalist strata, an upholder of status conventions, a maintainer of order, a promoter of luxury.

No doubt both nobles and bourgeois found the state machineries to be a burdensome drain of funds, and a meddlesome unproductive bureaucracy. But what options did they have? Nonetheless they were always restive and the immediate politics of the world-system was made up of the pushes and pulls resulting from the efforts of both groups to insulate themselves from

what seemed to them the negative effects of the state machinery.

A state machinery involves a tipping mechanism. There is a point where strength creates more strength. The tax revenue enables the state to have a larger and more efficient civil bureaucracy and army which in turn leads to greater tax revenue - a process that continues in spiral form. The tipping mechanism works in the other direction too - weakness leading to greater weakness. In between these two tipping points lies the politics of state-creation. It is in this arena that the skills of particular managerial groups make a difference. And it is because of the two tipping mechanisms that at certain points a small gap in the world-system can very rapidly become a large one.

In those states in which the state machinery is weak, the state managers do not play the role of coordinating a complex industrial-commercial-agricultural mechanism. Rather they simply become one set of landlords amidst others, with little claim to legitimate authority over the whole.

These tend to be called traditional rulers. The political struggle is often phrased in terms of tradition versus change. This is of course a grossly misleading and ideological terminology. It may in fact be taken as a general sociological principle that, at any given point of time, what is thought to be traditional is of more recent origin than people generally imagine it to be, and represents primarily the conservative instincts of some group threatened with declining social status. Indeed, there seems to be nothing which emerges and evolves as quickly as a "tradition" when the need presents itself.

In a one-class system, the "traditional" is that in the name of which the "others" fight the class-conscious group. If they can encrust their values by legitimating them widely, even better by enacting them into legislative barriers, they thereby change the system in a way favorable to them.

The traditionalists may win in some states, but if a world-economy is to survive, they must lose more or less in the others. Furthermore, the gain in one region is the counterpart of the loss in another.

This is not quite a zero-sum game, but it is also inconceivable that all elements in a capitalist world-economy shift their values in a given direction simultaneously. The social system is built on having a multiplicity of value systems within it, reflecting the specific functions groups and areas play in the world division of labor.

We have not exhausted here the theoretical problems relevant to the functioning of a world-economy. We have tried only to speak to those illustrated by the early period of the world-economy in creation, to wit, sixteenth-century Europe. Many other problems emerged at later stages and will be treated, both empirically and theoretically, in later volumes.

In the sixteenth century, Europe was like a bucking bronco. The attempt of some groups to establish a world-economy based on a particular division of labor, to create national states in the core areas as politico-economic guarantors of this system, and to get the workers to pay not only the profits but the costs of maintaining the system was not easy. It was to Europe's credit that it was done, since without the thrust of the sixteenth century the modern world would not have been born and, for all its cruelties, it is better that it was born than that it had not been.

It is also to Europe's credit that it was not easy, and particularly that it was not easy because the people who paid the short-run costs screamed lustily at the unfairness of it all. The peasants and workers in Poland and England and Brazil and Mexico were all rambunctious in their various ways. As R. H. Tawney says of the agrarian disturbances of sixteenth-century England: "Such movements are a proof of blood and sinew and of a high and gallant spirit [...] Happy the nation whose people has not forgotten how to rebel."

The mark of the modern world is the imagination of its profiteers and the counter-assertiveness of the oppressed. Exploitation and the refusal to accept exploitation as either inevitable or just constitute the continuing antinomy of the modern era, joined together in a dialectic which has far from reached its climax in the twentieth century.



## Competing Conceptions of Globalization

Leslie Sklair

### Introduction

Globalization is a relatively new idea in the social sciences, although people who work in and write about the mass media, transnational corporations and international business have been using it for some time. Jacques Maisonrouge, the French-born former President of IBM World Trade, was an early exponent of the view that the future lies with global corporations who operate as if the world had no real borders rather than organizations tied to a particular country. The influential US magazine *Business Week* (14 May 1990) summed this view up in the evocative phrase: 'The Stateless Corporation'. The purpose of this paper is to critically review the ways in which sociologists and other social scientists use ideas of globalization and to evaluate the fruitfulness of these competing conceptions.

The central feature of the idea of globalization is that many contemporary problems cannot be adequately studied at the level of nation-states, that is, in terms of each country and its international relations, but instead need to be seen in terms of global processes. Some globalists have even gone so far as to predict that global forces, by which they usually mean transnational corporations and other global economic institutions, global culture or globalizing belief systems/ideologies of various types, or a combination of all of these, are becoming so powerful that the continuing existence of the nation-state is in serious doubt. This is not a necessary consequence of most theories of globalization, though many argue that the significance of the nation-state is declining (even if the ideology of nationalism is still strong in some places).

There is no single agreed definition of globalization, indeed, some argue that its significance has been much exaggerated, but as the ever-increasing numbers of books and articles discussing different aspects of it suggest, it appears to be an idea whose time has come

in sociology in particular and in the social sciences in general. The author of the first genuine textbook on globalization suggests that it maybe *'the* concept of the 1990s'.

The argument of this paper is that the central problem in understanding much of the globalization literature is that not all those who use the term distinguish it clearly enough from internationalization, and some writers appear to use the two terms interchangeably. I argue that a clear distinction must be drawn between the international and the global. The hyphen in international is to signify confusing conceptions of globalization founded on the existing even if changing system of nation-states, while the global signifies the emergence of processes and a system of social relations not founded on the system of nation-states.

This difficulty is compounded by the fact that most theory and research in sociology is based on concepts of society that identify the unit of analysis with a particular country (for example, sociology of Britain, of Japan, of the USA, of Russia, of India, etc.), subsystems within countries (British education, the Japanese economy, American culture, politics in Russia, religion in India) or comparisons between single countries and groups of them (modern Britain and traditional India, declining America and ascendent Japan, rich and poor countries, the West and the East). This general approach, usually called state-centrism, is still useful in many respects and there are clearly good reasons for it. Not the least of these is that most historical and contemporary sociological data sets have been collected on particular countries. However, most globalization theorists argue that the nation-state is no longer the only important unit of analysis. Some even argue that the nation-state is now less important in some fundamental respects than other global forces; examples being the mass media and the corporations that own and control them, transnational corporations (some

of which are richer than the majority of nation-states in the world today) and even social movements that spread ideas such as universal human rights, global environmental responsibility and the world-wide call for democracy and human dignity. Yearley identifies two main obstacles to making sociological sense of globalization, namely 'the tight connection between the discipline of sociology and the nation-state' and the fact that countries differ significantly in their geographies. Despite these difficulties (really elaborations of the local-global problem which will be discussed below) he makes the telling point that a focus on the environment encourages us to 'work down to the global' from the universal, a necessary corrective to state-centrist conceptions which work up to the global from the nation-state or even, as we shall see from individualistic notions of 'global consciousness'.

The study of globalization in sociology revolves primarily around two main classes of phenomena which have become increasingly significant in the last few decades. These are the emergence of a globalized economy based on new systems of production, finance and consumption; and the idea of 'global culture'. While not all globalization researchers entirely accept the existence of a global economy or a global culture, most accept that local, national and regional economies are undergoing important changes as a result of processes of globalization even where there are limits to globalization.

Researchers on globalization have focused on two phenomena, increasingly significant in the last few decades:

- (i) The ways in which transnational corporations (TNCs) have facilitated the globalization of capital and production.
- (ii) Transformations in the global scope of particular types of TNC, those who own and control the mass media, notably television channels and the
  - transnational advertising agencies. This is often connected with the spread of particular patterns of consumption and a culture and ideology of consumerism at the global level.

The largest TNCs have assets and annual sales far in excess of the Gross National Products of most of the countries in the world. The World Bank annual publica-

tion *World Development Report* reports that in 1995 only about 70 countries out of a total of around 200 for which there is data, had GNPs of more than ten billion US dollars. By contrast, the *Fortune* Global 500 list of the biggest TNCs by turnover in 1995 reports that over 440 TNCs had annual sales greater than \$10 billion. Thus, in this important sense, such well-known names as General Motors, Shell, Toyota, Unilever, Volkswagen, Nestle, Sony, Pepsico, Coca-Cola, Kodak, Xerox and the huge Japanese trading houses (and many other corporations most people have never heard of) have more economic power at their disposal than the majority of the countries in the world. These figures prove little in themselves, they simply indicate the *gigantism* of TNCs relative to most countries.

Not only have TNCs grown enormously in size in recent decades but their 'global reach' has expanded dramatically. Many companies, even from large rich countries, regularly earn a third or more of their revenues from 'foreign' sources. Not all *Fortune* Global 500 corporations are headquartered in the First World: some come from what was called the Third World or those parts of it known as the Newly Industrializing Countries (NICs). Examples of these are the 'national' oil companies of Brazil, India, Mexico, Taiwan and Venezuela (some owned by the state but most run like private corporations), banks in Brazil and China, an automobile company from Turkey, and the Korean manufacturing and trading conglomerates [*chaebol*], a few of which have attained global brand-name status (for example, Hyundai and Samsung).

Writers who are sceptical about economic globalization argue that the facts that most TNCs are legally domiciled in the USA, Japan and Europe and that they trade and invest mainly between themselves means that the world economy is still best analysed in terms of national corporations and that the global economy is a myth. But this deduction entirely ignores the well-established fact that an increasing number of corporations operating outside their 'home' countries see themselves as developing global strategies, as is obvious if we read their annual reports and other publications rather than focus exclusively on aggregate data on foreign investment. You cannot simply assume that all 'US', 'Japanese' and other 'national' TNCs somehow express a 'national interest'. They do not. They primarily express the interests of those who own

and control them, even if historical patterns of TNC development have differed from place to place, country to country and region to region. Analysing globalization as a relatively recent phenomenon, originating from the 1960s, allows us to see more clearly the tensions between traditional 'national' patterns of TNC development and the new global corporate structures and dynamics. It is also important to realize that, even in state-centrist terms, a relatively small investment for a major TNC can result in a relatively large measure of economic presence in a small, poor country or a poor region or community in a larger and less poor country.

The second crucial phenomenon for globalization theorists is the global diffusion and increasingly concentrated ownership and control of the electronic mass media, particularly television. The number of TV sets per capita has grown so rapidly in Third World countries in recent years (from fewer than 10 per thousand population in 1970 to 60 per 1,000 in 1993, according to UNESCO) that many researchers argue that a 'globalizing effect' due to the mass media is taking place even in the Third World.

Ownership and control of television, including satellite and cable systems, and associated media like newspaper, magazine and book publishing, films, video, records, tapes, compact discs, and a wide variety of other marketing media, are concentrated in relatively few very large TNCs. The predominance of US-based corporations is being challenged by others based in Japan, Europe and Australia and even by 'Third World' corporations like the media empires of TV Globo, based in Brazil and Televisa, based in Mexico.

[...]

## The World-Systems Approach

This approach is based on the distinction between core, semiperipheral and peripheral countries in terms of their changing roles in the international division of labour dominated by the capitalist world-system. World-systems as a model in social science research, inspired by the work of Immanuel Wallerstein, has been developed in a large and continually expanding body of literature since the 1970s.

The world-systems approach is, unlike the others to be discussed, not only a collection of academic

writings but also a highly institutionalized academic enterprise. It is based at the Braudel Center at SUNY Binghamton, supports various international joint academic ventures, and publishes the journal, *Review*. Though the work of world-systems theorists cannot be said to be fully a part of the globalization literature as such, the institutionalization of the world-systems approach undoubtedly prepared the ground for globalization in the social sciences.

In some senses, Wallerstein and his school could rightly claim to have been 'global' all along - after all, what could be more global than the 'world-system'? However, there is no specific concept of the 'global' in most world-systems literature. Reference to the 'global' comes mainly from critics and, significantly, can be traced to the long-standing problems that the world-system model has had with 'cultural issues'. Wallerstein's essay on 'Culture as the Ideological Battleground of the Modern World-System', the critique by Boyne, and Wallerstein's attempt to rescue his position under the title of 'Culture is the World-System', illustrate the problem well.

Chase-Dunn, in his suggestively titled book *Global Formation*, does try to take the argument a stage further by arguing for a dual logic approach to economy and polity. At the economic level, he argues, a global logic of the world-economy prevails whereas at the level of politics a state-centred logic of the world-system prevails. However, as the world-economy is basically still explicable only in terms of national economies (countries of the core, semiperiphery and periphery), Chase-Dunn's formulation largely reproduces the problems of Wallerstein's state-centrist analysis.

There is, therefore, no distinctively 'global' dimension in the world-systems model apart from the inter-national focus that it has always emphasized. Wallerstein himself rarely uses the word 'globalization'. For him, the *economics* of the model rests on the inter-national division of labour that distinguishes core, semiperiphery and periphery countries. The *politics* are mostly bound up with antisystemic movements and 'superpower struggles'. And the *cultural*, insofar as it is dealt with at all, covers debates about the 'national' and the 'universal' and the concept of 'civilization(s)' in the social sciences. Many critics are not convinced that the world-systems model, usually considered to be 'economistic' (that is, too locked into economic factors) can deal with cultural

issues adequately. Wolff tellingly comments on the way in which the concept of 'culture' has been inserted into Wallerstein's world-system model: 'An economism which gallantly switches its attentions to the operations of culture is still economism'. Wallerstein's attempts to theorize 'race', nationality and ethnicity in terms of what he refers to as different types of 'peoplehood' in the world-system might be seen as a move in the right direction, but few would argue that cultural factors are an important part of the analysis.

While it would be fair to say that there are various remarks and ideas that do try to take the world-systems model beyond state-centrism, any conceptions of

the global that world-system theorists have tend to be embedded in the world-economy based on the system of nation-states. The 'global' and the 'inter-national' are generally used interchangeably by world-systems theorists. This is certainly one possible use of 'global' but it seems quite superfluous, given that the idea of the 'inter-national' is so common in the social science literature. Whatever the fate of the world-systems approach, it is unlikely that ideas of globalization would have spread so quickly and deeply in sociology without the impetus it gave to looking at the whole world.

[...]

# Empire

Michael Hardt and Antonio Negri's *Empire* presents a unique vision of globalization and contemporary, postmodern global realities. The authors associate modernity with a forerunner of globalization, *imperialism*, in which a given nation-state(s) stands at the center and controls and exploits, especially economically, a number of areas throughout the world. In contrast, *empire* is a decentered idea in which such dominance exists, but without any single nation-state (or any other entity) at its center. There is no center to empire: it is deterritorialized, it is virtual in the form of communication (especially through the media), and, as a result, empire is both everywhere and nowhere.

However, empire does not yet exist fully; it is in formation, but we can already get a sense of its nature and parameters. While there is no single power at its center, empire governs the world with a single logic of rule. Power is dispersed throughout society and the globe. Even the US, with its seeming global hegemony, is not an empire and does not even lie at its center. However, the sovereignty of the US does constitute an important precursor to empire and the US continues to occupy a privileged position in the world today. Nevertheless, it is in the process of being supplanted by empire.

Empire lacks not only territorial but also temporal boundaries, in the sense that it seeks (albeit unsuccess-

fully) to suspend history and to exist for all eternity. It also can be seen as lacking a lower boundary in that it seeks to expand its control down into the depths of the social world. That is, it seeks not only to control people's thought, action, and interaction, but also, via biopower, to control people's minds and bodies. All of this makes empire far more ambitious than imperialism.

The key to the global power of empire is that it is (or seeks to be) a new juridical power. That is, it is based on the constitution of order, norms, ethical truths, a common notion of what is right, and so on. This juridical formation is the source of empire's power. Thus, it can intervene in the name of what is "right" anywhere in the world to deal with what it considers humanitarian problems, to guarantee accords, and to impose peace. More specifically, it can engage in "just wars" in the name of the juridical formation; such wars are seen as legitimate. The enemy is anyone or anything the juridical formation sees as a threat to ethical order in the world. The right to engage in war against enemies is boundless in space and encompasses the entire globe. Empire is based on the ability to project force in the service of that which it regards as right.

Empire seeks to incorporate all that it can. It seeks to eliminate differences, resistance, and conflict. It also differentiates among people and uses that differentiation to hierarchize and to manage the hierarchy and

the differences embedded in it. Hierarchization and its management are the real, day-to-day powers of empire.

Opposition to empire is found in the *multitude*, a collection of people throughout the world that sustains empire through labor, consumption, and so on. The multitude is the real productive force, but empire feeds off it like a parasite. It is the multitude that is the source of creativity in empire and it is a potentially revolutionary force. If it is successful, it will produce a similarly global counter-empire. Thus, while Hardt and Negri are critical of globalization, at least as it is practiced by empire, they also see Utopian potential in globalization generated by the multitude. To Hardt and Negri, the sources of both our major problems and our liberation exist at the global level. Counter-empire must be global, it must be everywhere, and it must be opposed to empire. It is becoming more likely because empire is losing its ability to control the multitude. It is also more likely because while control is through communication and ideology, it is through that communication and ideology that the revolutionary potential of the multitude will be expressed, and it will be manifest globally. The key is that communication flows easily and effectively across the globe. This makes it easier for empire to exert control and to justify itself and its actions. Conversely, of course, it is also the mechanism by which the multitude can ultimately create counter-empire.

In excerpts from an interview, Hardt and Negri critique conventional thinking on globalization and offer their thoughts on it, including the importance of the use of biopower at the global level. They also point to the decline of the nation-state and the existence of new forms of sovereignty that require new forms of opposition and new alternatives to empire. In addition, they argue that the only effective way to oppose global imperial power is on an equally global scale. They admit that the idea of the multitude is vague, but they argue that it will be seen and emerge in its practices, especially those aimed globally at empire.

Barkawi and Laffey examine and critique *Empire* from the point of view of the field of international relations (IR), a field that focuses on the relationship among and between nation-states across the globe. They recognize that IR creates a kind of territorial trap - borders of sovereign states are relatively impermeable - from which it is difficult to extract oneself in order to get a fuller view of global relations. What is

needed is a different conception of the global, such as the one offered by Hardt and Negri, "within which processes of mutual constitution are productive of the entities which populate the international system." Another advantage of the Hardt and Negri approach is that it takes more seriously than does IR the position of the periphery or subalterns in global relationships.

While Barkawi and Laffey praise Hardt and Negri for offering a perspective that compensates for these weaknesses in IR, they also criticize Hardt and Negri on various grounds (as do many others). For one thing, they see a focus on empire as being too abstract and paying too little attention to "real relations of rule."<sup>2</sup> This is linked to Hardt and Negri's failure to see continuities between older imperial relations among nation-states and empire. Barkawi and Laffey are also critical of the idea of a break between US imperialism and empire; indeed, they argue that imperialism is still very much in evidence. Thus, they conclude that "globalisation and many of the phenomena Hardt and Negri describe are better understood by reference to an international state dominated by the US."<sup>3</sup> Nor do Barkawi and Laffey accept the idea that the era of interstate war is over, or that global relations are as "smooth" as Hardt and Negri suggest. The clearest evidence against this smoothness is the widespread global resistance to the US.

David Moore thinks about Africa from the point of view of the ideas developed in *Empire*. On this basis, he offers several critiques of that work. First, Hardt and Negri tend to focus on Europe and the US and tend to have less to say about, let alone to offer to, places like Africa. Hardt and Negri also seem to assume that everyone has passed through modernity en route to postmodernity, but this seems to exclude many in Africa who have yet to pass completely through modernity, let alone move on to postmodernity. Hardt and Negri's ideas do not reach far enough into, do not apply enough to, the nations of Africa (e.g. Zimbabwe, the Democratic Republic of Congo) that are struggling along the rocky roads to modernity. Hardt and Negri's postmodern orientation, while not irrelevant, does not offer nearly enough to the billions of people who continue to find themselves in this premodern reality. Finally, Moore finds Hardt and Negri ambivalent on humanitarian aid to those in Africa stuck in this reality. While he is critical of some forms of humanitarian



aid based on biopolitical or military objectives, he is positive toward others coming from those concerned with civil rights and who fight for states that take citizenship seriously. Indeed, Moore argues that such humanitarians "have to be etched into the new wave of global solidarity Hardt and Negri assert as necessary."<sup>1</sup> Because they operate at such a general and abstract level, Hardt and Negri are unable to see clearly such a role for humanitarians and more generally to have much to say about the realities of Africa today. Moore concludes with the point that what African nations need today is democracy, but *Empire* has little directly to say about such a mundane matter and what it does say is not stated boldly enough.

Aronowitz also critiques Hardt and Negri for their abstractions. They fail to deal with such global organizations as the World Trade Organization, the International Monetary Fund, and the World Bank as concrete examples "of the repressive world government of Empire."<sup>2</sup> More importantly, they deal with resistance abstractly and theoretically rather than dealing with numerous real-world examples of resistance. Aronowitz argues that people continue to need to test the mettle of, and to resist, contemporary institutions

(such as those mentioned above) and to force the still predominant nation-state into making reforms. They can do this while at the same time they can form the kinds of global alliances that Hardt and Negri associate with the multitude.

Finally, Hardt and Negri make it clear that they do not deny the reality of the nation-state, or argue for its end, but rather see its role as being transformed within empire. They defend their abstract sense of multitude, but recognize that they need to move toward a more concrete analysis of it as a revolutionary subject. To that end, they emphasize the "real transformative actions of the multitude" involving "resistance, insurrection, and constituent power."<sup>3</sup> Hardt and Negri recognize that the globe is not smooth and that there are differences among and between areas of the world. They also see their analysis as applying to areas usually considered outside it (such as the case of Africa mentioned above). Hardt and Negri close by acknowledging the fact that they have not provided all of the answers and they welcome the debate their work has stimulated. They see their work as contributing to a collective project and a collective (and emerging) body of knowledge.

## NOTES.....

- 1 Tarak Barkawi and Mark Laffey, "Retrieving the Imperial: Empire and International Relations." *Millennium: Journal of International Studies* 31, 2002:111.
- 2 Ibid., 122.
- 3 Ibid., 124.

- 4 David Moore, "Africa: the Black Hole at the Middle of Empire!" *Rethinking Marxism* 13, 3/4, 2001:114.
- 5 Stanley Aronowitz, "The New World Order (They Mean It)." *The Nation* July 17, 2000: 27.
- 6 Michael Hardt and Antonio Negri, "Adventures of the Multitude: Response of the Authors." *Rethinking Marxism* 14, 3/4, 2001: 242.



## READING 30

## Empire

Michael Hardt and Antonio Negri

### Preface

Empire is materializing before our very eyes. Over the past several decades, as colonial regimes were overthrown and then precipitously after the Soviet barriers to the capitalist world market finally collapsed, we have witnessed an irresistible and irreversible globalization of economic and cultural exchanges. Along with the global market and global circuits of production has emerged a global order, a new logic and structure of rule - in short, a new form of sovereignty. Empire is the political subject that effectively regulates these global exchanges, the sovereign power that governs the world.

Many argue that the globalization of capitalist production and exchange means that economic relations have become more autonomous from political controls, and consequently that political sovereignty has declined. Some celebrate this new era as the liberation of the capitalist economy from the restrictions and distortions that political forces have imposed on it; others lament it as the closing of the institutional channels through which workers and citizens can influence or contest the cold logic of capitalist profit. It is certainly true that, in step with the processes of globalization, the sovereignty of nation-states, while still effective, has progressively declined. The primary factors of production and exchange - money, technology, people, and goods - move with increasing ease across national boundaries; hence the nation-state has less and less power to regulate these flows and impose its authority over the economy. Even the most dominant nation-states should no longer be thought of as supreme and sovereign authorities, either outside or even within their own borders. *The decline in sovereignty of nation-*

*states, however, does not mean that sovereignty as such has declined.* Throughout the contemporary transformations, political controls, state functions, and regulatory mechanisms have continued to rule the realm of economic and social production and exchange. Our basic hypothesis is that sovereignty has taken a new form, composed of a series of national and supra-national organisms united under a single logic of rule. This new global form of sovereignty is what we call Empire.

The declining sovereignty of nation-states and their increasing inability to regulate economic and cultural exchanges is in fact one of the primary symptoms of the coming of Empire. The sovereignty of the nation-state was the cornerstone of the imperialisms that European powers constructed throughout the modern era. By "Empire," however, we understand something altogether different from "imperialism." The boundaries defined by the modern system of nation-states were fundamental to European colonialism and economic expansion: the territorial boundaries of the nation delimited the center of power from which rule was exerted over external foreign territories through a system of channels and barriers that alternately facilitated and obstructed the flows of production and circulation. Imperialism was really an extension of the sovereignty of the European nation-states beyond their own boundaries. Eventually nearly all the world's territories could be parceled out and the entire world map could be coded in European colors: red for British territory, blue for French, green for Portuguese, and so forth. Wherever modern sovereignty took root, it constructed a Leviathan that overarched its social domain and imposed hierarchical territorial boundaries, both to police the purity of its own identity and to exclude all that was other.

The passage to Empire emerges from the twilight of modern sovereignty. In contrast to imperialism, Empire

establishes no territorial center of power and does not rely on fixed boundaries or barriers. It is a *decentered* and *detrterritorializing* apparatus of rule that progressively incorporates the entire global realm within its open, expanding frontiers. Empire manages hybrid identities, flexible hierarchies, and plural exchanges through modulating networks of command. The distinct national colors of the imperialist map of the world have merged and blended in the imperial global rainbow.

The transformation of the modern imperialist geography of the globe and the realization of the world market signal a passage within the capitalist mode of production. Most significant, the spatial divisions of the three Worlds (First, Second, and Third) have been scrambled so that we continually find the First World in the Third, the Third in the First, and the Second almost nowhere at all. Capital seems to be faced with a smooth world - or really, a world defined by new and complex regimes of differentiation and homogenization, detrterritorialization and reterritorialization. The construction of the paths and limits of these new global flows has been accompanied by a transformation of the dominant productive processes themselves, with the result that the role of industrial factory labor has been reduced and priority given instead to communicative, cooperative, and affective labor. In the postmodernization of the global economy, the creation of wealth tends ever more toward what we will call biopolitical production, the production of social life itself, in which the economic, the political, and the cultural increasingly overlap and invest one another.

Many locate the ultimate authority that rules over the processes of globalization and the new world order in the United States. Proponents praise the United States as the world leader and sole superpower, and detractors denounce it as an imperialist oppressor. Both these views rest on the assumption that the United States has simply donned the mantle of global power that the European nations have now let fall. If the nineteenth century was a British century, then the twentieth century has been an American century; or really, if modernity was European, then postmodernity is American. The most damning charge critics can level, then, is that the United States is repeating the practices of old European imperialists, while proponents celebrate the United States as a more efficient

and more benevolent world leader, getting right what the Europeans got wrong. Our basic hypothesis, however, that a new imperial form of sovereignty has emerged, contradicts both these views. *The United States does not, and indeed no nation-state can today, form the center of an imperialist project.* Imperialism is over. No nation will be world leader in the way modern European nations were.

The United States does indeed occupy a privileged position in Empire, but this privilege derives not from its similarities to the old European imperialist powers, but from its differences. These differences can be recognized most clearly by focusing on the properly imperial (not imperialist) foundations of the United States constitution, where by "constitution" we mean both the *formal constitution*, the written document along with its various amendments and legal apparatuses, and the *material constitution*, that is, the continuous formation and re-formation of the composition of social forces. Thomas Jefferson, the authors of the *Federalist*, and the other ideological founders of the United States were all inspired by the ancient imperial model; they believed they were creating on the other side of the Atlantic a new Empire with open, expanding frontiers, where power would be effectively distributed in networks. This imperial idea has survived and matured throughout the history of the United States constitution and has emerged now on a global scale in its fully realized form.

We should emphasize that we use "Empire" here not as a *metaphor*, which would require demonstration of the resemblances between today's world order and the Empires of Rome, China, the Americas, and so forth, but rather as a *concept*, which calls primarily for a theoretical approach. The concept of Empire is characterized fundamentally by a lack of boundaries: Empire's rule has no limits. First and foremost, then, the concept of Empire posits a regime that effectively encompasses the spatial totality, or really that rules over the entire "civilized" world. No territorial boundaries limit its reign. Second, the concept of Empire presents itself not as a historical regime originating in conquest, but rather as an order that effectively suspends history and thereby fixes the existing state of affairs for eternity. From the perspective of Empire, this is the way things will always be and the way they were always meant to be. In other words, Empire

presents its rule not as a transitory moment in the movement of history, but as a regime with no temporal boundaries and in this sense outside of history or at the end of history. Third, the rule of Empire operates on all registers of the social order extending down to the depths of the social world. Empire not only manages a territory and a population but also creates the very world it inhabits. It not only regulates human interactions but also seeks directly to rule over human nature. The object of its rule is social life in its entirety, and thus Empire presents the paradigmatic form of biopower. Finally, although the practice of Empire is continually bathed in blood, the concept of Empire is always dedicated to peace - a perpetual and universal peace outside of history.

The Empire we are faced with wields enormous powers of oppression and destruction, but that fact should not make us nostalgic in any way for the old forms of domination. The passage to Empire and its processes of globalization offer new possibilities to the forces of liberation. Globalization, of course, is not one thing, and the multiple processes that we recognize as globalization are not unified or univocal. Our political task, we will argue, is not simply to resist these processes but to reorganize them and redirect them toward new ends. The creative forces of the multitude that sustain Empire are also capable of autonomously constructing a counter-Empire, an alternative political organization of global flows and exchanges. The struggles to contest and subvert Empire, as well as those to construct a real alternative, will thus take place on the imperial terrain itself - indeed, such new struggles have already begun to emerge. Through these struggles and many more like them, the multitude will have to invent new democratic forms and a new constituent power that will one day take us through and beyond Empire.

The genealogy we follow in our analysis of the passage from imperialism to Empire will be first European and then Euro-American, not because we believe that these regions are the exclusive or privileged source of new ideas and historical innovation, but simply because this was the dominant geographical path along which the concepts and practices that animate today's Empire developed - in step, as we will argue, with the development of the capitalist mode of production. Whereas the genealogy of Empire is in this sense Eurocentric, however, its present powers are not

limited to any region. Logics of rule that in some sense originated in Europe and the United States now invest practices of domination throughout the globe. More important, the forces that contest Empire and effectively prefigure an alternative global society are themselves not limited to any geographical region. The geography of these alternative powers, the new cartography, is still waiting to be written - or really, it is being written today through the resistances, struggles, and desires of the multitude.

## The Constitution of Empire

Many contemporary theorists are reluctant to recognize the globalization of capitalist production and its world market as a fundamentally new situation and a significant historical shift. The theorists associated with the world-systems perspective, for example, argue that from its inception, capitalism has always functioned as a world economy, and therefore those who clamor about the novelty of its globalization today have only misunderstood its history. Certainly, it is important to emphasize both capitalism's continuous foundational relationship to (or at least a tendency toward) the world market and capitalism's expanding cycles of development; but proper attention to the *ab origine* universal or universalizing dimensions of capitalist development should not blind us to the rupture or shift in contemporary capitalist production and global relations of power. We believe that this shift makes perfectly clear and possible today the capitalist project to bring together economic power and political power, to realize, in other words, a properly capitalist order. In constitutional terms, the processes of globalization are no longer merely a fact but also a source of juridical definitions that tends to project a single supranational figure of political power.

Other theorists are reluctant to recognize a major shift in global power relations because they see that the dominant capitalist nation-states have continued to exercise imperialist domination over the other nations and regions of the globe. From this perspective, the contemporary tendencies toward Empire would represent not a fundamentally new phenomenon but simply a perfecting of imperialism. Without underestimating

these real and important lines of continuity, however, we think it is important to note that what used to be conflict or competition among several imperialist powers has in important respects been replaced by the idea of a single power that overdetermines them all, structures them in a unitary way, and treats them under one common notion of right that is decidedly postcolonial and postimperialist. This is really the point of departure for our study of Empire: a new notion of right, or rather, a new inscription of authority and a new design of the production of norms and legal instruments of coercion that guarantee contracts and resolve conflicts.

We should point out here that we accord special attention to the juridical figures of the constitution of Empire at the beginning of our study not out of any specialized disciplinary interest - as if right or law in itself, as an agent of regulation, were capable of representing the social world in its totality - but rather because they provide a good index of the processes of imperial constitution. New juridical figures reveal a first view of the tendency toward the centralized and unitary regulation of both the world market and global power relations, with all the difficulties presented by such a project. Juridical transformations effectively point toward changes in the material constitution of world power and order. The transition we are witnessing today from traditional international law, which was defined by contracts and treaties, to the definition and constitution of a new sovereign, supranational world power (and thus to an imperial notion of right), however incomplete, gives us a framework in which to read the totalizing social processes of Empire. In effect, the juridical transformation functions as a symptom of the modifications of the material biopolitical constitution of our societies. These changes regard not only international law and international relations but also the internal power relations of each country. While studying and critiquing the new forms of international and supranational law, then, we will at the same time be pushed to the heart of the political theory of Empire, where the problem of supranational sovereignty, its source of legitimacy, and its exercise bring into focus political, cultural, and finally ontological problems.

[We note] the renewed interest in and effectiveness of the concept of *helium justum*, or "just war." This

concept, which was organically linked to the ancient imperial orders and whose rich and complex genealogy goes back to the biblical tradition, has begun to reappear recently as a central narrative of political discussions, particularly in the wake of the Gulf War. Traditionally the concept rests primarily on the idea that when a state finds itself confronted with a threat of aggression that can endanger its territorial integrity or political independence, it has *a. jus ad helium* (right to make war). There is certainly something troubling in this renewed focus on the concept of *helium justum*, which modernity, or rather modern secularism, had worked so hard to expunge from the medieval tradition. The traditional concept of just war involves the banalization of war and the celebration of it as an ethical instrument, both of which were ideas that modern political thought and the international community of nation-states had resolutely refused. These two traditional characteristics have reappeared in our post-modern world: on the one hand, war is reduced to the status of police action, and on the other, the new power that can legitimately exercise ethical functions through war is sacralized.

Far from merely repeating ancient or medieval notions, however, today's concept presents some truly fundamental innovations. Just war is no longer in any sense an activity of defense or resistance, as it was, for example, in the Christian tradition from Saint Augustine to the scholastics of the Counter-Reformation, as a necessity of the "worldly city" to guarantee its own survival. It has become rather an activity that is justified in itself. Two distinct elements are combined in this concept of just war: first, the legitimacy of the military apparatus insofar as it is ethically grounded, and second, the effectiveness of military action to achieve the desired order and peace. The synthesis of these two elements may indeed be a key factor determining the foundation and the new tradition of Empire. Today the enemy, just like the war itself, comes to be at once banalized (reduced to an object of routine police repression) and absolutized (as the Enemy, an absolute threat to the ethical order). The Gulf War gave us perhaps the first fully articulated example of this new epistemology of the concept. The resurrection of the concept of just war may be only a symptom of the emergence of Empire, but what a suggestive and powerful one!

## There Is No More Outside

The domains conceived as inside and outside and the relationship between them are configured differently in a variety of modern discourses. The spatial configuration of inside and outside itself, however, seems to us a general and foundational characteristic of modern thought. In the passage from modern to postmodern and from imperialism to Empire there is progressively less distinction between inside and outside.

[...]

Finally, there is no longer an outside also in a military sense. When Francis Fukuyama claims that the contemporary historical passage is defined by the end of history, he means that the era of major conflicts has come to an end: sovereign power will no longer confront its Other and no longer face its outside, but rather will progressively expand its boundaries to envelop the entire globe as its proper domain. The history of imperialist, interimperialist, and anti-imperialist wars is over. The end of that history has ushered in the reign of peace. Or really, we have entered the era of minor and internal conflicts. Every imperial war is a civil war, a police action - from Los Angeles and Granada to Mogadishu and Sarajevo. In fact, the separation of tasks between the external and the internal arms of power (between the army and the police, the CIA and the FBI) is increasingly vague and indeterminate.

In our terms, the end of history that Fukuyama refers to is the end of the crisis at the center of modernity, the coherent and defining conflict that was the foundation and *raison d'être* for modern sovereignty. History has ended precisely and only to the extent that it is conceived in Hegelian terms - as the movement of a dialectic of contradictions, a play of absolute negations and subsumption. The binaries that defined modern conflict have become blurred. The Other that might delimit a modern sovereign Self has become fractured and indistinct, and there is no longer an outside that can bound the place of sovereignty. The outside is what gave the crisis its coherence. Today it is increasingly difficult for the ideologues of the United States to name a single, unified enemy; rather, there seem to be minor and elusive enemies everywhere. The end of the crisis of modernity has given rise to a

proliferation of minor and indefinite crises, or, as we prefer, to an omni-crisis.

It is useful to remember here [...] that the capitalist market is one machine that has always run counter to any division between inside and outside. It is thwarted by barriers and exclusions; it thrives instead by including always more within its sphere. Profit can be generated only through contact, engagement, interchange, and commerce. The realization of the world market would constitute the point of arrival of this tendency. In its ideal form there is no outside to the world market: the entire globe is its domain. We might thus use the form of the world market as a model for understanding imperial sovereignty. Perhaps, just as Foucault recognized the panopticon as the diagram of modern power, the world market might serve adequately - even though it is not an architecture but really an anti-architecture - as the diagram of imperial power.

The striated space of modernity constructed *places* that were continually engaged in and founded on a dialectical play with their outsides. The space of imperial sovereignty, in contrast, is smooth. It might appear to be free of the binary divisions or striation of modern boundaries, but really it is crisscrossed by so many fault lines that it only appears as a continuous, uniform space. In this sense, the clearly defined crisis of modernity gives way to an omni-crisis in the imperial world. In this smooth space of Empire, there is *noplace* of power - it is both everywhere and nowhere. Empire is an *ou-topia*, or really a *non-place*.

[...]

## Counter-Empire

[...]

Being-against: nomadism, desertion, exodus

[. . .] One element we can put our finger on at the most basic and elemental level is *the will to be against*. In general, the will to be against does not seem to require much explanation. Disobedience to authority is one of the most natural and healthy acts. To us it seems completely obvious that those who are exploited will resist and - given the necessary conditions - rebel. Today,

however, this may not be so obvious. [...] The identification of the enemy, however, is no small task given that exploitation tends no longer to have a specific place and that we are immersed in a system of power so deep and complex that we can no longer determine specific difference or measure. We suffer exploitation, alienation, and command as enemies, but we do not know where to locate the production of oppression. And yet we still resist and struggle.

[...] If there is no longer a place that can be recognized as outside, we must be against in every place. This being-against becomes the essential key to every active political position in the world, every desire that is effective - perhaps of democracy itself. The first anti-fascist partisans in Europe, armed deserters confronting their traitorous governments, were aptly called "against-men." Today the generalized being-against of the multitude must recognize imperial sovereignty as the enemy and discover the adequate means to subvert its power.

Here we see once again the republican principle in the very first instance: desertion, exodus, and nomadism. Whereas in the disciplinary era *sabotage* was the fundamental notion of resistance, in the era of imperial control it may be *desertion*. Whereas being-against in modernity often meant a direct and/or dialectical opposition of forces, in postmodernity being-against might well be most effective in an oblique or diagonal stance. Battles against the Empire might be won through subtraction and defection. This desertion does not have a place; it is the evacuation of the places of power.

Throughout the history of modernity, the mobility and migration of the labor force have disrupted the disciplinary conditions to which workers are constrained. And power has wielded the most extreme violence against this mobility. [...] Mobility and mass worker nomadism always express a refusal and a search for liberation: the resistance against the horrible conditions of exploitation and the search for freedom and new conditions of life. [...]

Today the mobility of labor power and migratory movements is extraordinarily diffuse and difficult to grasp. Even the most significant population movements of modernity (including the black and white Atlantic migrations) constitute lilliputian events with respect to the enormous population transfers of our times. A specter haunts the world and it is the specter

of migration. All the powers of the old world are allied in a merciless operation against it, but the movement is irresistible. Along with the flight from the so-called Third World there are flows of political refugees and transfers of intellectual labor power, in addition to the massive movements of the agricultural, manufacturing, and service proletariat. The legal and documented movements are dwarfed by clandestine migrations: the borders of national sovereignty are sieves, and every attempt at complete regulation runs up against violent pressure. Economists attempt to explain this phenomenon by presenting their equations and models, which even if they were complete would not explain that irrepressible desire for free movement. In effect, what pushes from behind is, negatively, desertion from the miserable cultural and material conditions of imperial reproduction; but positively, what pulls forward is the wealth of desire and the accumulation of expressive and productive capacities that the processes of globalization have determined in the consciousness of every individual and social group - and thus a certain hope. Desertion and exodus are a powerful form of class struggle within and against imperial postmodernity. This mobility, however, still constitutes a spontaneous level of struggle, and, as we noted earlier, it most often leads today to a new rootless condition of poverty and misery.

A new nomad horde, a new race of barbarians, will arise to invade or evacuate Empire. Nietzsche was oddly prescient of their destiny in the nineteenth century. "Problem: where are the *barbarians* of the twentieth century? Obviously they will come into view and consolidate themselves only after tremendous socialist crises." We cannot say exactly what Nietzsche foresaw in his lucid delirium, but indeed what recent event could be a stronger example of the power of desertion and exodus, the power of the nomad horde, than the fall of the Berlin Wall and the collapse of the entire Soviet bloc? In the desertion from "socialist discipline," savage mobility and mass migration contributed substantially to the collapse of the system. In fact, the desertion of productive cadres disorganized and struck at the heart of the disciplinary system of the bureaucratic Soviet world. The mass exodus of highly trained workers from Eastern Europe played a central role in provoking the collapse of the Wall. Even though it refers to the particularities of the socialist state system,

this example demonstrates that the mobility of the labor force can indeed express an open political conflict and contribute to the destruction of the regime. What we need, however, is more. We need a force capable of not only organizing the destructive capacities of the multitude, but also constituting through the desires of the multitude an alternative. The counter-Empire must also be a new global vision, a new way of living in the world.

[...]

#### New barbarians

Those who are against, while escaping from the local and particular constraints of their human condition, must also continually attempt to construct a new body and a new life. [...]

These barbaric deployments work on human relations in general, but we can recognize them today first and foremost in corporeal relations and configurations of gender and sexuality. Conventional norms of corporeal and sexual relations between and within genders are increasingly open to challenge and transformation. Bodies themselves transform and mutate to create new posthuman bodies. The first condition of this corporeal transformation is the recognition that human nature is in no way separate from nature as a whole, that there are no fixed and necessary boundaries between the human and the animal, the human and the machine, the male and the female, and so forth; it is the recognition that nature itself is an artificial terrain open to ever new mutations, mixtures, and hybridizations. Not only do we consciously subvert the traditional boundaries, dressing in drag, for example, but we also move in a creative, indeterminate zone *au milieu*, in between and without regard for those boundaries. Today's corporeal mutations constitute an *anthropological exodus* and represent an extraordinarily important, but still quite ambiguous, element of the configuration of republicanism "against" imperial civilization. The anthropological exodus is important primarily because here is where the positive, constructive face of the mutation begins to appear: an ontological mutation in action, the concrete invention of a first *newplace in the non-place*. This creative evolution does not merely occupy any existing place, but rather invents a new place; it is a desire that creates a new

body; a metamorphosis that breaks all the naturalistic homologies of modernity.

This notion of anthropological exodus is still very ambiguous, however, because its methods, hybridization and mutation, are themselves the very methods employed by imperial sovereignty. In the dark world of cyberpunk fiction, for example, the freedom of self-fashioning is often indistinguishable from the powers of an all-encompassing control. We certainly do need to change our bodies and ourselves, and in perhaps a much more radical way than the cyberpunk authors imagine. In our contemporary world, the now common aesthetic mutations of the body, such as piercings and tattoos, punk fashion and its various imitations, are all initial indications of this corporeal transformation, but in the end they do not hold a candle to the kind of radical mutation needed here. The will to be against really needs a body that is completely incapable of submitting to command. It needs a body that is incapable of adapting to family life, to factory discipline, to the regulations of a traditional sex life, and so forth. (If you find your body refusing these "normal" modes of life, don't despair - realize your gift!) In addition to being radically unprepared for normalization, however, the new body must also be able to create a new life. We must go much further to define that new place of the non-place, well beyond the simple experiences of mixture and hybridization, and the experiments that are conducted around them. We have to arrive at constituting a coherent political artifice, an *artificial becoming* in the sense that the humanists spoke of a *homohomo* produced by art and knowledge, and that Spinoza spoke of a powerful body produced by that highest consciousness that is infused with love. The infinite paths of the barbarians must form a new mode of life.

[...]

Now that we have dealt extensively with Empire, we should focus directly on the multitude and its potential political power.

## The Two Cities

We need to investigate specifically how the multitude can become a *political subject* in the context of Empire.

[...]



How can the actions of the multitude become political? How can the multitude organize and concentrate its energies against the repression and incessant territorial segmentations of Empire? The only response that we can give to these questions is that the action of the multitude becomes political primarily when it begins to confront directly and with an adequate consciousness the central repressive operations of Empire. It is a matter of recognizing and engaging the imperial initiatives and not allowing them continually to reestablish order; it is a matter of crossing and breaking down the limits and segmentations that are imposed on the new collective labor power; it is a matter of gathering together these experiences of resistance and wielding them in concert against the nerve centers of imperial command.

This task for the multitude, however, although it is clear at a conceptual level, remains rather abstract. What specific and concrete practices will animate this political project? We cannot say at this point. What we can see nonetheless is a first element of a political program for the global multitude, a first political demand: *global citizenship*. During the 1996 demonstrations for the *sans papiers*, the undocumented aliens residing in France, the banners demanded "Papiers pour tous!" Residency papers for everyone means in the first place that all should have the full rights of citizenship in the country where they live and work. This is not a **Utopian** or unrealistic political demand. The demand is simply that the juridical status of the population be reformed in step with the real economic transformations of recent years. Capital itself has demanded the increased mobility of labor power and continuous migrations across national boundaries. Capitalist production in the more dominant regions (in Europe, the United States, and Japan, but also in Singapore, Saudi Arabia, and elsewhere) is utterly dependent on the influx of workers from the subordinate regions of the world. Hence the political demand is that the existent fact of capitalist production be recognized juridically and that all workers be given the full rights of citizenship. In effect this political demand insists in postmodernity on the fundamental modern constitutional principle that links right and labor, and thus rewards with citizenship the worker who creates capital.

This demand can also be configured in a more general and more radical way with respect to the post-modern conditions of Empire. If in a first moment the

multitude demands that each state recognize juridically the migrations that are necessary to capital, in a second moment it must demand control over the movements themselves. The multitude must be able to decide if, when, and where it moves. It must have the right also to stay still and enjoy one place rather than being forced constantly to be on the move. *The general right to control its own movement is the multitude's ultimate demand for global citizenship*. This demand is radical insofar as it challenges the fundamental apparatus of imperial control over the production and life of the multitude. Global citizenship is the multitude's power to reappropriate control over space and thus to design the new cartography.

## Time and Body (the Right to a Social Wage)

[...]

This is a *new proletariat* and not a *new industrial working class*. The distinction is fundamental. As we explained earlier, "proletariat" is the general concept that defines all those whose labor is exploited by capital, the entire cooperating multitude. The industrial working class represented only a *partial* moment in the history of the proletariat and its revolutions, in the period when capital was able to reduce value to measure. In that period it seemed as if only the labor of waged workers was productive, and therefore all the other segments of labor appeared as merely reproductive or even unproductive. In the biopolitical context of Empire, however, the production of capital converges ever more with the production and reproduction of social life itself; it thus becomes ever more difficult to maintain distinctions among productive, reproductive, and unproductive labor. Labor - material or immaterial, intellectual or corporeal - produces and reproduces social life, and in the process is exploited by capital. This wide landscape of biopolitical production allows us finally to recognize the full generality of the concept of proletariat. The progressive indistinction between production and reproduction in the biopolitical context also highlights once again the immeasurability of time and value. As labor moves outside the factory walls, it is increasingly difficult to maintain the fiction of any measure of the working day and thus separate the time of production from the time of reproduction,

or work time from leisure time. There are no time clocks to punch on the terrain of biopolitical production; the proletariat produces in all its generality everywhere all day long.

This generality of biopolitical production makes clear a second programmatic political demand of the multitude: *a social wage and a guaranteed income for all*. The social wage stands opposed first of all to the family wage, that fundamental weapon of the sexual division of labor by which the wage paid for the productive labor of the male worker is conceived also to pay for the unwaged reproductive labor of the worker's wife and dependents at home. The family wage keeps family control firmly in the hands of the male wage earner and perpetuates a false conception of what labor is productive and what is not. As the distinction between production and reproductive labor fades, so too fades the legitimization of the family wage. The social wage extends well beyond the family to the entire multitude, even those who are unemployed, because the entire multitude produces, and its production is necessary from the standpoint of total social capital. In the passage to postmodernity and biopolitical production, labor power has become increasingly collective and social. It is not even possible to support the old slogan "equal pay for equal work" when labor cannot be individualized and measured. The demand for a social wage extends to the entire population the demand that all activity necessary for the production of capital be recognized with an equal compensation such that a social wage is really a guaranteed income. Once citizenship is extended to all, we could call this guaranteed income a citizenship income, due each as a member of society.

## Telos (the Right to Reappropriation)

[...]

Now we can formulate a third political demand of the multitude: *the right to reappropriation*. The right to reappropriation is first of all the right to the reappropriation of the means of production. Socialists and communists have long demanded that the proletariat have free access to and control over the machines and materials it uses to produce. In the context of immaterial and biopolitical production, however, this traditional demand takes on a new guise. The multitude not only uses machines to produce, but also becomes

increasingly machinic itself, as the means of production are increasingly integrated into the minds and bodies of the multitude. In this context reappropriation means having free access to and control over knowledge, information, communication, and affects - because these are some of the primary means of biopolitical production. Just because these productive machines have been integrated into the multitude does not mean that the multitude has control over them. Rather, it makes more vicious and injurious their alienation. The right to reappropriation is really the multitude's right to self-control and autonomous self-production.

## Posse

The name that we want to use to refer to the multitude in its political autonomy and its productive activity is the Latin term *posse* - power as a verb, as activity. [...] *Posse* refers to the power of the multitude and its telos, an embodied power of knowledge and being, always open to the possible.

[...]

As in all innovative processes, the mode of production that arises is posed against the conditions from which it has to be liberated. The mode of production of the multitude is posed against exploitation in the name of labor, against property in the name of cooperation, and against corruption in the name of freedom. It self-valorizes bodies in labor, reappropriates productive intelligence through cooperation, and transforms existence in freedom. The history of class composition and the history of labor militancy demonstrate the matrix of these ever new and yet determinate reconfigurations of self-valorization, cooperation, and political self-organization as an effective social project.

[...]

The *posse* produces the chromosomes of its future organization. Bodies are on the front lines in this battle, bodies that consolidate in an irreversible way the results of past struggles and incorporate a power that has been gained ontologically. Exploitation must be not only negated from the perspective of practice but also annulled in its premises, at its basis, stripped from the genesis of reality. Exploitation must be excluded from the bodies of immaterial labor-power just as it must be from the social knowledges and affects of

reproduction (generation, love, the continuity of kinship and community relationships, and so forth) that bring value and affect together in the same power. The constitution of new bodies, outside of exploitation, is a fundamental basis of the new mode of production.

The mode of production of the multitude reappropriates wealth from capital and also constructs a new wealth, articulated with the powers of science and social knowledge through cooperation. Cooperation annuls the title of property. In modernity, private property was often legitimated by labor, but this equation, if it ever really made sense, today tends to be completely destroyed. Private property of the means of production today, in the era of the hegemony of cooperative and immaterial labor, is only a putrid and tyrannical obsolescence. The tools of production tend to be re-composed in collective subjectivity and in the collective intelligence and affect of the workers; entrepreneurship tends to be organized by the cooperation of subjects in general intellect. The organization of the multitude as political subject, as posse, thus begins to appear on the world scene. The multitude is biopolitical self-organization.

Certainly, there must be a moment when reappropriation and self-organization reach a threshold and

configure a real event. This is when the political is really affirmed - when the genesis is complete and self-valorization, the cooperative convergence of subjects, and the proletarian management of production become a constituent power. This is the point when the modern republic ceases to exist and the postmodern posse arises. This is the founding moment of an earthly city that is strong and distinct from any divine city. The capacity to construct places, temporalities, migrations, and new bodies already affirms its hegemony through the actions of the multitude against Empire. Imperial corruption is already undermined by the productivity of bodies, by cooperation, and by the multitude's designs of productivity. The only event that we are still awaiting is the construction, or rather the insurgence, of a powerful organization. The genetic chain is formed and established in ontology, the scaffolding is continuously constructed and renewed by the new cooperative productivity, and thus we await only the maturation of the political development of the posse. We do not have any models to offer for this event. Only the multitude through its practical experimentation will offer the models and determine when and how the possible becomes real.



## READING 31

### The Global Coliseum: On *Empire*

**Michael Hardt and Antonio Negri interviewed by  
Nicholas Brown and Imre Szeman**

**B&S:** Your invention of the concept of 'Empire' itself would have to be the master example of this operation, and the older category it challenges is, of course, 'globalization'. The phenomenon that 'globalization' refers to has, for the most part, been treated as an empirico-historical event that requires intellectuals to consider how the speed of the present relates to the past, but which doesn't seem to require a wholesale invention of new concepts to make sense of it. Do you think you could encapsulate, briefly, what it is that

'Empire' allows us to think that 'globalization' is unable to encompass?

**H&N:** It may be right, as you imply, that globalization, especially in its economic guise, has often been conceived in quantitative terms - the increasing number, speed or distance of exchanges - rather than in qualitative terms and this has been an obstacle to understanding the real novelty of our contemporary situation. However, this may also be an indication of the limitation of the concept of globalization itself as the marker of our era. Many authors today, particularly on the Left, point

out that globalization is nothing new or even that the quantity of global economic exchanges is lower than it was 50 or 100 years ago. This may be true from this limited perspective, but we think it is largely beside the point. We insist on the fact that what goes under the label 'globalization' is not merely an economic, financial or commercial phenomenon, but also and above all a *political* phenomenon. The political realm is where we most clearly recognize the qualitative shifts in contemporary history and where we are confronted by the need to invent new concepts. But, really, this distinction between the political and the economic (and the cultural) is no longer very satisfying either. We attempt to use the concept of biopower to name the zone characterized by the intersection of these old fields - an economy that is eminently cultural, a cultural field that is equally economic, a politics that comprehends the other two equally, and so forth. From this perspective, the concept 'globalization' is clearly too vague and imprecise. Empire seems to us a much more adequate concept for the new biopolitical order.

B&S: This vagueness or imprecision in the concept 'globalization' may explain why analyses based on it always seem to come down to the relatively banal question of periodization, that is, whether it indeed marks a genuine break with the past or whether it is merely the same old wolf in a new sheepskin. *Empire* insists on the need to abandon certain concepts and modes of critique in order to make sense of the present conjuncture. In particular, you point to the need to give up a form of critical thinking characteristic of Marxism and of postcolonial and postmodern critique - critique in general, for that matter - which was conceived as a challenge to a specific tradition of modern sovereignty that is tendentially extinct: the old wolf is in fact a dead horse. How easily can we give up our old habits of critical thought - not just concepts like 'globalization' but the very habits and structures of our current modes of thinking - and what are the consequences if we can't?

H&N: It does seem to us that posing the question in terms of sovereignty clarifies a variety of contemporary debates, such as those about the powers of nation-states in the age of globalization. There is no doubt that nation-states (at least the dominant nation-states) are still important political actors and exert significant powers. We argue, however, that the nation-state is

no longer the ultimate form of sovereignty as it was during the modern era and that nation-states now function within the imperial framework of sovereignty. The nature and locus of sovereignty have shifted and this, we believe, is the most significant fact that must be taken into account. This has a whole series of consequences that extend throughout the social field well beyond questions of the nation-state.

The consequences of recognizing this shift are indeed very high for both political thought and political action. Political arguments and strategies aimed against old forms of sovereignty may be ineffective against the new forms or they may even unwittingly contribute to its functioning. For example, propositions of hybrid identities or multiculturalism can seem like liberatory projects when one assumes that the power being confronted rests on pure notions of identity and stark oppositions of self and other. But when the sovereign power no longer resides on pure identities but rather works through hybridization and multicultural formations, as we claim it does in *Empire*, then those projects lose any necessary relation to liberation or even contestation. In fact, they could be complicit with imperial power itself. We do not mean to say because *Empire* works through multiculturalism and hybridity that we need to reject those strategies - rather we mean simply that they are not sufficient in themselves. In the face of the new forms of sovereignty, new strategies of contestation and new alternatives need to be invented.

[...]

B&S: Back to the notion of counter-Empire: you refuse categorically the now more or less accepted wisdom that globalization signals a crisis for agency and for politics. Instead, you suggest that *Empire* has produced the conditions of possibility for the production of new identities, collectivities and radically democratic polities - what you memorably describe as '*homohomo*, humanity squared, enriched by the collective intelligence and love of the community'. It is for this reason that you caution against a misplaced nostalgia for older forms, such as the nation-state, that might be imagined as protecting groups and individuals from the harsh winds of globalization. As we touched on earlier, this positive characterization of globalization might be resisted by many on the Left as a form of wishful thinking. Can you point us toward any situations or movements that exemplify the politics involved in the production of

counter-Empire? It is tempting to see the protests against the WTO, the IMF and the World Bank as examples of such a politics. But even while these struggles are remarkable for the fact that they are directed precisely towards those institutions and organizations that help to 'structure global territories biopolitically', their politics still seem to be constructed around a modern idea of sovereignty insofar as it is built around the idea of an 'outside', a space or logic other than Empire.

H&N: Our primary point in the book is that a counter-Empire is *necessary*, even before considering how it is *possible*. In other words, our analysis leads us to the conclusion that the only effective contestation of global imperial power and the only real alternative to it must be posed on an equally global scale. Hence, the admittedly uncomfortable analogy, which runs throughout much of the book, with the rise of Christianity during the decline of the Roman Empire. Like then, a Catholic (that is, global) project is the only alternative.

Sometimes political theorizing runs up against obstacles that only practice can solve. Deleuze and Foucault, in their wonderful discussion on intellectuals and power, thought of this relation between theory and practice as a series of relays, passing back and forth the lead in the project. The example that strikes us as most significant in this regard is that way that Marx responded to the Paris Commune. Ever since his early writings he had been very sceptical of giving any positive content to the notion of communism, but suddenly the Parisian proletariat storms the heavens establishing its Commune and he learns from them more clearly in practical terms what communism can

mean, how the state can be abolished, how democracy can be extended absolutely, and so forth. His thought could not move forward without the practical advances of the Parisian proletariat.

Well, we are not suggesting that we need today to wait for a new Paris Commune, but simply that practical experiences - like the protests against the global institutions of capital in Seattle, Washington, Prague, etc. - may suggest unexpected solutions. One of the great surprises in Seattle, for example, was that a variety of groups that we thought were irreconcilably antagonistic to one another suddenly appeared to have a common project: ecologists with labour unions, anarchists with human rights advocates, church groups with gays and lesbians. In our terms, we saw these developments as the construction of a *new place* within the dominant non-place of Empire, a new organization of the multitude. Or, at least, these events were allusions to that. It is very difficult to construct a new place of liberation within the non-place of Empire and nothing guarantees that it will not end up in a new kind of mystification. (Here is the negative side of our analogy to early Christianity.) Yet, the emergence of these struggles will undoubtedly contain the lessons for our moving forward both practically and theoretically.

One of our major criticisms of our book is that the concept of the multitude remained too indefinite, too poetic. In part, that is due to our primary focus on Empire and the length required to address its nature and structures. In any case, the multitude is the focus of our current work and we hope to be able to develop the concept more fully in the future.

[...]

## Retrieving the Imperial: *Empire* and International Relations

**Tarak Barkawi and Mark Laffey**

For some, Michael Hardt and Antonio Negri's *Empire* is the 'most successful work of political theory to come from the Left for a generation'. It is certainly one of the

most widely read analyses of international politics in recent years. Drawing on a combination of theoretic perspectives not found together in *International Relations*

(IR) - postmodernism, Marxism, and the communist and autonomist traditions of the Italian left - Hardt and Negri chart a new, unitary and global form of postmodern sovereignty which they term 'Empire', a 'logic of rule' worldwide in scope. Their project is twice removed from the discipline of IR, in its intellectual resources and in its object of analysis.

Born into a world of empires at war and amid contemporary processes of globalisation, IR remains centred on the logic of a modern system of sovereign states. Marxian analyses of the international, by contrast, concentrate on the interconnections between Europe, capitalism, and imperialism. Postmodern approaches, in a variety of disciplines, stress the encounter with the post-colonial and the inter-penetration of the European and non-European worlds. Hardt and Negri could only develop an approach to world politics that conceives the histories of the North and the South as common, shared and profoundly implicated in one another. This tension between a view of world politics based on the sovereign state and one that takes imperial relations seriously frames our engagement with Hardt and Negri. In common with *Empire*, we argue that understanding sovereignty requires locating it in histories of European expansion and engagement with the world outside the West.

[...]

## Seeing through Sovereignty: *Empire* and the International

Although widely hailed as 'the Next Big Idea' in intellectual life, Hardt and Negri see *Empire* differently: 'Toni and I don't think of this as a very original book. We're putting together a variety of things that others have said. That's why it's been so well received. It's what people have been thinking but not really articulating'. Our interest in the book is less with questions of novelty than with the kind of analysis it represents. Engaging with and developing the long tradition of Marxian analyses of imperialism, *Empire* offers a 'total' analysis of world politics past and present. Core and periphery, North and South, East and West, inside and outside are treated as part of a single, increasingly global formation, structured and produced by imperial relations of diverse kinds. Following a brief exposi-

tion of their main argument, we focus on three themes central to the book: the role of the multitude in world politics, the transformation of sovereignty from a modern to a postmodern form, and the putative disappearance of imperialism.

*Empire's* thesis is a familiar one: sovereignty is not what it used to be. Under the pressure of capitalist globalisation, sovereignty's very nature is being transformed, from a modern to a postmodern form. In the process, a new global form of rule is emerging which Hardt and Negri term Empire. Imperialism is central to *Empire's* account of world politics. Imperialism, they claim, operated through the modernist logic of inside/outside. Modern sovereignty and classical imperialism are thus inseparable: together they divided up the world and its population, in Europe and elsewhere. Imperialism was also 'a system designed to serve the needs and further the interests of capital in its phase of global conquest'. But from its inception, capital has tended toward world power in the form of the world market. The realisation of that power requires the remaking of modern sovereignty, which is a sovereignty of borders and limits. 'Imperialism is a machine of global striation, channelling, coding, and territorialising the flows of capital, blocking certain flows and facilitating others. The world market, in contrast, requires a smooth space of uncoded and deterritorialised flows'. It follows, on Hardt and Negri's account, that once the world market is achieved and there is no more outside, imperialism by definition is over. What remains is a new post-imperial and post-colonial world order.

Even though imperialism and modern sovereignty are in decline, capital still needs the state. From a Marxian perspective, the 'state-capital dialectic' is only conflictual from the point of view of the individual capitalist: '[w]ithout the state, social capital has no means to project and realise its collective interests'. The sovereign state and its powers maybe undermined but state functions remain necessary and are 'effectively displaced to other levels and domains', local and transnational. The 'twilight of modern sovereignty' is also the dawn of Empire, a new 'decentered and deterritorializing apparatus of rule that progressively incorporates the entire global realm within its open, expanding frontiers'.

The model for understanding this new postmodern form of global capitalist sovereignty is the world market.

In contrast to imperialism, the new sovereignty is imperial but not imperialist, for the simple reason that 'its space is always open' rather than bounded: 'modern sovereignty resides precisely on the limit. In the imperial conception, by contrast, power finds the logics of its order always renewed and always recreated in expansion'. As modern sovereignty declines, the world is in fact becoming 'a smooth space' across which people, ideas and things move freely, albeit one cross-cut with new and old 'lines of segmentation', including class, that do not follow the boundaries of modern nation-states.

Most analyses of globalisation focus on the role of capital or the state in driving these changes. In contrast, Hardt and Negri stress the role of labour struggles, both in the emergence of globalisation as a capitalist strategy and in capitalist development more generally. Capital 'is not a thing but a social relationship, an antagonistic relationship, one side of which is animated by the productive life of the multitude', Hardt and Negri's term for what used to be called the proletariat. Successive stages in the evolution of capital and sovereignty are driven by this antagonism, with labour always the active subject. Significantly, the multitude is not located only in Europe but also outside. Hardt and Negri highlight the inter-related character of struggles across the globe and their role in driving capital forward, forcing it to respond to the multitude's essential creativity and plurality. Thus, the emergence of

Empire and its global networks is a response to the various struggles against the modern machines of power, and specifically to class struggle driven by the multitude's desire for liberation. The multitude called Empire into being.

Indeed, *Empire's* genealogy of the international functions as a grand narrative in which history is nothing but a series of struggles between the communism of the multitude and capitalist forces of reaction, the latter initially vested in modern sovereignty and the state and now located in Empire.

We stand here at some distance from a Westphalian view of the world and the disciplinary debates of IR. 'In the 1990s', observes Patomaki, 'after the short visit of Marxism in the mainstream of IR, there has been, perhaps more than ever, a tendency to reduce all

problems of IR to an almost eternal dispute between political realism and liberalism'. In marked contrast to such disciplinary analyses, Hardt and Negri offer us a glimpse - albeit one that is sometimes partial, distorted or simply false - of what world politics looks like from a strikingly different angle of vision, one that takes both imperialism and Marxism after postmodernism seriously. As a result, they also help us see how attending to the imperial transforms our understanding of world politics. Nowhere is this more evident than *Empire's* treatment of the multitude's struggles and their role in the historical development of sovereignty.

Putting the multitude at the centre of analysis is a major step forward in elaborating a 'thicker' conception of the international directly attentive to imperial relations. Focusing on labour grounds *Empire's* analysis of the international in social forces and relations. A growing number of scholars have pointed to the everyday relations of power that underpin and enable the international system as conventionally understood, locating the international in the biopolitical. 'International polities', as E.H. Carr so famously observed, 'are always power polities'. But as Cynthia Enloe notes, 'it takes much more power to construct and perpetuate international [...] relations than we have been led to believe'. 'Ordinary people' have to be incorporated into the global social order so that their labour can sustain it.

Although seldom central to IR analyses, scholars in the interdisciplinary 'trading zone' of IPE regularly remind us of these relations. Aihwa Ong's analysis of the cultural politics of Chinese transnationalism shows how conceptions of national and ethnic identity are reworked and deployed, often in hybrid ways, in the service of capitalist entrepreneurialism and investment. Similarly, Jacqui True's discussion of post-socialist transformations in the Czech republic demonstrates the centrality of gender relations to capital's entry into new territories and construction of new markets. In these and other ways, the social relations of capital remake subjectivities. Beginning with the multitude, with people in the irreducible diversity of their daily lives, opens up space for a richer account of the international, one grounded in the everyday production of subjectivity and the intimate connections between and among the concrete struggles of peoples the world over.

An example helps draw out further some of the implications of a focus on the multitude for understanding world politics. We have already mentioned the role of Vietnamese peasants in producing the contemporary US. On 4 May 1970 Ohio National Guardsmen on the campus of Kent State University (KSU) opened fire on students protesting the US invasion of Cambodia. Thirteen students were shot, four of them fatally. That the students were white made the event all the more shocking to public opinion. 'Kent State' and 'May 4th' rapidly took on iconic status, as representative of an era wracked by imperial war in Southeast Asia and civil unrest in the US and elsewhere.

In the three decades since 1970, efforts to commemorate and memorialise the shootings at KSU have generated continuing controversy. As Scott Bills argues, 'the link between culture, narrative and empire is the key to examining post-1970 events at Kent State'. By their very nature, imperial adventures abroad and their consequences at home produce popular memories that contradict public or official histories. In representations of 'May 4th' dominant narratives and public myths of America confront both an event and memories of it that challenge and unsettle them. Similar struggles over memory and the nation are evident in the controversy surrounding the Smithsonian Institution's attempt to provide a historically accurate account of the US use of nuclear weapons at the end of the Second World War as well as in debates over the responsibility of past US policies for the strikes on the World Trade Center and the Pentagon on 11 September. In these and other ways, connections between widely dispersed populations are made manifest and translated into continuing struggles over history, memory and identity. The significance of such struggles for world politics is evident, for example, in the past and present impact of the American experience in Vietnam on US foreign policy. Seeing the multitude as central to what world politics is and how it changes over time directs our attention to a range of actors, locations and 'thick' relations all but invisible in contemporary IR.

A second theme from *Empire* that illuminates our larger argument about the significance of the imperial concerns the genealogy of sovereignty. Hardt and Negri offer a peripheral or subaltern re-reading of sovereignty. 'Modern sovereignty', they observe, may have 'emanated

from Europe', but 'it was born and developed in large part through Europe's relationship with its outside, and particularly through its colonial project and the resistance of the colonized.' It follows that 'rule within Europe and European rule over the world' are 'two coextensive and complementary faces of one development'.

Critical scholarship in IR largely overlooks this integral relation. R.B.J. Walker's *Inside I Outside*, for example, has no index references to colony, empire or imperialism. Jens Bartelson's genealogy of sovereignty refers to empires and imperialism only in passing. David Held's writings on sovereignty also ignore or marginalise Europe's relations with its colonies. Even Hedley Bull and Adam Watson's *The Expansion of International Society* - explicitly addressed to the spread of sovereign recognition to formerly colonised territories - takes for granted that sovereignty emerges in Europe alone and then diffuses throughout the world.

In contrast to such views, Hardt and Negri force us to see that sovereignty, as a concept and an institution, developed in the encounter between Europe and the non-European world. The genealogy of sovereignty cannot be restricted to Europe itself but must include the imperial relations between Europe and its colonies: 'The colony stands in a dialectical opposition to European modernity, as its necessary double and irrepressible antagonist'. Inherent in sovereignty are racialised assumptions of European superiority and fitness for self-rule. Race, hitherto a marginal concern within the discipline, becomes central. As Gilroy argues in the case of modernity and slavery, Western political ideas and institutions cannot be separated out from their implication in the history of imperialism and its racialised terror and genocide. In these and other ways, understanding the West requires attention to its implication in world politics as a whole and to the 'thick' conception of the international outlined above.

While Hardt and Negri's re-reading of sovereignty is helpful in this regard, it must be supplemented with a more historically informed account of the relations between rule 'at home' and 'abroad'. Hardt and Negri take for granted that modern sovereignty in the form of imperialism functioned outside Europe in much the same way as it did inside, as a machinery of borders and limits. But sovereignty in the colonies was never what it was in the metropole. In purely juridical terms,



at the height of the era of formal empire, one could speak of Belgian sovereignty over the Congo or British sovereignty over its Indian Empire. But often there was a considerable gap between the sharp lines and coloured spaces of imperial maps and the realities of colonial administration and rule. Large tracts were never adequately pacified, as on the Northwest Frontier of British India, while other areas were never brought under effective administration, as in much of Africa. Even at their height, European and other empires did not display the centralisation of authority taken for granted in discussions of the sovereign state. Relations between the formal apparatus of the 'home' state within an empire and the populations it ruled 'abroad' were multiple, diverse, and changing. Forms of rule were often overlapping and myriad arrangements were struck with local elites. Understanding world politics in terms of sovereignty - whether Westphalian or that of Hardt and Negri's *Empire* - too easily obscures real relations of rule.

Even after 1945, in the high noon of modern sovereignty, patterns of rule and power were often only contingently aligned with sovereign borders. In the wake of decolonisation, many new states were subject to high degrees of intervention by former imperial patrons and the superpowers, sometimes exceeding that experienced in formal empire when many areas were ruled more or less 'indirectly'. In the core too, the Cold War system led to high levels of superpower penetration of former great powers and other states as in Germany, Japan and Eastern Europe. Similar relations of international rule persist today in the policies and practices of the international financial institutions, the Western administered territories of Bosnia and Kosovo, and the Anglo-American sanctions regime in Iraq. Modern sovereignty, even after decolonisation, was not a universal but at best only a regional practice of government and rule. This fact highlights the distorted and mystifying character of accounts of world politics that start with Westphalian sovereignty and its global diffusion. Attention to the everyday mechanics of rule also highlights difficulties with Hardt and Negri's account of *Empire*. Their claims for a sharp division between modern and postmodern forms of sovereignty founder in the face of the imperial continuities of international relations, past and present.

These reflections lead us to our third and final theme, the putative disappearance of imperialism. Hardt and Negri assert that imperialism is over for two reasons. First, the world market has been realised, at least tendentially. It is on this basis, as modern sovereignty collapses in the face of globalisation, that the world can now be characterised as a 'smooth space'. But Hardt and Negri's basic empirical claims about the decline of borders, as Petras and others have pointed out, are indefensible. Processes of liberalisation also have another side, namely, a massive effort to make it harder for undesirable flows - be they illegal economic migrants, asylum seekers, illegal drugs, crime, or contraband - to cross borders. As the European Union disassembles internal boundaries, for example, it simultaneously reinforces its external border.

The second reason imperialism is said no longer to exist stems from the unique character of the US. While many would agree with Edward Said's assertion that the US is replicating 'the tactics of the great empires', Hardt and Negri claim we are witnessing not a reinvigorated US imperialism but the birth of a post-imperial international system. They acknowledge US global hegemony over the use of force as well as its central role in controlling the international financial system. However, they argue that US policies are imperial not imperialist, in the sense that they are only ambiguously motivated by US national interests and do not seek to foster a world of closed spaces under US sovereignty. Indeed, US sovereignty was always postmodern according to Hardt and Negri and the US constitution provides the model for the network power that animates *Empire*. The validity of *Empire's* argument for a sharp break between modern state sovereignty and postmodern global sovereignty rests in large measure on the plausibility of its analysis of the US in the world.

In this context, their claim that the Tet offensive of January 1968 marked the 'irreversible military defeat of the US imperialist adventures', takes on considerable importance. In fact, Tet resulted in a military stalemate. While it certainly was a political defeat for the Johnson Administration and its policy in Indochina, it was hardly irreversible in terms of the wider aims of US Cold War policy in the Third World. The US experience in Vietnam re-invigorated its efforts to find less costly and more effective ways to 'defeat communism', principally through the advising

and supporting of Third World military and police forces, foreshadowed in the policy of 'Vietnamization' and codified in the Nixon Doctrine. Even in the depths of its Vietnam malaise, the US was able to sponsor covert operations in Chile, Angola, and elsewhere. Later, the so-called 'lessons of Vietnam' were crucial to the 'Second Cold War' launched in the latter half of the Carter Administration and pursued by President Reagan. The 1980s witnessed a renewal of US interventionism, including a war in Central America and US support for 'freedom fighters' in Afghanistan and elsewhere. The late 1980s saw the development of more effective forms of 'political' intervention, characterised by William Robinson as 'promoting polyarchy', which involved a careful combination of political, economic, military and covert intervention to produce 'stability' in Third World countries and open them up to US investment.

In all of this, it is hard to see how 1968 marks the 'irreversible' defeat of US imperialism. Not only is the inadequate nature of Hardt and Negri's historical analysis much in evidence here, it also becomes very difficult to locate the break at which US imperialism transforms into Empire. As we write, the US is establishing an arc of military bases across central Asia and developing patron-client relations with the authorities there. Such strategies of intervention and imperial control point to continuities not only with past US engagements in the Third World but also with older histories of imperialism. Now, as then, such engagements are also shaping the character of US democracy and society.

In our view, globalisation and many of the phenomena Hardt and Negri describe are better understood by reference to an international state dominated by the US. Immediately after the Second World War and in the decades since, state power was internationalised through a proliferating set of institutions and arrangements, with the US always at its core. In this respect, the categories and theories of classical imperialism, with the possible exception of Kautsky's ultra-imperialism, are a poor guide to the world in which we live. International state power is not reducible to the US alone. But in one domain after another, the concentration of US state power and its international reach is, if anything, greater now than in 1945. Hardt and Negri acknowledge that the main levers of world power

remain in the hands of US state agencies. Where then are we to locate the break between US imperialism and Empire?

These continuities and developments in US and international state power highlight additional difficulties with Hardt and Negri's account of political-military relations. In common with other analyses in the 1990s, they argue that the era of major inter-state war is over. This is due to the fact that nuclear weapons make

war between state powers [...] increasingly unthinkable. The development of nuclear technologies and their imperial concentration have limited the sovereignty of most of the countries of the world insofar as it has taken away from them the power to make decisions over war and peace, which is a primary element of the traditional definition of sovereignty.

As a result, 'the imperial bomb has reduced every war to a limited conflict, a civil war, a dirty war, and so forth'. Military operations now take the form of police actions. These claims are fairly significant for Empire, as a world in which international war is alive and well is not one that is 'smooth' and subject to a single 'logic of rule'.

Unfortunately, Hardt and Negri's analysis of international security and the role of nuclear weapons overlooks significant political-military 'striations' in world politics. India and Pakistan directly contradict their assertions, as does the possibility of the use of weapons of mass destruction in the Arab-Israeli conflict. The end of the Cold War arguably made nuclear war more likely, especially given the fact that Soviet weapons, nuclear materials and technical personnel are far from being concentrated under imperial control and indeed may even be available for purchase on the open market. The buyers may well be non-state actors such as al Qaeda who, on the evidence of 11 September, would be far more willing to use weapons of mass destruction than the leadership of a state with a vulnerable homeland. If India and Pakistan, among other possibilities, indicate that inter-state and even nuclear war cannot so easily be assigned to the dustbin of history, al Qaeda and the 'War on Terror' are indicative of new forms of international and globalised war not reducible to the categories of police action. The possibility of US first use of nuclear weapons in such conflicts cannot be overlooked either, and may in fact be the most likely

route to nuclear war other than accident. Hardt and Negri's claims regarding the 'smooth' and global nature of Empire's sovereignty are at best premature in the political-military domain.

## Conclusion

A world composed of competing and potentially warring powers, whether states or other entities, is not the kind of world Hardt and Negri describe under the rubric of Empire. In direct contrast to the idea that the old imperialism is over, American policy analysts are resurrecting the language of empire and turning to Rome and Pax Britannica for inspiration. Charles Fairbanks of the Johns Hopkins University has announced that the US is 'an empire in formation' while Max Boot, editorial features editor of the *Wall Street Journal*, has called for the military occupation of Afghanistan and Iraq: 'Afghanistan and other troubled lands today cry out for the sort of enlightened foreign administration once provided by self-confident Englishmen in jodphurs and pith helmets'. As with Rome and Great Britain, American imperialism has and will continue to generate resistance. Within the conceptual categories of Hardt and Negri's *Empire*, these most recent developments in the history of imperial relations in world politics remain invisible.

'One of the central themes of American historiography', observes William Appleman Williams, 'is that there is no American Empire. Most historians will admit, if pressed, that the United States once had an empire. They then promptly insist that it was given away. But they also speak persistently of America as a World Power'. Perhaps the clearest evidence of the world's lack of 'smoothness' is the widespread resistance

to US power. In contrast, Hardt and Negri valorise the US. In a breath-taking lapse into American exceptionalism, they assert that US sovereignty is not like modern sovereignty; the US was postmodern from birth and US experience is 'truly new and original'. In times past, the US did sometimes act in imperialist ways but this was always an aberration, inconsistent with the defining essence of the US, the US constitution. In any case, with the realisation of the world market, US imperialism (indeed, all imperialism) is over. Marxism, postmodernism, and Italy notwithstanding, *Empire* is a deeply American book.

It has also been said that IR is a profoundly American social science. In important respects, *Empire* and IR represent world politics in distinctively American kinds of ways. From its inception, the US was figured as a 'city on a hill', one defined against European power politics and imperialism. This opposition between the new world and the old was reinforced after the Second World War as the US literally remade Europe. What kind of work does such an opposition do in these very different settings, in disciplinary IR and in a text hailed as 'a rewriting of *The Communist Manifesto* for our time'? In IR, the opposition between the US state and European empire is inscribed in post-war IR scholarship and reinforced by the development of area studies as a particular way of conceptualising the peripheral domains, a way tied more or less directly to US state interests and one which facilitated US imperial power. In *Empire*, the US is curiously abstracted from the blood-bespattered politics of the old world and returns only to remake the world as a whole in its own image, as Empire. In both cases, the trope of 'America' serves to obscure the imperial realities of world politics, past and present. We have sought to retrieve some of these realities for understanding world politics.



## READING 33

# Africa: the Black Hole at the Middle of *Empire*?

**David Moore**

What does the magisterial sweep of *Empire* have to say about Africa? More important, what is there about

it that will, or should, affect the praxis of scholars and activists concerned with the struggles of Africa's

"multitude?" How do the contradictions of postmodern, global informationalization, elucidated so eloquently in *Empire*, alter the continent ripped apart most severely by the two key crises on the way to modernism that its authors elaborate - primitive accumulation and nation-state formation (or sovereignty, in their language) - and the third one - democratization - that they don't?

Africa is caught on the cusps of what less severely avant-garde scholars than the Duke literature professor and the Italian political prisoner/writer-in-residence might call "civilizational" crises. The "dark continent" has not gone through all the blood and guts of the paths to *modernity* outlined in *Empire*, even if its (partial) incorporation in the global political economy has been accompanied by a catalogue of horrors of its own magnitude. Yet, there is clear indication of much more anguish to come as the information mode of production adds yet another level to the uneven articulations currently tearing the continent apart.

Africanists worry about what "paths" Africa is following - or wonder if there are any "paths" at all as opposed to meaningless meanderings of pain. How can we be sure that Africa's paths of "development" are *linear*, or that they are en route to something approximating "modernity" at all? The more pessimistic among them ask if "modernity" has not passed Africa by. Yet when Michael Hardt and Antonio Negri consider the continent at all, it is hoist by some petards of postmodernity and its hypercrises. *Empire* pours needed (although dialectical) scorn on those believing in the oxymoron of national liberation but then wishes its contemporary problems away. It is as if Africa and the rest of the "third world" had joined with the borderless multitude in advanced capitalist corners of the world.

One has only to come down to earth to remember that the millions of African refugees constitute a qualitatively different realm of existence than that lived by those rendered borderless by jets and cyberspace. The latter's subjectivities are formed in the merging of superstructure and structure occurring when communications become a means of production, and their differences are sublimated by Internet expertise. Yet in Africa, we see the deep, deep crises of modernity deferred - but now, perhaps, accelerated, thus more disruptive than ever in our post-cold war era. Borderlessness in Africa is due to poverty, war, and famine

and is subject to the mentalities of "tradition" (often invented, to be sure, but nevertheless counter to a strategy of Gramsci's "good sense") rather than a combination of supercool calculation and cyborgian connectivity. Does that mean that Africa (as always, we often end up thinking in spite of ourselves) is dependent on what the hyperadvanced multitude in the West decides for it? Is the discourse articulated in *Empire* yet another version, along with the various strands of development and underdevelopment theory over which we have pored in the past, yet another strand of academic "trickle-down"?

One wonders, then, if *Empire*, based on the European - let's face it, white - experience, can adequately recognize the African multitude? Can it outline the ways in which those at the peak of *Empire* (but whose radical nomadism contradicts it) can extend a difference-based solidarity with it? Or does the book, almost in spite of itself, place the continent on Fukuyama's wagon? "Sure," Hardt and Negri can almost be heard to say, "Africa's struggles bear the marks of nobility and tragedy, but their ends are almost predetermined, and maybe even farcical. Let's get back to Europe and America, where all the marches to Seattle or Prague *really* point to the heart of empire" (and remember, 747 flights and the Internet mobilization came first).

Are Africans' struggles - for affordable food in cities, for land in the country, to avoid war and famine all over - on the same plane as the multitude's "insurrectional event[s] that erupt within the order of the imperial system provok[ing] a shock to the system in its entirety"? How can they be, if Africans are not yet really "people" because the contradictions of nation-statehood have not yet been carried through on their soil? How can they be, if their struggles are not waged on the capitalist terrain furrowed by the ploughs of primitive accumulation, so that they can push capitalism forward - against its own will - into the heights of informatized productivity? Can the new mode of production propel Africa into these realms of efficiency and extraenlightened consciousness?

Do the intense manifestations of war-torn Africa's contradictions - the many wars about, battles within, and contests over primitive accumulation, sovereignty construction, and democratization so correctly identified in *Empire* as the building blocks of modernity - deserve the epitaph "been there, done that"? Or are they unique

components of "the plural multitude of productive, creative subjectivities of globalisation that have learned to sail on this enormous sea"? Are there African "differences" with qualities that can add to Hardt and Negri's project of creating a world altered enough from the one we have now to warrant tearing one's self away from the pleasures of (digital) television and the World Wide Web? Hardt and Negri tend to assume that their subjectivities have all passed through modernity and are well ensconced in the age of informationalization: that they have learned the ropes on globalization's ships. They thus fall silent when confronted with the subjectivities still embedded in a contradictory mélange of productive and reproductive modes.

At one moment they condemn Marx for suggesting that the Indias of the world must follow the railroads to the antinomies of bourgeois freedom: otherwise, as the grandest old Eurocentric of them all said, the "passive [...] unresisting and unchanging societies [...] (with) no history at all" will remain with their superstitions and hierarchies. But Hardt and Negri can only hint at "the difference of Indian [and for the purposes of the point, African] society, the different potentials it contains." They do not refer to Marx and Engels's contemplation of Russian communes as a seedbed of alternatives: one wonders if that would be too populist, or a romanticization of backward-looking **Utopian** socialism for them. Thus they soon move on to claim that the realm of autonomy to which they aspire can come only with the end of the world market. However, that market, with its "deterritorializing flows and the smooth space of capitalist development," can be realized only with the end of imperialism, which is a fetter on capital. But imperialism rests on competition between "nation-states," so they must go. This is an argument compatible, ironically, with the World Bank, the International Monetary Fund, and Hayek, and in making it, they, too, fall over as many contradictions as is humanly possible. More po-facedly, it is a thesis prescribed by the state-ensconced but neoliberal members of the South African Communist party who advise unbound globalization while the stalwarts of their party parry layoff after layoff and the rest of South Africa's poor negotiate the most unequal society in the world. But can this proposition be tested on societies not yet transcending the immanent planes of sovereignty, peoplehood, and disciplinary social

democratic compromises that have formed the centers of Empire's capitalism? Can it be tried on those social formations on the wrong side of the (post)colonial divide - a gap undergirding and enabling Empire while now inside it, the negative side of which has no contemporary equivalent other than the regressive ethno-national-tribal infinities which fool the warlords of nationhood into thinking they can replicate little empires of their own ad infinitum?

Or are Africa's laborers eligible for Hardt and Negri's global social wage, too? One would think that the only partially proletarianized poor of Africa are not quite the "new proletariat" of *Empires* teleology: most of Africa's exploited have not "moved outside the factory walls" because they have yet to be inside. Are the contract mineworkers, the sweatshop laborers, the sugar-plantation swathers, the cotton pickers, the teenage-girl silicon chip welders, the millions upon millions of "informal traders," the boychild soldiers, the part-market, part-subsistence agriculturists and, yes, the slaves all members of Hardt and Negri's "general intellect"? Do they, too, perform the "intellectual, immaterial, and communicative labor power" that has replaced factory-rooted labor-power as the source of surplus-value and that is at the "center of the mechanism of exploitation (and thus, perhaps is at the center of potential revolt)"? Or are they dependent on the latter's largesse, on a new form of charity?

Even if the collective African laborer were fully proletarianized (if Hardt and Negri's partial appropriation of the dependency school's view of the already and always global factory had not been devastated by such scholars as Ernesto Laclau and Robert Brenner), would a global social wage stop the wars? Would a global social wage, in a package with a global parliament, global democracy, global currency (maybe even global unions that look like Soviets were supposed to look), and all the rest in the panoply of the "cosmopolitical" thought mildly derided at the beginning of their book be the bedrock of a new identity superseding race, gender, and tribe? Would that new constitution of the (antihumanist) self allow all the other interpellations to sit under the mild and multicolored umbrella of mutually celebrated "difference"?

To cut the story short, if "*modernization has come to an end*" already, what about those whom it has not yet

fully subsumed? What about those who are exploited through the formal subsumption of their noncapitalist labor, but who have yet to be "really" subsumed? Will they desire to be Taylorized, Fordized, and disciplined all the way to the full subsumption of their labor or will they resist? Will they choose primitive accumulation? Which process will be supported by the vanguard of the general intellect, or will it all be a matter of investment flows from proletarian core to proletarian periphery that somehow get conjured up by the affective biopolitical networks - perhaps run by those who manage their peers' pension funds?

### Getting out of the Hole: Primitive Accumulation, Nation-State Formation, Democratization, and "Intervention"

The following words will demonstrate that some of the insights (and there is at least one on every page) in *Empire* are relevant in the "heart(s) of darkness" within and surrounding the bodies of over 700 million members of Hardt and Negri's (not quite?) multitude. *Empire* sheds much light on the contradictions of and struggles over primitive accumulation, sovereignty, and democratization in Africa. The rest of this essay will attempt to elucidate some of the ways in which Hardt and Negri assist the analysis of these processes. However, *Empire's* impasse - a cul-de-sac born, ultimately, of too much damned philosophy and not enough empirical materialism - is shown at its blackest in Africa. Neither *Empire* nor the multitude's concomitant global solidarity (both productive of and resistant to *Empire*, and that combination may have unforeseen consequences for Africa beyond their sum!) may reach far enough into Africa to hasten the surmounting of the crises inherent on the road to the rocky reaches of modernity. Aside from the equivocal interventions of the humanitarian international, *Empire's* map does not indicate any turns off the main road leading to alternative structures of political economy or identity. On both roads, Africa seems alone.

The next few pages will attempt to analyze some aspects of Africa's contemporary crisis and its potential resolution with the help of some of the concepts

raised in *Empire*. The Democratic Republic of the Congo and Zimbabwe present two possible case studies of contradictory combinations of social relations sharing the label of "nation-state" on the continent which can "test" the heuristic power of Hardt and Negri's provocative text. The war in the Democratic Republic of the Congo brings to mind a turning point combining a crisis of nation-state formation and democratization. The crisis centering around Zimbabwe's "sovereign king" slipping from power and the intricately related land invasions heralds a crisis of democratization and primitive accumulation. Any study of Africa should also include South Africa, the continent's newest "democratic" social formation, which also happens to be Africa's most powerfully "advanced" capitalist outpost and is a prime candidate for *Empire's* loyal satellite or "regional hegemon." However, time and space preclude the "rainbow nation" on which much of Africa's whole fate may swing. Suffice it to note that its combination of pre-, present and post-phases of racially inscribed "modernity" maybe *Empire's* future foretold. Crime, xenophobia, and the politics of privilege amidst poverty threaten to pull apart Mandela's magical "rainbow nation" in hypertime unless a classical social-democratic compromise (or something much more radical, of course) can ameliorate the crisis of basic needs faced by its multitude. Finally, the ambivalence of the humanitarian agenda as a means of the meeting of first and third world "multitudes" - through "intervention" - will be explored.

[...]

### The Humanitarian Agenda: Vehicle for the Multitude or *Empire's* Masters?

In an interview with the Australian Broadcasting Corporation, broadcast 12 January 2000, the MDC-ML's Jacques Depelchin stated that Africans need solidarity from the Western multitudes on the scale of the anti-apartheid movement. Perhaps that was the last moment of global solidarity for Africa's multitude. Perhaps, too, that solidarity was too easy: after all, its common denominator was a liberal belief in individual equality and the political means to negotiate that artefact of universal liberalism in an unequal arena constituted

by economic liberalism. And who knows? It could pale in contrast with eighteenth-century antislavery campaigns and the nineteenth-century crusade against King Leopold. In any case, leftists in the west now fear encroaching on the barriers of sovereignty so rightly ridiculed in *Empire*, and are justifiably confused by the ever accumulating contradictions thrown up by the "dark" continent. Postcolonial relativism does not help, either. However, there may be positive indications in the "humanitarian international's" interventions in Africa. Is a "cosmopolitical democracy" augured in the humanitarian agenda the way ahead? Is it antithetical to *Empire's* hopes for the multitude?

It is not surprising that when Hardt and Negri confront humanitarianism, they display their radical ambivalence at its height. Most devastating in *Empire* is the dualistic frame of mind it contains regarding what some people see as the nascent form of a humanitarian global order. When Hardt and Negri first approach the nongovernmental organization phenomenon, they impose closure upon it. They say that what could be seen as *solidarity* too easily becomes *intervention*. There, *Empire's* deep negativity toward "intervention" seems *too* disapproving. They condemn "Amnesty International, Oxfam, and Médecins sans Frontières" as no more than the "most powerful pacific weapons of the new world order [...] the mendicant orders of Empire [...] blind[ing] th[eir] theorists to the brutal effects that moral intervention produces as a préfiguration of world order" and preparing the stage for military intervention - not to mention economic, social, and political control. With such a view, what global solidarity is available? Later, they lead us to wonder if the members of the humanitarian international are little more than hygienists, trying Sisyphus-like to keep AIDS-like scourges away from "us" in the "age of universal contagion." In this language, where does solidarity, and even the more paternalistic and passively revolutionary welfarist "assistance," end; and when does "intervention" begin? Are all the cosmopolitical democrats and humanitarians whom one might think are (and who think they are) on the positive side of globalization's double-edged sword actually the unwilling participants in Louis Althusser's "international of decent feelings"? As Althusser said about a different breed of internationalists on the morrow of World War II,

we are confronted with a phenomenon that is international in scope, and with a diffuse ideology which, though it has not been precisely defined, is capable of assuming a certain organisational form [...] one senses [...] a mentality in search of itself, an intention eager to embody itself in concrete form, an ideology seeking to define itself, entrench itself, and also furnish itself with a means of action. If this mentality is international, and in the process taking institutional form, then a new "International" is in the making.

Yet, caution should not transform into cynicism. In his acceptance speech for the 1999 Nobel Peace Prize, delivered 10 December in Oslo, Norway, James Obrinski, president of Médecins sans Frontières, said: "There is a confusion and inherent ambiguity in the development of so-called 'military humanitarian operations.' We must reaffirm with vigor and clarity the principle of an independent civilian humanitarianism. And we must criticize those interventions called 'military-humanitarian.' Humanitarian action exists only to preserve life, not to eliminate it."

Certainly, the convergence of moral and military intervention is a factor of empire, and that inspires the suspicion of those advancing the multitude's cause. One must be very careful to separate an intervention based on solidarity from bad faith and false pretenses. But in Africa, it seems as if even the interventionists of whom we are wary do not intervene! In mid-1999, the Congolese rebel groups fighting against Kabila asked the United Nations to enforce their Lusaka Peace Accord. Did they get any help? Not unless you call a very small, oddly Foucauldian "surveillance" force "enforcers"! Unless a quick fix can shove Empire's problems to the side, as in Kosovo and Kuwait, Empire's neoliberal organic intellectuals let *laissez-faire* do its tasks. That means war just as much as the "free" markets these global technocrats assume are always and already existent (even more so than Kelson and company presuppose universal juridical norms).

Yes, the vanguards of intervention who have transformed labor-education and agrarian-reform nongovernmental organizations into World Bank-funded human resources, industrial psychology, and genetically modified organism consultancies should be seen - and exposed - as the latest wave of biopolitical technicians, the disciplinarians of the global (but internalized)

panopticon. So, too, the nascent military guards and, of course, their regional henchmen, for whom the state is not a poisoned bequest - as it is for most of the people under their rule. Rather, it is their tool of plunder so long as they attempt to follow Empire's dictates. But the human rights activists, especially those who blend the classical cornerstones of civil rights with their socio-economic sisters to fight for *states* taking citizenship seriously (the internationally coordinated Jubilee 2000, for example, which tirelessly campaigns to end the third world's colossal debt burden)? They have to be etched into the new wave of global solidarity. Hardt and Negri assert as necessary. One asks - but could only ask at that point - how they fit into an analysis of this continent informed by *Empire's* passions, principles, and perspectives. How do these itinerants of Empire fit in with *Empire's* desire to free the (still only partially proletarianized, and *not* very powerful) poor?

Yet later in the book, the chroniclers of Empire forget their primary pessimism and change their position almost completely. Nearly three hundred pages on, the same nongovernmental organizations (although in the case of one, the first letters had been changed) and a plethora of others had become "the newest and perhaps most important forces in the global civil society." Hardt and Negri dismiss those who suggest that the nongovernmental organizations are naught but the nice face of neoliberalism (although they miss a few of the best critics of that phenomenon). They celebrate the view that a "subset" of the nongovernmental organizations "strive to represent the least among us, those who cannot represent themselves [...] [They] are in fact the ones that have come to be among the most powerful and prominent in the contemporary global order." The chroniclers of Empire's contradictions go even further: they assert that the humanitarian nongovernmental organizations do more than "represent the global People in its entirety" and "represent [...] the vital force that underlies the People and thus they transform politics into a question of generic life, life in all its generality." What one could call the "popular" as opposed to the technocratic nongovernmental organizations "extend far and wide in the humus of biopower; they are the capillary ends of the contemporary networks of power, or [...] they are the broad base of the triangle of global power."

How can the gap between these two perspectives be reconciled? Perhaps *Empire* contains a sleight of hand that allows one to go beyond what at first glance seems a big difference between the two statements on what might or might not be a new sphere of global solidarity. Indeed, the humanitarian international, in spite of its moralistic nature, may actually be closer to the globally nomadic labor force imagined by Hardt and Negri than the real thing. They come close to modern-day Francis of Assisi, too. They are the ascetics' international, rhizomed via the Internet to rouse the multitude.

Yet the problem might be that the nongovernmental organizations are still stuck in the mode of "representing" the "people." Thus they are trapped on the terrain of "democracy" which, for Hardt and Negri, is more about subjection to the nation-state's sovereignty than a medium of liberation, and as much about "discipline" as "redistribution." Nongovernmental organizations, then, do not go all the way. As long as they represent the "People" they actually "organize the multitude according to a representational schema so that the People can be brought under the rule of the regime and the regime can be constrained to satisfy the needs of the People." Thus the nongovernmental organizations become functional equivalents of the nation-state. Yet is that not better than being Trojan horses for Empire's military interventions, as Hardt and Negri presented originally? And anyway, Hardt and Negri's last confrontation with the nongovernmental organizations is not as harsh as its usual dismissal of democracy: it is positive. Perhaps their ambiguity about nongovernmental organizations is resolved in their perception of democracy but that, in turn, raises another problematic so long as it is confined within the boundaries of capital and nation-state. Whether a new form of global democracy and reciprocity can "develop" Africa without its going through the travails of primitive accumulation and nation-state construction is a very big question.

## Africa and the Conclusion of Empire

Thus it can be concluded that some of Empire's merits trickle down to Africa, but one has the impression that if Hardt and Negri's multitude shake off the shackles



of Empire, Africa still will have to pass through a lot of pain. Thus *Empires* messages for radical Africanists are mixed. There is no doubt it must be read. However, those who have not passed through the maelstroms of primitive accumulation (not fully subjected to the "ransacking (of) the whole world" of which Rosa Luxemburg spoke, the construction of state-nation sovereignty, and democratization, and then through the rhizomes of the Internet to the age of post-modernity probably cannot read it. And basic literacy training may be just too boring for Hardt and Negri's imagined multitude in the West. The problem is, it is too boring for most of the current rulers of the illiterate

multitude, too, caught up as they are in the conspicuous and consequenceless consumption demanded by postmodern marketing and offered by the captains of Empire. These rulers are, of course, objectively illegitimate: that is, they are the ones who at best would turn the "multitude" into the "people," at worst exploit them to death - through war as well as the most primitive means of extracting their labor-power. Thus, the task for those who would help turn the "people" into the "multitude" is to make these rulers accountable - if not disappear. This would seem to be an issue of "democracy," but that concept is stated only between *Empire's* lines, and not boldly enough.

## READING 34

### The New World Order (They Mean It)

**Stanley Aronowitz**

Although *Empire* sometimes strays from its central theme, it is a bold move away from established doctrine. Hardt and Negri's insistence that there really is a new world is promulgated with energy and conviction. Especially striking is their renunciation of the tendency of many writers on globalization to focus exclusively on the top, leaving the impression that what happens down below, to ordinary people, follows automatically from what the great powers do. In the final chapters they try to craft a new theory of historical actors, but here they stumble, sometimes badly. The main problem is that they tend to overstate their case. From observations that the traditional forces of resistance have lost their punch, the authors conclude that there are no more institutional "mediations." Not so fast.

One of the serious omissions in *Empire's* analysis is a discussion of the World Trade Organization, the International Monetary Fund and the World Bank, three of the concrete institutions of the repressive world government of Empire. Lacking an institutional perspective - except with respect to law - Hardt and Negri are unable to anticipate how the movement they would bring into being might actually mount effective resistance. Although not obliged to provide a program

for a movement, the authors do offer indicators of which social forces may politically take on the colossus. Having argued that institutions such as trade unions and political parties are no longer reliable forces of combat, they are left with the postmodern equivalent of the nineteenth-century proletariat, the "insurgent multitude." In the final chapters of the book, incisive prose gives way to hyperbole, and the sharp delineation of historical actors melts into a vague politics of hope. Insisting that "resistance" precedes power, they advocate direct confrontation, "with an adequate consciousness of the central repressive operations of Empire" as it seeks to achieve "global citizenship." At the end, the authors celebrate the "nomadic revolutionary" as the most likely protagonist of the struggle.

The demonstrations against the WTO in Seattle last December and the subsequent anti-IMF and World Bank protests in Washington suggest a somewhat different story. The 40,000-plus demonstrators who disrupted the WTO meetings and virtually shut down the city consisted of definite social groups: a considerable fraction of the labor movement, including some of its top leaders, concerned that lower wages and human rights violations would both undermine their standards and intensify exploitation; students who have been

protesting sweatshop labor for years and are forcing their universities to cease buying goods produced by it; and a still numerous, if battered, detachment of environmentalists - a burgeoning alliance that appears to have continued.

These developments shed light on the existence of resistance to Empire but also on the problem of theories that wax in high abstractions. Events argue that some of the traditional forces of opposition retain at least a measure of life. While direct confrontation is, in my view,

one appropriate strategy of social struggle today, it does not relieve us of the obligation to continue to take the long march through institutions, to test their mettle. After all, "adequate consciousness" does not appear spontaneously; it emerges when people discover the limits of the old. And the only way they can understand the nature of the new Empire is to experience the frustrations associated with attempts to achieve reforms within the nation-state, even as the impulse to forge an international labor/environmentalist alliance proceeds.

## READING 35

# Adventures of the Multitude: Response of the Authors

**Michael Hardt and Antonio Negri**

[...]

## The Multitude inside Empire

[...] Our book does not provide a strong enough figure for the multitude, one that is able to support the legacy of the "revolutionary vocation of the proletariat."

[...] We should point out, however, that our theorizing of the multitude up to this point has remained abstract but is nonetheless a necessary response that corresponds to a real condition. One can consider the multitude in the first instance as a logical hypothesis that follows from our analysis of the economic, political, and cultural structures of Empire. Along with our analysis of the contemporary forms of power, then, we have to develop the analyses of classes and their composition, contradictions and crises, the will to escape the yoke of capital and to express the power of liberation. This is a first step in an analysis of the multitude as a revolutionary subject.

The global condition of the multitude follows in part from our conception of Empire itself. Our contention,

This article was written by Hardt and Negri in response to essays in their book *Empire*.

expressed most generally, is that Empire is a global form of sovereignty that includes within its constitution supranational organizations, national structures (including nation-states), and local or regional organisms. In other words, our notion of Empire does not indicate an end of the nation-state. Nation-states remain extremely important but their functions have been transformed *within* the order of Empire. At the highest level, one could say that only Empire (and no longer any nation-state) is capable of sovereignty in a full sense.

The primary objection [by] some [...] with regard to this notion of imperial sovereignty has to do with the centrality or not of the United States as nation-state in the imperial global order. This can refer (negatively) to our claim that it is inaccurate to conceive contemporary global order in terms of US imperialism or (positively) to our notion of the genealogy of the imperial constitutional figure that has developed primarily through US constitutional history. The former, however, our argument against the notion of US imperialism, has inspired the most criticism [...]. This is clearly a delicate issue for the Left in many parts of the world. One way of understanding our hypothesis is to look at it from the perspective of capital and the critique of capital: capital has globalized the system of sovereignty without identifying itself with any single nation-state.

The imperial power of capital is exercised on the basis of a "non place." In other words, there is no center of imperial power and equally no outside to imperial power. It is interesting that this proposition is difficult to understand for political thinkers on the Left and the Right, whereas from the standpoint of any stock exchange or from the offices of any multinational corporation it is clear that capital has no country and in fact resists the control of nation-states.

To say that imperial sovereignty is global and that it has no outside does not mean in any way that conditions across the world have become the same or even tend toward homogeneity. The passage to Empire does indeed lessen some differences but it creates and magnifies others. Our world is just as uneven and hierarchical as the imperialist world was, but its lines of division cannot be adequately conceived along national boundaries. Perhaps we should say that our maps of global inequalities need to become much more complex. The concept of Empire does imply, however, that despite these differences we all share the common condition of being inside Empire. Even those regions that are sometimes thought to be excluded from the circuits of global capital (sub-Saharan Africa is often cited) are clearly inside when considered, for instance, from the perspective of debt. We are all within the domain of imperial control. Being inside is the common condition of Empire.

One consequence of this conception of global Empire is that it undermines the foundation of the concept of the people. In the modern tradition, the people (whether democratic or not) is founded on the nation and a real or imagined national sovereignty. As national sovereignty declines and the bounded national space dissolves, the people becomes unthinkable. What does it mean in our contemporary situation to pose the problem of a new subject that is not a people but is rather a multitude? Conceptually the difference should be clear: the notion of the people organizes the population into a bounded unity whereas the multitude conceives the population as an unbounded multiplicity. In *Empire* we allude to a variety of multitudes: the multitude in exodus, the multitude of barbarians, the multitude of the poor, and so forth. Some political consequences of these conceptions of the multitude are already clear. It is clear, for example, that we must move beyond the discourse of "the class that is made

into a people" in which differences are made generic. This discourse has been hegemonic throughout the modern history of socialism and communism, but such a strategy will no longer work and is no longer desirable (if in fact it ever was). The multitude will not be made into a people. It is not a class properly speaking, despite the fact that it does contain, within its multiplicity, all the characteristics of the working class, the stigmata of exploitation, misery, and alienation. We must thus move beyond the discourse of the working class as people because it is no longer valid analytically or politically and we must abandon all nostalgia for that revolutionary figure. We must maintain, however, its amplitude, its powers, its will to resist exploitation, its spirit of revolt against the capitalist state, and its inventive force applied to the constitution of a future.

Where and who is this multitude, this new revolutionary subject? A host of authors [...] pose this question. This is indeed the right question to ask. What characterizes the real existence of the multitude today and what elements could help constitute it as a political subject?

## The Power of Decision of the Multitude

The discourse of the multitude also must be developed with respect to its power for common political action. Earlier we emphasized the multiplicity of the concept of the multitude in contrast to the people, which tends to reduce multiplicity to unity. Now we must focus on the other aspect of the multitude - that is, how it is distinguished from the fundamentally passive conceptions of collective political subjectivity, such as the mob, the crowd, or the masses. How can the multitude make a "decision" and make itself a determinate force of transformation? [...] We should point out that this question itself goes against some of the fundamental assumptions of modern European political theory. According to that tradition only the one can decide and only a unity can act coherently; multiplicities are necessarily passive and incoherent. This is a basic axiom of the modern theory of sovereignty. We need to think, on the contrary, how the multitude, without denying its multiplicity, can take a decision and act

effectively. We need to develop a political theory without sovereignty.

Our point of departure for beginning to address this question is the real transformative actions of the multitude. Three fundamental elements constitute the actions of the multitude: resistance, insurrection, and constituent power, or really, if one does not want to be so theoretical, micropolitical practices of insubordination and sabotage, collective instances of revolt, and finally Utopian and alternative projects. These are the capacities of the multitude that are real and constantly present. Our hypothesis, then, is that in order for the multitude to act as a subject these three elements must coincide in a coherent project of counterpower. We need to discover a way that every micropolitical expression of resistance pushes on all the stages of the revolutionary process; we need to create a situation in which every act of insubordination is intimately linked to a project of collective revolt and the creation of a real political alternative. How can this be created, however, and who will organize it?

The obvious temptation here is to repeat, with regard to the multitude, the operation that (in his time) Rousseau operated on bourgeois society to make it into a political body. This is just the temptation, however, that we need to recognize and avoid, because for us the path leads in the opposite direction. It is not true that there can be no multiple agent without being unified. We have to overturn that line of reasoning: the multitude is not and will never be a single social body.

On the contrary, every body is a multitude of forces, subjects, and other multitudes. These multitudes assume power (and thus are capable of exercising counterpower) to the extent that they are enriched through this common productivity, that they are transformed through the force of invention they express, that they reveal and radically remake, through practices of commonality and mixture, their own multiple bodies. Self-valorization, revolution, and constitution: these become here the components of the capacity of decision of the multitude - a multitude of bodies that decides.

How can all this be organized? Or better, how can it adopt an organizational figure? How can we give to these movements of the multitude of bodies, which we recognize are real, a power of expression that can be shared? We still do not know how to respond to these questions. In the future, perhaps, we will have accumulated enough new experiences of struggle, movement, and reflection to allow us to address and surpass these difficulties - constituting not a new body but a multiplicity of bodies that come together, commonly, in action. We would like that the critiques of our book, *Empire*, be directed toward this incapacity of ours to give a complete response to these (and other) questions. We hoped that in writing *Empire* we would provide an argument that would stimulate debate. Risking being wrong is better than remaining silent. Ours is, after all, part of a collective project of all those who really think that the revolution of this world and the transformation of human nature are both necessary and possible.

# Network Society and Informationalism

This chapter begins with an overview by Manuel Castells of his theory of the network society. Castells examines the emergence of a new global reality, society, culture, and economy in light of the revolution, begun in the United States in the 1970s, in informational technology (television, computers, PDAs, etc.). This revolution led, in turn, to a fundamental restructuring of the global capitalist system beginning in the 1980s and to the emergence of what Castells calls "informational capitalism" and "informational societies" (although with important differences among and between them). Both are based on "informationalism" which combines forces of production with knowledge and information. The information paradigm has five basic characteristics:

- 1 There exist technologies that act on information.
- 2 These technologies have a pervasive effect as information becomes a part of all human activity.
- 3 All systems using information technologies are defined by a "networking logic" that allows them to affect a wide variety of processes and organizations.
- 4 The new technologies are highly flexible, allowing them to adapt and change constantly.
- 5 The specific technologies associated with information are merging into a highly integrated system.

A new, increasingly profitable global informational economy has emerged. It is *informational* because the productivity of firms and nations depends on their ability to generate, process, and apply knowledge-based information efficiently. It is *global* because it has the "capacity to work as a unit in real time on a planetary scaled. This globality is made possible for the first time by the new information and communication technologies. And it is "informational, not just information-based, because the cultural-institutional attributes of the whole social system must be included in the diffusion and implementation of the new technological paradigm." While it is a global system, there are regional differences, even among those that are at the heart of the new global economy (North America, EU, Asian Pacific). Other regions (e.g. sub-Saharan Africa) are largely excluded, as are parts of the privileged regions (e.g. inner cities in the US).

Along with the rise of the new global informational economy is a new organizational form, the *network enterprise*, characterized by flexible (rather than mass) production, new management systems (often adopted from the Japanese), horizontal versus vertical models of organization, and the intertwining of large corporations in strategic alliances. Most important is the series of networks that make up the organization. The network

organization is the materialization of the culture of the global informational economy; it makes possible the transformation of signals into commodities through the processing of knowledge. As a result, the nature of work is being transformed (e.g. flexitime), at least in developed nations.

Accompanying the development of multimedia out of the fusion of the mass media and computers has been the emergence of a culture of *real virtuality* "in which virtuality [e.g. the hypertext on the Internet] becomes a fundamental component of our symbolic environment, and thus of our experience as communicating beings."<sup>1</sup>

In contrast to the past dominated by "the spaces of places" (e.g. cities like New York or London), a new spatial logic, the "space of flows," has emerged. We have become a world dominated by processes rather than physical locations (which, of course, continue to exist). Similarly, we have entered an era of "timeless time" in which, for example, information is instantly available anywhere in the globe.

Beyond the network enterprise, the most important functions and processes in the information age are increasingly dominated by *networks* or "interconnected nodes" which are open, capable of unlimited expansion, dynamic, and able to innovate without disrupting the system. For the time being at least, capitalism has adopted such networks and created the "casino capitalism" (where money rather than production predominates) that allowed capitalism to become truly global and that dominated the 1990s and into the early twenty-first century. It was this, of course, that was responsible for the economic collapse beginning in 2007 which spread

so rapidly around the globe because of networks. The state is rendered increasingly powerless in such a global system (the state becomes simply a node in a broader power network), and while counter-movements to the excesses of capitalism arise, they too are characterized by networks.

While a fan of Castells's earlier work (where Castells made important contributions to understanding the city), Peter Marcuse is a severe critic of his thoughts on the network society. He discusses a number of criticisms of Castells's more recent thinking under the following headings, among others:

- Human agency is eradicated in, for example, financial flows operated by electronic networks.
- Exclusion is a concern, but there is little discussion of those doing the excluding.
- The whole argument is presented in a passive voice (e.g. "relations of production have been transformed" rather than "capitalists have transformed those relations").
- Objects, things, structures appear to act.
- Even globalization seems to act; to be an actor; to be all-powerful.
- Conflict is bypassed or suppressed.
- Identities, and the social movements related to them, are reactive rather than active.
- Space is depoliticized.

Overall, in his later work, Castells comes off at the minimum as a disinterested observer and cataloguer of the contemporary world, and at the extreme as a supporter of the status quo.

## NOTES

1 Manuel Castells, *The Rise of the Network Society*. Malden, MA: Blackwell Publishers, 1996, 92.

2 *Ibid.*, 91.

3 Manuel Castells, "Toward a Sociology of the Network Society." *Contemporary Society* 29, 5, 2000: 694.



## Toward a Sociology of the Network Society

**Manuel Castells**

### The Call to Sociology

The twenty-first century of the Common Era did not necessarily have to usher in a new society. But it did. People around the world feel the winds of multi-dimensional social change without truly understanding it, let alone feeling a grasp upon the process of change. Thus the challenge to sociology, as the science of study of society. More than ever society needs sociology, but not just any kind of sociology. The sociology that people need is not a normative meta-discipline instructing them, from the authoritative towers of academia, about what is to be done. It is even less a pseudo-sociology made up of empty word games and intellectual narcissism, expressed in terms deliberately incomprehensible for anyone without access to a French-Greek dictionary.

Because we need to know, and because people need to know, more than ever we need a sociology rooted in its scientific endeavor. Of course, it must have the specificity of its object of study, and thus of its theories and methods, without mimicking the natural sciences in a futile search for respectability. And it must have a clear purpose of producing objective knowledge (yes! there is such a thing, always in relative terms), brought about by empirical observation, rigorous theorizing, and unequivocal communication. Then we can argue - and we will! - about the best way to proceed with observation, theory building, and formal expression of findings, depending on subject matter and methodological traditions. But without a consensus on sociology as science - indeed, as a specific social science - we sociologists will fail in our professional and intellectual duty at a time when we are needed most. We are needed because, individually and collectively, most people in the world are lost about the meaning of the whirlwind

we are going through. So they need to know which kind of society we are in, which kind of social processes are emerging, what is structural, and what can be changed through purposive social action. And we are needed because without understanding, people, rightly, will block change, and we may lose the extraordinary potential of creativity embedded into the values and technologies of the Information Age. We are needed because as would-be scientists of society we are positioned better than anyone else to produce knowledge about the new society, and to be credible - or at least more credible than the futurologists and ideologues that litter the interpretation of current historical changes, let alone politicians always jumping on the latest trendy word.

So, we are needed, but to do what? Well, to study the processes of constitution, organization, and change of a new society, probably starting with its social structure - what I provisionally call the network society.

### A New Society

Except for a few stubborn academic economists, there is widespread consensus that we have entered a new economy. I contend we are also living in a new society, of which the new economy is only one component. Since this society will unfold, throughout the world, during the twenty-first century, the survival of sociology as a meaningful activity depends on its renewal, in accordance with the new phenomena to be studied and the new analytical issues to be tackled. But what is this new society? Since the focus of this article is on sociology, not society, I have no option but to be schematic and declarative, rather than analytical, taking the liberty to refer the reader to my trilogy on the matter (Castells [1996] 2000a). Here are, in my view, the main dimensions of social change that, together and in their

interaction, constitute a new social structure, underlying the "new society."

First is a new technological paradigm, based on the deployment of new information technologies and including genetic engineering as the information technology of living matter. I understand technology, following Claude Fischer (1992), as material culture - that is, as a socially embedded process, not as an exogenous factor affecting society. Yet we must take seriously the material transformation of our social fabric, as new information technologies allow the formation of new forms of social organization and social interaction along electronically based information networks. In the same way that the industrial revolution, based upon generation and distribution of energy, could not be separated from the industrial society that characterized the last two centuries, the information technology revolution, still in its early stages, is a powerful component of multidimensional social change. While new information technologies are not causal factors of this social change, they are indispensable means for the actual manifestation of many current processes of social change, such as the emergence of new forms of production and management, of new communication media, or of the globalization of economy and culture.

The second dimension of social change is, precisely, globalization, understood as the technological, organizational, and institutional capacity of the core components of a given system (e.g., the economy) to work as a unit in real or chosen time on a planetary scale. This is historically new, in contrast with past forms of advanced internationalization, which could not benefit from information and communication technologies able to handle the current size, complexity, and speed, of the global system, as it has been documented by David Held et al. (1999).

The third dimension is the enclosing of dominant cultural manifestations in an interactive, electronic hypertext, which becomes the common frame of reference for symbolic processing from all sources and all messages. The Internet (248 million users currently, in 2000; 700 million projected by the end of 2001; 2 billion by 2007) will link individuals and groups among themselves and to the shared multimedia hypertext. This hypertext constitutes the backbone of a new culture, the culture of real virtuality, in which virtuality

becomes a fundamental component of our symbolic environment, and thus of our experience as communicating beings.

The fourth axis of change, largely a consequence of the global networks of the economy, communication, and knowledge and information, is the demise of the sovereign nation-state. Not that current nation-states will disappear in their institutional existence, but their existence as power apparatuses is profoundly transformed, as they are either bypassed or rearranged in networks of shared sovereignty formed by national governments, supranational institutions, conational institutions (such as the European Union, NATO, or NAFTA), regional governments, local governments, and NGOs, all interacting in a negotiated process of decision making. As a result, the issue of political representation is redefined as well, since democracy was constituted in the national enclosure. The more key decisions have a global frame of reference, and the more people care about their local experience, the more political representation through the nation-state becomes devoid of meaning other than as a defensive device, a resource of last resort against would-be tyrants or blatantly corrupt politicians. In another axis of structural change, there is a fundamental crisis of patriarchy, brought about by women's insurgency and amplified by gay and lesbian social movements, challenging heterosexuality as a foundation of family. There will be other forms of family, as egalitarian values diffuse by the day, not without struggle and setbacks. But it is difficult to imagine, at least in industrialized societies, the persistence of patriarchal families as the norm. The real issue is how, at which speed, and with which human cost, the crisis of patriarchy will extend, with its own specific forms, into other areas around the world. The crisis of patriarchy, of course, redefines sexuality, socialization, and ultimately personality formation. Because the crisis of the state and of the family, in a world dominated by markets and networks, is creating an institutional void, there are (and increasingly will be) collective affirmations of primary identity around the key themes of religion, nation, ethnicity, locality, which will tend to break up societies based on negotiated institutions, in favor of value-founded communes.

Last, but not least, progress in scientific knowledge, and the use of science to correct its own one-sided



development, are redefining the relationship between culture and nature that characterized the industrial era. A deep ecological consciousness is permeating the human mind and affecting the way we live, produce, consume, and perceive ourselves. We are just at the beginning of a most extraordinary cultural transformation that is reversing the course of thought that has prevailed among the world's dominant groups since the Enlightenment.

This new society was produced during the last quarter of the twentieth century, through the interaction among three independent processes that happened to coincide in time: the revolution in information technology; the socioeconomic restructuring of both capitalism and statism (with different fates for these antagonistic modes of production); and the cultural social movements that emerged in the 1960s in the United States and Western Europe. While this multidimensional social change induces a variety of social and cultural expressions in each specific institutional context, I propose the notion that there is some commonality in the outcome, if not in the process, at the level where new social forms are constituted - that is, in the social structure. At the roots of the new society, in all its diversity, is a new social structure, the network society.

## The Network Society: the Social Structure of the Information Age

The new society is made up of networks. Global financial markets are built on electronic networks that process financial transactions in real time. The Internet is a network of computer networks. The electronic hypertext, linking different media in global/local connection, is made up of networks of communication - production studios, newsrooms, computerized information systems, mobile transmission units, and increasingly interactive senders and receivers. The global economy is a network of financial transactions, production sites, markets, and labor pools, powered by money, information, and business organization. The network enterprise, as a new form of business organization, is made of networks of firms or subunits of firms organized around the performance of a business project. Governance relies on the articulation among

different levels of institutional decision making linked by information networks. And the most dynamic social movements are connected via the Internet across the city, the country, and the world.

Networks are, however, a very old form of social organization. But throughout history, networks had major advantages and a major problem. Their advantages are flexibility and adaptability, characteristics essential for managing tasks in a world as volatile and mutable as ours. The problem was the embedded inability of networks to manage complexity beyond a critical size. Networks were historically useful for personal interaction, for solidarity, for reciprocal support. But they were bad performers in mobilizing resources and focusing these resources on the execution of a given task. Large, centralized apparatuses usually outperformed networks in the conduct of war, in the exercise of power, in symbolic domination, and in the organization of standardized, mass production. Yet this substantial limitation of networks' competitive capacity was overcome with the development of new information/communication technologies, epitomized by the Internet. Electronic communication systems give networks the capacity to decentralize and adapt the execution of tasks, while coordinating purpose and decision making. Therefore, flexibility can be achieved without sacrificing performance. Because of their superior performing capacity, networks, through competition, are gradually eliminating centered, hierarchical forms of organization in their specific realm of activity.

A network is a set of interconnected nodes. Networks are flexible, adaptive structures that, powered by information technology, can perform any task that has been programmed in the network. They can expand indefinitely, incorporating any new node by simply reconfiguring themselves, on the condition that these new nodes do not represent an obstacle to fulfilling key instructions in their program. For instance, all regions in the world may be linked into the global economy, but only to the point where they add value to the value-making function of this economy, by their contribution in human resources, markets, raw materials, or other components of production and distribution. If a region is not valuable to such a network, it will not be linked up; or if it ceases to be valuable, it will be switched off, without the network as a whole suffering major inconvenience. Naturally, networks based on

alternative values also exist, and their social morphology is similar to that of dominant networks, so that social conflicts take the shape of network-based struggles to reprogram opposite networks from the outside. How? By scripting new codes (new values, for instance) in the goals organizing the performance of the network. This is why the main social struggles of the information age lie in the redefinition of cultural codes in the human mind.

The prevalence of networks in organizing social practice redefines social structure in our societies. By *social structure* I mean the organizational arrangements of humans in relationships of production/consumption, experience, and power, as expressed in meaningful interaction framed by culture. In the Information Age, these specific organizational arrangements are based on information networks powered by microelectronics-based information technologies (and in the near future by biologically based information technologies). Under the conditions of this new, emerging social structure, sociology must address several conceptual and methodological issues in order to be equipped to analyze core processes of social organization and social practice.

## Theorizing Social Structure as Interactive Information Networks

The study of social networks is well established in sociological research, spearheaded in contemporary American sociology by Wellman (e.g., 1999), Fischer (e.g., 1992), and Granovetter (e.g., 1985). There is also an international association for the study of social networks, which constitutes a fruitful milieu of research. It can provide concepts and methods that will foster understanding of social networks as specific forms of organization and relationship, including electronic communication networks. Yet, while building on this tradition, I advance the notion that twenty-first-century sociology will have to expand the network-based perspective to the analysis of the entire social structure, in accordance with current trends of social evolution. This implies more than analyzing social networks. It will require reconceptualizing many social processes and institutions as expressions of networks, moving away from conceptual frameworks organized around the notion of centers and hierarchies.

For the sake of communication, I will use two illustrations to make my case, taking them from two different and very traditional sociological fields: industrial sociology and urban sociology. I will then draw some general theoretical implications from this change of perspective.

The prevailing form of business organization emerging in advanced societies and diffusing throughout the global economy is *the network enterprise*, which I define, in sociological terms, as the specific form of enterprise whose system of means is constituted by the intersection of segments of autonomous systems of goals. It follows a complete transformation of relationships of production and management, and thus of the occupational structure on which social structure is largely based. How can we conceptualize the role of producers of information in their differential position along an interactive network? How can we conceptualize the variable geometry of new industrial organizations, based on firms' permeable boundaries, bringing together workers, capital, and knowledge in specific projects that form, dissolve, and reform under a different configuration? Yes, work, workers, exploitation, cooperation, conflict, and negotiation do not disappear, but the ensuing individualization of the relationship between management and labor and the ephemeral character of project-based, industrial organizations require a new conceptual apparatus, focusing on networked relationships rather than on vertical hierarchies. In this perspective, I propose to conceptualize the new occupational structure around the interaction among three dimensions of production relationships: value making, relation making, and decision making.

For value making, in an information-based production process, we may differentiate various structural positions: the commanders (or strategists), the researchers, the designers, the integrators, the operators, and the human terminals. Relation making defines another set of positions: the networkers, the networked, and the switched-off. And the relative positioning in decision making differentiates among the deciders, the participants, and the executors. The three dimensions are analytically independent. Thus, the empirical observation of the various arrangements among different positions in the three dimensions built around the performance of a given project may yield some clues on the emergence of new social relationships of production, at the source of new social structure.

A second example: the transformation of spatial structure, a classic theme of urban sociology. With the diffusion of electronically based communication technologies, territorial contiguity ceases to be a precondition for the simultaneity of interactive social practices. But "the death of distance" is not the end of the spatial dimension of society. First, the "space of places," based in meaningful physical proximity, continues to be a major source of experience and function for many people and in many circumstances. And second, distant, interactive communication does not eliminate space; it transforms it. A new form of space emerges - "the space of flows." It is made of electronic circuits and information systems, but it is also made of territories, physical places, whose functional or symbolic meaning depends on their connection to a network, rather than on its specific characteristics as localities.

The space of *flows* is made of bits and pieces of places, connected by telecommunications, fast transportation, and information systems, and marked by symbols and spaces of intermediation (such as airports, international hotels, business centers, symbolized by de-localized architecture). For instance, in recent years there has been considerable debate about the emergence of "the global city." The global city is not just a major metropolitan center that ranks high in the worldwide geography of management of wealth and information. For such cities (New York, London, Tokyo, Paris, or Sao Paulo) we already had the descriptive notion of "world city," proposed 20 years ago. The global city, in the strict analytical sense, is not any particular city. And empirically it extends to spaces located in many cities around the world, some extra-large, others large, and still others not so large. The global city is made of territories that in different cities ensure the management of the global economy and of global information networks. Thus, a few blocks in Manhattan are part of the global city, but most of New York, in fact most of Manhattan, is very local, not global. These globalized segments of Manhattan are linked to other spaces around the world, which are connected in networks of global management, while being loosely connected to their territorial hinterlands.

So the global city is a network of noncontiguous territories, reunited around the task of managing globalism by networks that transcend locality (Graham and Simon 2000). From this theoretical perspective we

can develop models to analyze the new spatial forms constituted around interterritorial networks, and then examine their differential relationship to their surrounding, local environments. Thus, it is the connection between local and global, rather than the "end of geography" in the age of globalization, that becomes the appropriate perspective for the new urban sociology (Borja and Castells 1997). Networks of discontinuous places in interaction with a diverse range of localities are the components of the new sociospatial structure. The central analytical question then becomes how shared social meaning is produced out of disjointed spatial units reunited in a purely instrumental, global logic (Castells 2000b). By redefining spatial structure on the basis of a networking logic, we open up a new frontier for one of the oldest sociological traditions, urban sociology.

The analysis of social structures as a multidimensional, evolving system of dynamic networks may help explain social evolution in the Information Age. Indeed, networks are dynamic, self-evolving structures, which, powered by information technology and communicating with the same digital language, can grow, and include all social expressions, compatible with each network's goals. Networks increase their value exponentially as they add nodes. In formal terms, as proposed years ago by computer scientist and Internet entrepreneur Bob Metcalfe, the value of a net increases as the square of the number of nodes on the net. (The precise formula is  $V = n^2$  where  $V^*$  is the value of the network and  $n$  the number of nodes). Thus, a networked social structure is an open system that can expand indefinitely, as long as the networks included in the meta-network are compatible.

The issue arises, then, of the contradictions among networks, which lead to conflicts and social change. In fact, network theory could help solve one of the greatest difficulties in the explanation of social change. The history of sociology is dominated by the juxtaposition of and lack of integration between the analysis of social structure and the analysis of social change. Structuralism and subjectivism have rarely been integrated in the same theoretical framework. A perspective based on interactive networks as the common basis for social structure and social action may yield some theoretical results by ensuring the communication, within the same logic, between these two planes

of human practice. A social structure made up of networks is an interactive system, constantly on the move. Social actors constituted as networks add and subtract components, which bring with them into the acting network new values and interests defined in terms of their matrix in the changing social structure. Structures make practices, and practices enact and change structures following the same networking logic and dealing in similar terms with the programming and reprogramming of networks' goals, by setting up these goals on the basis of cultural codes.

A theory based on the concept of a social structure built on dynamic networks breaks with the two reductionist metaphors on which sociology was based historically: the mechanical view of society as a machine made up of institutions and organizations; and the organicist view of society as a body, integrated with organs with specific bodily functions. Instead, if we need a new metaphor, the sociology of the network society would be built on the self-generating processes discovered by molecular biology, as cells evolve and develop through their interaction in a network of networks, within the body and with their environment. Interactive networks are the components of social structure, as well as the agencies of social change. The sociology of the network society may be able to bridge structure and practice in the same analytical grasp.

## A New Methodology?

The renewal of the study of society cannot proceed just on theoretical grounds. Sociology is an empirical science, within all the limits inherent to the constraints of observation under non-experimental conditions. Thus, new issues, new concepts, new perspectives require new tools. The emergence of interactive information networks as the backbone of social structure makes even more acute the need to take up the greatest methodological challenge for empirical research in sociology. While most of our analytical tools are based on linear relationships, most social phenomena - even more so in the network society - are characterized by nonlinear dynamics. But in the last two decades, we have witnessed the development of numerous research tools able to deal with nonlinear relationships.

On one hand, we have an expanding field of the new mathematics of complexity based on notions such as fractals, emergent properties, autopoietic networks, and the like (Capra 1996). Most of these mathematical discoveries remain confined to formal exercises with slight relationship to empirical research. But they are tools ready to be used, transformed, and perfected by able researchers with both the knowledge of the tools and the substantive knowledge to make sense of this formal language.

On the other hand, enhanced power of computers, and new, flexible computer programming languages, enable us to handle the complexity of an interactive network structure in precise terms. Computer-based system analysis of dynamic networks may constitute a fruitful approach through which observation and theory can be reconciled without excessive social reductionism. Simulation models in the social sciences got off to a bad start in the 1960s because their underlying theories were utterly simplistic, and computer programs were technically constrained by their set of rigid assumptions. But new computing capacity, in dynamic interaction of alternative assumptions processed at high speed, may change everything - as is already happening in biological research. In this sense, computational literacy (that is, knowing how to interact with computers, rather than just run statistical programs) may be a fundamental learning requirement for the current generation of young sociologists - those who will analyze the network society.

In doing so, they will be fortunate enough to have access to a huge pool of information via the Internet. Given knowledge of languages (or automated translation programs), access to global sources may liberate sociology from the embedded ethnocentrism of its observation. Each study may be comparative or cross-cultural in its approach, by contrasting observation generated *ex novo* in a particular study to the accumulated knowledge on the matter from global sources. Naturally, critique of sources as well as problems of methodological integration of diverse data will be necessary requisites for use of this wealth of information. The practice of meta-analysis, in full development in other sciences, particularly economics, may become a standard tool of sociological research. This would also require proper training and methodological guidance for sociologists to benefit from

expanded possibilities of information without being overwhelmed by it.

Overall, sociology should, and will, overcome the sterile, artificial opposition between quantitative and qualitative research, and between theory and empirical study. In the perspective of computational literacy, and with the formal integration of observations in a theory that conceives social structure as a network of interactive networks, it does not really matter what

comes from statistics or from ethnography. What matters is the accuracy of the observation, and its meaning. Thus, formal models scripted in the computer programs must be theoretically informed, yet able to be given information apt to answer the questions raised in the theory.

The sociology of the network society will develop through synergy among relevant theorizing, computational literacy, and sociological imagination.

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## READING 37

# Depoliticizing Globalization: From Neo-Marxism to the Network Society of Manuel Castells

**Peter Marcuse**

[...]

It is precisely the shift of focus away from the nature of, and the relationships among, social groups that marks Castells's trajectory. It is a move that suppresses the political, in the broad sense of the dynamic between the exercise of power and the resistance to it, and moves toward a determinism that undermines the relevance of political action. Power and conflicts over power disappear from view; classes, when they appear, have

a very subordinate role. Capitalism is conflated with globalization, but in an ambiguous and ahistorical fashion; technology, the media, demographic changes, the state appear as homogeneous, autonomous entities, actors themselves, behind whom actual actors are not to be seen. It is a classic case of reification, making the relations among human beings appear as a relationship among things, the relationships of social and economic position appear as relationships to or against

technology, to or against the ascendance of "information." In place of the tensions, the contradictions, the conflicts among human actors and groups as the motor of change, there is a march of technology, of organizational forms, of their own accord, inexorably, globally. Human actors only react to these developments (some benefit from them, but not much attention is paid to them, and they are not seen as more than passive participants in the march). The critique of globalization implicit and often explicit in the books concludes with an appeal to "us" to understand, communicate, become aware, together; any drawing of policy conclusions or indications for action is deliberately rejected. The discussion becomes depoliticized, both in its analysis and in its stance toward prescription: in Castells's words, "the power of flows takes precedence over the flows of power."

To be clear: by "depoliticized" I do not mean that Castells, or any other author, has an obligation to draw political conclusions and/or present political prescriptions as part of his or her work, although it may be desirable that more extend their work in these directions than now do. I mean rather that the political content present in the world Castells is analyzing is suppressed, played down, becomes incidental, in contrast to its role in reality. I take the political to be centered on relations of power among social actors; these play at best a secondary role in Castells's analysis, where they appear at all. The criticism is not that Castells fails to introduce a political analysis into the material he examines, but that he does not adequately deal with the content that is in fact in his material; not that he should politicize material that is nonpolitical, but that he has depoliticized material that is itself heavily political.

The problem is symbolized and encapsulated by the very title of Castells's *magnum opus*: *The Information Age*. What is central in the analysis is a technical development (and a somewhat mystified one at that [...]), not a social one. It makes the tools of production, rather than the relations of production, the characteristic of the age: thus the sequence might be: Stone Age, Bronze Age, Iron Age, Steam Age, Information Age, rather than Imperial Age, Feudal Age, Capitalist Age, Imperialist Age, Fordist Age, followed perhaps by various attempts at a further definition: Neo-Imperialist, Post-Fordist. The point is not the accuracy of any of these classification schemes, but what it is that is at the center of

them, what is taken as the indicative classificatory criterion. Even in traditional sociology and traditional economics, and certainly in Marx, it is the relations among and characteristics of groups within each society that are its defining characteristics. Not here.

The depoliticization of what would be, underneath it all, a sharp analysis of events can be traced in a number of areas. The language used systematically undermines the substance of the analysis and robs it of a political force it might otherwise have. A few examples highlight the issues here raised.

## The Eradication of Human Agency

A key aspect of depoliticization is to make everything that happens anonymous, actor-less. It is not merely the old agency versus structure argument within Marxism, for in those discussions both sides always assume that structure refers to the pattern of relations among actors, among classes, and the issues invoke scale, proportion, relative weight, scope of human agency within structure. With Castells, agency vanishes, actors disappear from sight. Both the language and the content of what he writes lead in this direction.

Castells does at times deal with the question of agency: "who are the capitalists?" he asks. He points out that there is no simple answer, that they are a "colorful array" of characters, and seems to open the door to a deeper discussion of class composition in advanced industrial societies and their global linkages. But then he proceeds: "above a diversity of human-flesh capitalists and capitalist groups there is a faceless collective capitalist, *made up of financial flows operated by electronic networks*." Important points do need to be made here as to the autonomy of individual capitalists, the difference between a conspiracy and a class, how power is exercised, and so on. But the discussion does not go in this direction. Instead, the conclusion is the flat statement that "there is not [...] such a thing as a global capitalist class." Rather, "capitalist classes are [...] appendixes to a mighty whirlwind." "Who are the owners, who the producers, who the managers, and who the servants, becomes increasingly blurred." Maybe to Castells, but not to the majority of the world's peoples, I would guess. This is depoliticization with a vengeance: not power relations, but a "mighty

whirlwind governs our actions [...] Power [...] is no longer concentrated in institutions (the state), organizations (capitalist firms), or symbolic controllers (corporate media, churches). It is diffused in global networks of wealth, power, information, and images [...] *The new power lies in the codes of information and in the images of representation around which societies organize their institutions [...] The sites of this power are people's minds.*" If power should be challenged, then, the entity responsible is the "society" which does the organizing; it does no good to criticize the state, or firms, or the media. The "realpolitik" of domination, to which Castells also refers elsewhere, is not the

## The Excluded Without the Excluders

In general there is much detail on those who are excluded, but not on those who exclude them. The process of exclusion is faceless, a world-historical process at the "end of millennium," not one for which any single group or class can be held accountable. In the substantial discussion of the exclusion of "the majority of the African population in the newest international division of labor," Castells concludes "that *structural irrelevance* (from the systems point of view) is a more threatening condition than dependency"; "a considerable number of humans [...] are irrelevant [...] from the perspective of the system's logic." Irrelevance is from "the system's" point of view, not from the point of view of those who can make no profit from the lives of the excluded. Some are excluded, but no one does the excluding. Actors disappear entirely in the blanket laid down by the language of sweeping phrases: "social forms and processes induced by the current process of historical change." (And one might raise the question of whether the excluded are really excluded from the system, or whether they are in fact quite useful for it but simply excluded from its benefits . . . )

In the conclusion to the third volume, Castells deals most explicitly with the question of who is responsible to the new informational/global economy. "The rule is still production for the sake of profit, and for the private appropriation of profit, on the basis of property rights - which is of the essence of capitalism. But [...] [w]ho are the capitalists?" The discussion then begins with a

logical description: a "first level" which "concerns *the holders of property rights.*" The "second level [...]" refers to *the managerial class.*" But here the reference to class ends; we get no closer than this to the flesh and blood of real actors. For "the third level [...] [has to do with] the nature of *global financial markets. Global financial markets, and their networks of management, are the actual collective capitalist [...] global financial networks are the nerve center of informational capitalism.*" So, in the end, the capitalists are not a "who" but a market; not those networking, but the network itself.

## The Passive Voice

Castells uses the passive voice constantly, where an active grammar would raise the question of exactly who is responsible, or, if simple agency is not adequate to explain structural patterns, what forces, what relationships of power, what institutions or practices are involved and should be held accountable. The problem occurs from the opening to the closing of the three volumes. In the first chapter, "global networks of instrumental exchanges selectively switch on and off individuals, groups, regions, and even countries, according to their relevance in fulfilling the goals processed in the network, in a relentless flow of strategic decisions [...]" **Our societies are increasingly structured around a bipolar opposition between the Net and the Self.** "The" Net (capitalized?) and "the" Self (capitalized?). Just what does that mean? Networks among some groups are indeed in opposition to the self-development of other groups; there is "opposition" in the patterns Castells describes, but not conflict. In fact, it is not "global networks of instrumental exchanges" but networks of specific corporations, power blocs, states that "switch on and off" very specific individuals, groups, regions, and countries - and not any random individuals, countries, etc., all characterized by their concern with the "Self," but poor and working people, Third World countries, women.

In the last chapter, the passive voice continues to color the discussion of the transformations the three volumes describe. "*Relations of production have been transformed.*" "[L]abor is redefined in its role as produced, and sharply differentiated according to workers' characteristics," and "generic labor is assigned a given

task." "[C]apital is as transformed as labor is in this new economy," just as Castells elsewhere gives ample evidence of who benefits and who is hurt. But the presentation shifts the focus away from any person's or group's responsibility and on to the tools, the instruments, the "networks of instrumental exchanges" used by some to achieve their results at the cost of others.

## The Imputation of Agency to Things

This is, in a sense, the mirror image of the disappearance of real actors from view: processes and relationships become reified, become actors themselves, autonomously, independently of human agency. Real actors disappear, and things become actors.

Technology becomes an independent actor, an autonomous force. We read sentences like: "technology has transformed the political role of the media." Not that political actors have taken advantage of technological developments to use media in a new role; the technology itself achieves the transformation. The new "techno-economic paradigm [...] is based primarily on [...] cheap inputs of information." The role of the media is indeed analyzed perceptively, even with an undertone of moral condemnation, but, since technology is to blame, there is no suggestion that calls for different ownership or control of the media would make a difference. The kind of media analysis undertaken by writers such as Herbert Gans, Noam Chomsky, or Douglas Kellner is not mentioned.

The opposite view is also to be found in Castells, with the contradictions unresolved. For instance, elsewhere Castells explicitly abjures technological determinism; he could hardly have said it more bluntly: "The Information Technology Revolution DID NOT create the network society." Yet, as is frequently the case, the language of the discussion constantly contradicts the broad theoretical statement. Technology is an independent process, independent both of economics and culture. At the same time, "Information technology bec[omes] the indispensable tool for the effective implementation of processes of socio-economic restructuring." The ambivalence as to the explanatory role of technology *vis-à-vis* socioeconomic restructuring runs throughout the discussion. For any analysis of the politics of the developments he describes, clarity

on that issue would seem vital, since if it is "technology that transforms," little can be done about it, absent Luddite initiatives, but if socioeconomic forces are involved, they can indeed be addressed, and with them the uses to which technology is put.

## Globalization as "Actor," Ail-Powerful

It is treated as an entity, an active force; indeed, if the whirlwind has a name, it is globalization. Yet the precise meaning of globalization remains fuzzy. In volume 1 it appears primarily as a globalization of the economy, coupled necessarily with "informationalism," as a "historical discontinuity" from the past. In volume 2 its sweep is broader, and it assumes cultural and social forms as well. The issue of its newness "does not concern my inquiry." Yet we read that "globalization [...] dissolves the autonomy of institutions, organizations, and communication systems." If that is the case, just what globalization is, whether it is a new phenomenon or not, becomes critical, despite Castells's claim to the contrary. The picture suggests that not specific actors, not multinational corporations overriding national boundaries, not capital moving without effective restraint to and from wherever it wishes are at work, but the anonymous process of globalization. If globalization is not new, then we might well ask whether it is not capitalism as such, perhaps simply in a further advanced form, which is responsible for the developments Castells accurately describes. And if it is indeed capitalism, then capitalists might also bear some responsibility, and the political content of the conceptualization becomes clear. With the shift of focus to globalization, that political content disappears.

Nowhere is there an intimation that globalization is a process that can be altered or stopped, that really existing globalization is not the only form globalization might take. Globalization is presented as whirlwind, sweeping everything in its path.

## Conflict Is Bypassed or Suppressed

The second volume, titled *The Power of Identity*, focuses on social movements, which are defined "as being:



purposive collective actions whose outcome, in victory as in defeat, transforms the values and institutions of society." The implication here is that conflict, victory or defeat, is the essence of what social movements are about, with those who support and represent the "values and institutions of society" as their clear antagonists. Conflict might thus be expected to be a critical element in the discussion of social movements, now discussed under the rubric of "identity." But in what follows "social actors [...] excluded from [...] the individualization of identity [...] in the global networks of power and wealth" are not engaged in conflict with those who have excluded them (nameless; see below), but rather these social actors are engaged in a search "for the construction of meaning." Their organizations, social movements, are not movements defined by conflict with those who have deprived them of meaning (and, presumably, of key material resources for living a decent life - the term "exploitation" does not feature in any of the three volumes). They are "cultural communes," "organized around a specific set of values [...] marked by specific codes of self-identification." As elsewhere, Castells has it both ways.

In the end, there need not be conflict; ultimately, the solution is for "all urban [*sic*] agents [to develop] a city project which impregnates civic culture and manages to achieve broad consensus." The earlier centrality of conflict has given way to the anticipation of consensus.

## Identity (Social Movements) Becomes a Reactive Phenomenon

What identities react to, and indeed the definition of identity, is unclear. A formal definition is provided: "I mean by identity the process by which an actor [...] constructs meaning primarily on the basis of a given cultural attribute [...] to the exclusion of a broader reference to other social structures." Why an identity thus constructed cannot also have reference to other social structures is uncertain, and indeed in many examples in volume 2 they clearly do, for example, the feminist movement or the civil rights movement. And within a few pages fundamentalism, clearly taken as an identity movement, is put forward as a reaction to the exclusion of large segments of societies, presumably

a "reference to other social structures." And why is a working-class identity not an identity? And to what are "identities" reacting? In one place it is to "the logic of apparatuses and markets," in other words, to social circumstances; in other places it is to globalization; in others, to "excluders"; in another, to "the crisis of patriarchalism"; in still another, to "the unpredictability of the unknown." Granted that identities are indeed very diverse, in what sense can one then use the category as a meaningful single concept?

And yet, in the discussion, the functional differences among identities in the end disappear; all identities are treated as reactions, and reactions against generalized processes. Enemies do not appear; processes operate without operators or subjects. Although there is detailed and perceptive discussion of resistance movements in volume 2, the resistance is not against any one or any group in particular:

Religious fundamentalism, cultural nationalism, territorial communes are [...] defensive reactions. Reactions against three fundamental threats [...] Reaction against globalization [...] Reaction against networking and flexibility [...] And reaction against the crisis of the patriarchal family [...] When the world becomes too large to be controlled [...] When networks dissolve time and space [...] when the patriarchal sustainment of personality breaks down [...] [people react.]

The reaction is not by people to other people doing things to them, but to faceless processes. True enough, people often do not see who is doing what to whom, and the descriptions Castells provides are often graphic and trenchant. But then is it not precisely the obligation of analysis to clarify who and what is involved, and are not formulations like those above in fact concealing what is happening, disarming more targeted resistance? In presenting identity movements as against faceless and actor-less processes, the movements themselves become similarly "soft"; they are not defined by their own interests, their own capacities, their own understandings, but only by that "process" which they are up against.

In fact, Castells also includes a much more analytic and political discussion of identities, differentiating between legitimizing identities, those which are

introduced by dominant institutions and reinforce domination, resistance identities, those generated by the dominated to create trenches of resistance, and project identities, those seeking to redefine positions in society and the transformation of the overall social structure. It is a useful categorization, harking back to the discussions of the 1960s as to the nature of social movements and their radical or system-maintaining roles. But it is a tool not then consistently carried forward in a discussion in which religious fundamentalism, the Zapatistas, the Patriot Movement in the United States, Japan's Aum Shinrikyo, the environmental movement, the women's movement, and the Lesbian and Gay Liberation movements are more or less given equal treatment under the uniform heading of "identity" movements.

Are there in fact any "project identities"? John Friedmann points out that the category of "project identity" into which Castells puts movements that "seek the transformation of overall social structure" is empty. Castells is a little ambiguous on the issue; at one point, he suggests that project identities may be involved in efforts at liberating women "through the realization of women's identity," or in movements, "under the guidance of God's law, be it Allah or Jesus." At another point he says that from "cultural communes" "new subjects [...] may emerge, thus constructing new meaning around *project identity*." And in the concluding chapter of the volume entitled *The Power of Identity*, he speaks merely of "project identities potentially emerging from these spaces [of resistance]." Identity, social movements built around identity, are not then today agents of political action; identity is not very powerful, according to Castells, despite the book's title.

## The Independence of Key Phenomena

This is a part of the picture. At various times and places, Castells suggests the connections among the various phenomena he includes together under the various umbrella terms that frequently appear: the "information age," the "network society," the "global era." While these phenomena are discussed separately in the three volumes, Castells brings them together in a summary article: "The Information Technology Revolution [...]"

The restructuring of capitalism [...] The cultural social movements." And he is explicit about the connection: "The network society [...] resulted from the historical convergence of [these] three independent processes, from whose interaction emerged the network society." The language is slippery: are they independent if they interact? To what extent does their interaction determine their nature and direction? Is the "historical convergence" just an accident? The detailed discussion of each suggests that they are indeed independent forces, each with an independent shape. Technological development, appearing independent, moves by its own laws, outside of political control, and social movements are not presented as efforts to control, redirect, or prevent the restructuring of capitalism. That a coherent set of actors is involved in each of the three phenomena drops out of sight. The evidence that "capitalist restructuring" molded the direction, extent, and nature of technological change, coming into conflict with, exacerbating, and highlighting cultural and social movements, is not taken up.

## "The Depoliticization of Space"

This is a somewhat unexpected aspect of Castells's presentation. Castells has made a major contribution to the contemporary discussion of space in his evocation of the duality of the space of places and the space of flows; the terms have become an accepted part of the social science vocabulary. The space of places refers to that space to which some people are bound: perhaps unskilled workers, those without the means or the legal status for mobility, those to whom a particular location, city, territory, is a fundamental part of their identity, those who are tied to a particular space/place. The space of flows, by contrast, is used by those with unrestricted mobility and is the space in which capital moves, in which high-level financial transactions occur, in which decisions are made and control exercised, the space which the dominant networks of the advanced network society occupy. There is real meat here: the worlds of those who are location-bound and those with unrestricted mobility, both in their personal lives and in their transactions, are two different worlds; although, as Michael Peter Smith points out [...], to set the two up as a binary opposition

hardly reflects their complex and overlapping nature: the users of the "space of flows" are also place-bound in many aspects of their activities, and many denizens of the "space of places" frequently move large distances and across borders, in increasingly frequent transnational patterns.

Is it useful to convert the differences between these two worlds into a difference originating in/characterized by their use of space, rather than looking at the differences in the use of space as the outcome of differences in wealth, power, resources? Is the space of flows in any meaningful way really a space, or is it not rather a freedom from spatial constraints? Is the space of places really not also made up of flows as well as localities? What needs analysis, for political evaluation, is the extent to which those who use the "space of flows," the dominant groups in the global society, are or are not free of locational bounds. The difference between the occupants of the space of places and the users of the space of flows is a class difference, reflected in their relationship to space, reinforced but not created by it. Examining differences in the use of space without examining the differences in class, power, and wealth which produce those spatial differences is stripping social science analysis of its political relevance: depoliticization.

Worse, space itself becomes an actor, affirmatively displacing real persons and interests: "Function and power [...] are organized in the space of flows [...] the structural domination of its logic [...] alters the meaning and dynamic of places [...] a structural schizophrenia between two spatial logics [...] threatens to break down communication channels [...] a horizon of networked, ahistorical space of flows, aiming at imposing its logic over scattered, segmented places [...] Unless cultural and physical bridges are deliberately built between these two forms of space, we may be heading toward life in parallel universes whose times cannot meet." The logic of space becomes the cause, not the consequence, of social change. Just how do you build a "physical" bridge to a space of flows? An interesting conceptualization, with which Castells does not play; perhaps just an errant use of words. In any case, the insight has moved from a potentially striking and politically meaningful one into a play of metaphors, in which it is the "logic of space" that needs to be dealt with, not the relations among people using space. It

hardly helps to get a grip on industrial relations in a global age to be told that "the very notion of industrial location [has been transformed] from factory sites to manufacturing flows [...] [by] the logic of information technology manufacturing [and] the new spatial logic."

## Playing with Time

As with the treatment of space, this is insightful and provocative in Castells's handling, but depoliticized; he fails to pursue his real insight to its logical conclusion. He points out, and illustrates, the differences in the "time-boundedness" of different actors and activities. To some extent the differentiation parallels longstanding Marxist and classical economists' distinction between those paid hourly wages and those on longer-term salary bases or making profit without regard to time spent, a distinction that then feeds into definitions of class and class relations. Castells deepens the differentiation: it is not just between those paid hourly and those paid in other ways, but between those for whom time itself is an important factor in determining the way their lives are lived and those independent of it, living in "timeless time." Time is thus a constraint on some much more than on others; it "means" different things to different people. Fine. But to different classes? No, the analysis does not go in that direction; it rather plays with the catchy phrase "timeless time" as characteristic of a type of person and activity, jetsetters, instant communicators and instant manipulators of capital, and instant and constant (time-independent) exercise of control. The truth is that some control the time of others but are free to determine their own time, while the time of others is controlled despite their will. Just as with "space of flows," the metaphor reflects a real truth, but the emphasis on the metaphor conceals the very real class differentiation it in fact only reflects. "Selected functions and individuals" do not "transcend time"; they simply have the power to control their own use of time, and that of others.

## The Autonomy of the State

This is a complex subject. The intellectual and political tradition from which Castells comes had a central

concern with the role of the state. Marx's classic formulation of the state as the "executive committee of the ruling class" was widely seen not as wrong but as incomplete. To explain contemporary developments, Castells's close friend Nicos Poulantzas produced a complex analysis of the subject that was at the heart of the intellectual ferment in which Castells first worked. But Castells opens his chapter on the state with a repudiation of Poulantzas's description as no longer applicable. Little of the earlier rich discussion survives, except as an echo. Instead, the state becomes an actor: "the state's effort to restore legitimacy," "the state's attempt to reassert its power." And there are sweeping statements such as "the nation-state [...] seems to be losing its power, although, and this is essential, *not its influence*." Or elsewhere: "the state does not disappear. It transforms itself. This transformation is induced not only by globalization, but by structural changes in the work process, and in the relationship between knowledge and power." There are outside pressures, but the state itself acts to transform itself.

What does that mean? Castells never returns to the formulation, but at the end of the chapter says that "in the 1990s, nation-states have been transformed from sovereign subjects into strategic actors." It is a muddled discussion. One possible interpretation might be that the nation-state remains important in the development of technology and in the support of "its" multinationals. Indeed, Castells emphasizes both points in various contexts in all three volumes. But why is that not a continuing source of power? The "nation-state" is used as a synonym for "state" in the global era, but the distinction between nation and state is never explored in the analysis; the capacity of the nation-state "is decisively undermined by globalization" but not by any specific actions of any specific actors, even though as a result multinationals can operate freely disregarding national borders. The nation-state has a "commitment to provide social benefits," although why that commitment should exist is not clear. There is a "destabilization of national states" through the globalization of crime and a "crisis of legitimacy" that is equally applicable to the Mexican and the United

States state, although both countries seem remarkably stable in almost every regard. Such an interpretation simply avoids the question of what the state is. Throwaway lines like "states are the expression of societies, not of economies" do nothing to help. Furthermore, Castells describes the state's activities as if it was or had been an independent, autonomous actor - precisely the conception that has been so systematically questioned in critical sociology over the last century and more. Yet there is also, in passing, the comment that "each nation-state continues to act on behalf of its own interests, or [*sic*] of the interests of constituencies it values most." That latter comment might be the beginning of a discussion of where power in and over states actually lies, a discussion opening up the political questions that are so little regarded in the books. But it is not a comment that is pursued. And its very formulation is already misleading: the question is posed as who "the state" autonomously values, the state as actor, the constituency as passive beneficiary, rather than as what active "constituencies" control or put pressure on the state. Remarkably, little of the current discussion about the state "losing control" ever specifies who is winning control.

And so we end with what appears a most ambiguous comment in the post-Seattle world: "the International Monetary Fund experts do not act under the guidance of governments [...] but as self-righteous surgeons skillfully removing the remnants of political controls over market forces." Of course, the International Monetary Fund and its related international bodies are deeply concerned with regulating, using the political power of governments and international transactions, and are critically dependent on governments for all of their activities - and particularly the one most powerful government in a one-superpower world. And in so doing they hardly act as independent experts or surgeons but are directly serving identifiable and very specific interests. Their actions are the subject of heated political discussion in countries around the world. Yet any discussion of those politics, however, is avoided.

[...]

# World Risk Society and Cosmopolitanism

In this chapter we deal with two closely related ideas developed primarily by the contemporary German sociologist, Ulrich Beck. Beginning in the 1980s, Beck popularized the idea of "risk society" to describe the late modern era, in contrast to the "industrial society" that dominated the modern age. At the present moment, however, the industrial age lives on; both types of society coexist. The central issue in classical modernity was wealth and how it could be distributed more evenly. In advanced modernity the central issue is risk and how it can be prevented, minimized, or channeled. Safety has tended to replace equality as the central social issue. While people achieved solidarity in the past in the search for the positive goal of equality, in late modernity solidarity is achieved in the search for the largely negative and defensive goal of being spared from dangers.

Today's risks are largely traceable to industry and its side effects which are producing a wide range of hazardous, even deadly, consequences for society. Even in his early work Beck linked that activity to globalization, but this became more focal in his later work on "world risk society." Here Beck sees "all life on earth" endangered by such things as "nuclear energy... gene technology, human genetics, nanotechnology, etc.... unleashing unpredictable, uncontrollable and ultimately incommunicable consequences." These are

the result of "unnatural, human-made, manufactured uncertainties and hazards." It is not so much that risks have increased, but rather that they are less bounded by space (they are deterritorialized, that is nation-state borders do not restrict the flow of risks such as air pollution), time (e.g. nuclear waste will affect generations to come), and the social (e.g. who is affected by, and responsible for, a specific risk). In the essay presented here Beck focuses on the three examples of global risk: ecological, financial (made more relevant by the global recession beginning in late 2007), and terroristic. (In the essay with Sznajder he adds a fourth risk - moral.) There are, of course, differences among these risks: ecological risks are external, financial risks are internal, and terroristic risks are intentional. While these risks are global, they are not distributed equally throughout the world. Nevertheless, they require global solutions and global cooperation in order to achieve a solution. However, this leads to global conflicts, as well as to global solutions to these conflicts, including more global institutions and regulations.

Focusing on terrorism, specifically the events of September 11, 2001, Beck draws six lessons:

- 1 Humanity is able to form new bonds ("transnational cooperative networks") in reaction to terrorism and fear of further acts.

- 2 Internal security is no longer the exclusive province of the nation-state; indeed the borders that separated nation-states are overthrown. The nation-state itself is a "zombie concept"; it looks alive, but it's dead.
- 3 Neoliberalism's basic tenets (see chapter 4) - "that economics will supersede politics, that the role of the state will diminish"<sup>3</sup> - lost their force in the face of global risks like terrorism.
- 4 The only solution to global terror - as well as to other global problems - is transnational cooperation (see chapter 7). This is further evidence of the demise of the nation-state (see chapter 6).
- 5 We need to distinguish between global unilateralism as practiced by the US and multilateralism and the multilateral state, two examples of which are the "surveillance state" (where new powers of cooperation are used to build a new fortress state with a decline of freedom and democracy) and the "cosmopolitan state."
- 6 The cosmopolitan state, Beck's "new big idea," focuses on the "necessity of solidarity with foreigners both inside and outside the national borders" and the fact that global problems "cannot be solved by individual nations on their own."<sup>4</sup> The cosmopolitan state will form the "groundwork for international cooperation on the basis of human rights and global justice."<sup>5</sup>

Building on his work on the world risk society, Beck has made the cosmopolitan state, and more generally cosmopolitanism, the focus of much of his recent work.

Jarvis critiques the idea of a global risk society on several grounds. He devotes much attention to Beck's contention that global risks have increased because of the decline of the nation-state, especially in its ability to protect its citizens from these risks. Jarvis examines a variety of aspects of this contention and finds little support for the idea that the state and more generally the Westphalian system have declined. Among other things, he finds no evidence that globalization has caused declines in discretionary government spending on welfare, that states have been coerced into adopting neoliberal policies, or that there has been increased capital flight or capital scarcity which have made states more vulnerable to various risks. Overall, Jarvis

concludes that rather than declining, the state is undergoing something of a renaissance. Furthermore, systems to control, distribute, and indemnify against risk continue to be in place and to function.

It seems clear that risk is not a new phenomenon. Further, rather than necessarily expanding in the current global age, there are many examples of declining risk (e.g. of nuclear war). In addition, even in the face of the kind of risks that concern Beck, it seems clear that social relationships will emerge in order to deal with them. There might be greater difficulties involved in dealing with these risks, but that does not negate the fact that there will be national and global efforts to manage them. It is already clear that such efforts have been undertaken and have succeeded, at least thus far, in dealing with many of the risks associated with SARS, AIDS, and global terrorism. Furthermore, we are witnessing such efforts to deal with the recession that began in late 2007. While it is not yet clear that these efforts will be successful, it is clear that national and global efforts have emerged to deal with the profound risks associated with the recession.

However, Jarvis points out that one of Beck's greatest weaknesses is his lack of attention to the risks associated with global finances and the global economy. That this has become a global crisis is a reflection of a serious weakness in Beck's theory. However, it is the case that in a broader sense this crisis tends to support Beck's thesis that we live in a new, different, and highly dangerous global risk society. Beck's thinking also serves to capture the increasing global awareness of, and concern about, global risks of all sorts.

Ulrich Beck and Natan Sznaider distinguish between cosmopolitanism as a moral position (it is to be preferred to nationalism) and *cosmopolitanization* involving "unintended... *side-effects* of actions which are not intended as 'cosmopolitan' in the normative sense."<sup>6</sup> As a result of the latter, the world is growing increasingly cosmopolitan whether we like it or not, whether or not we want it to be more cosmopolitan. Of course, cosmopolitanism also involves more conscious and normative undertakings such as "movements against global inequality or human rights violations."<sup>7</sup>

Beck and Sznaider distinguish between globalization (which takes place "out there") and cosmopolitanization (which happens "from within"). Cosmopolitanization involves "*really-existing relations of interdependence*."<sup>8</sup>

That is, it is people through their actions who create global relationships as well as the resulting risks. In focusing on actions and relations, a cosmopolitan sociology dissolves the distinctions - local, national, international, global - that lie at the core of most thinking about globalization. Above all, it means abandoning the traditional focus on the sovereign nation-state. Instead of viewing themselves as part of a nation-state, people are increasingly seeing themselves as part of the local *and* of the larger world. This is related to world risk in the sense that people come under pressure to cooperate globally because of these risks and threats.

Such a conclusion stems from "analytic-empirical cosmopolitanism" which should be distinguished from "normative-political cosmopolitanism" (although the latter presupposes the former). Doing analytic and empirical work requires a shift from "methodological nationalism" (which is focused on the nation-state) to "methodological cosmopolitanism" (which abandons such a focus, as well as distinctions between local, national, international and global). In terms of the latter, one example would be focusing on "*transnational regimes of politics*" rather than the "state-centred distinction between national and international politics."<sup>10</sup> In this context, Beck and Sznaider critique other theories of globalization dealt with in this volume - world systems theory (chapter 8) and world polity (or culture) (chapter 16) - for maintaining and presupposing a national-international dualism. Cosmopolitanism encourages a multitude of perspectives: for example it is possible, maybe even necessary, to analyze a phenomenon like transnationality "locally and nationally and transnationally and trans-locally and globally".<sup>11</sup>

Craig Calhoun looks at Beck's thinking on cosmopolitanism within a broad view of that phenomenon. Most generally, cosmopolitanism involves a direct connection between the individual and the world. However, it can involve many things including a style of life, an ethos, a political project, any project beyond the local, a holistic view of the world, and so on. Calhoun critiques Beck's distinction between "cosmopolitanization" (the growing interdependence of the world) and "cosmopolitanism" (a moral responsibility on everyone) by questioning whether they are necessarily linked to one another. That is, does increasing interconnection necessarily mean that people will feel a greater moral responsibility for one another?

Beck sees cosmopolitanism as involving the freedom to choose whether or not to belong; that is, belonging becomes an option for the cosmopolitan. However, the freedom to make this choice is often restricted to societal elites; large numbers of people in the world, perhaps the great majority, are not able to make such a choice. Further, for elites, cosmopolitanism often serves as an escape from belonging to, for example, postcolonial societies. Created by this is the illusion that cosmopolitanism is able to transcend nation, culture, and place.

Beck is critiqued not only, at least implicitly, for being an elitist, but also for failing to see that it is impossible *not* to belong to something, if not many things. Thus, there is not as much freedom as Beck suggests. Furthermore, Beck's perspective tends to downplay the importance of national and local solidarity. Calhoun argues that in our rush to embrace cosmopolitanism we cannot and should not ignore, or wish away, such traditional forms of solidarity.

## NOTES .....

- 1 Ulrich Beck, "The Terrorist Threat: World Risk Society Revisited." *Theory, Culture and Society* 19, 2002: 40.
- 2 Ibid., 41.
- 3 Ibid., 47.
- 4 Ibid., 50.
- 5 Ibid., 50.

- 6 Ulrich Beck and Natan Sznaider, "Unpacking Cosmopolitanism for the Social Sciences: a Research Agenda." *British Journal of Sociology* 57,1, 2006: 7.
- 7 Ibid., 8.
- 8 Ibid., 9, italics in original.
- 9 Ibid., 13.
- 10 Ibid., 15, italics in original.
- 11 Ibid., 18.



## READING 38

## The Terrorist Threat: World Risk Society Revisited

Ulrich Beck

Does 11th September stand for something new in history? There is one central aspect for which this is true: 11th September stands for the complete collapse of language. Ever since that moment, we've been living and thinking and acting using concepts that are incapable of grasping what happened then. The terrorist attack was not a war, not a crime, and not even terrorism in the familiar sense. It was not a little bit of each of them and it was not all of them at the same time. No one has yet offered a satisfying answer to the simple question of what really happened. The implosion of the Twin Towers has been followed by an explosion of silence. If we don't have the right concepts it might seem that silence is appropriate. But it isn't. Because silence won't stop the self-fulfilling prophecies of false ideas and concepts, for example, war. This is my thesis: the collapse of language that occurred on September 11th expresses our fundamental situation in the 21st century, of living in what I call 'world risk society'.

There are three questions I discuss in this article:

- First, what does 'world risk society' mean?
- Second, what about the *politics* of world risk society, especially linked to the terrorist threat?
- Third, what are the methodological consequences of world risk society for the social sciences?

### What Does World Risk Society Mean?

What do events as different as Chernobyl, global warming, mad cow disease, the debate about the human genome, the Asian financial crisis and the September 11th terrorist attacks have in common? They signify different dimensions and dynamics of world risk society. Few things explain what I mean by global risk society more convincingly than something that took place in the USA just a few years ago. The US Congress

appointed a commission with the assignment of developing a system of symbols that could properly express the dangers posed by American nuclear waste-disposal sites. The problem to be solved was: how can we communicate with the future about the dangers we have created? What concepts can we form, and what symbols can we invent to convey a message to people living 10,000 years from now?

The commission was composed of nuclear physicists, anthropologists, linguists, brain researchers, psychologists, molecular biologists, sociologists, artists and others. The immediate question, the unavoidable question was: will there still be a United States of America in 10,000 years time? As far as the government commission was concerned, the answer to that question was obvious: USA forever! But the key problem of how to conduct a conversation with the future turned out to be well nigh insoluble. The commission looked for precedents in the most ancient symbols of humankind. They studied Stonehenge and the pyramids; they studied the history of the diffusion of Homer's epics and the Bible. They had specialists explain to them the life-cycle of documents. But at most these only went back 2,000 or 3,000 years, never 10,000.

Anthropologists recommended using the symbol of the skull and cross-bones. But then a historian remembered that, for alchemists, the skull and bones stood for resurrection. So a psychologist conducted experiments with 3-year-olds to study their reactions. It turns out that if you stick a skull and crossbones on a bottle, children see it and immediately say 'Poison' in a fearful voice. But if you put it on a poster on a wall, they scream 'Pirates!' And they want to go exploring.

Other scientists suggested plastering the disposal sites with plaques made out of ceramic, metal and stone containing many different warnings in a great variety of languages. But the verdict of the linguists was uniformly the same: at best, the longest any of these languages would be understood was 2,000 years.



What is remarkable about this commission is not only its research question, that is, how to communicate across 10,000 years, but the scientific precision with which it answered it: it is not possible. This is exactly what world risk society is all about. The speeding up of modernization has produced a gulf between the world of quantifiable risk in which we think and act, and the world of non-quantifiable insecurities that we are creating. Past decisions about nuclear energy and present decisions about the use of gene technology, human genetics, nanotechnology, etc. are unleashing unpredictable, uncontrollable and ultimately incommunicable consequences that might ultimately endanger all life on earth.

'Risk' inherently contains the concept of control. Pre-modern dangers were attributed to nature, gods and demons. Risk is a modern concept. It presumes decision-making. As soon as we speak in terms of 'risk', we are talking about calculating the incalculable, colonizing the future.

In this sense, calculating risks is part of the master narrative of first modernity. In Europe, this victorious march culminates in the development and organization of the welfare state, which bases its legitimacy on its capacity to protect its citizens against dangers of all sorts. But what happens in world risk society is that we enter a world of *uncontrollable risk* and we don't even have a language to describe what we are facing. 'Uncontrollable risk' is a contradiction in terms. And yet it is the only apt description for the second-order, unnatural, human-made, manufactured uncertainties and hazards beyond boundaries we are confronted with.

It is easy to misconstrue the theory of world risk society as Neo-Spenglerism, a new theory about the decline of the western world, or as an expression of typically German *Angst*. Instead I want to emphasize that world risk society does not arise from the fact that everyday life has generally become more dangerous. It is not a matter of the *increase*, but rather of the *de-bounding* of uncontrollable risks. This de-bounding is three-dimensional: spatial, temporal and social. In the spatial dimension we see ourselves confronted with risks that do not take nation-state boundaries, or any other boundaries for that matter, into account: climate change, air pollution and the ozone hole affect everyone (if not all in the same way). Similarly, in the temporal dimension, the long latency period of dangers, such as,

for example, in the elimination of nuclear waste or the consequences of genetically manipulated food, escapes the prevailing procedures used when dealing with industrial dangers. Finally, in the social dimension, the incorporation of both jeopardizing potentials and the related liability question lead to a problem, namely that it is difficult to determine, in a legally relevant manner, who 'causes' environmental pollution or a financial crisis and who is responsible, since these are mainly due to the combined effects of the actions of many individuals. 'Uncontrollable risks' must be understood as not being linked to place, that is they are difficult to impute to a particular agent and can hardly be controlled on the level of the nation state. This then also means that the boundaries of private insurability dissolve, since such insurance is based on the fundamental potential for compensation of damages and on the possibility of estimating their probability by means of quantitative risk calculation. So the hidden central issue in world risk society is *how to feign control over the uncontrollable* - in politics, law, science, technology, economy and everyday life.

We can differentiate between at least three different axes of conflict in world risk society. The first axis is that of *ecological* conflicts, which are by their very essence global. The second is *global financial* crises, which, in a first stage, can be individualized and nationalized. And the third, which suddenly broke upon us on September 11 th, is the threat of global terror networks, which empower governments and states.

When we say these risks are global, this should not be equated with a homogenization of the world, that is, that all regions and cultures are now equally affected by a uniform set of non-quantifiable, uncontrollable risks in the areas of ecology, economy and power. On the contrary, global risks are per se unequally distributed. They unfold in different ways in every concrete formation, mediated by different historical backgrounds, cultural and political patterns. In the so-called periphery, world risk society appears *not* as an *endogenous* process, which can be fought by means of autonomous national decision-making, but rather as an *exogenous* process that is propelled by decisions made in other countries, especially in the so-called centre. People feel like the helpless hostages of this process insofar as corrections are virtually impossible at the national level. One area in which the difference is

especially marked is in the experience of global financial crises, whereby entire regions on the periphery can be plunged into depressions that citizens of the centre do not even register as crises. Moreover, ecological and terrorist-network threats also flourish with particular virulence under the weak states that define the periphery.

There is a dialectical relation between the unequal experience of being victimized by global risks and the transborder nature of the problems. But it is the transnational aspect, which makes cooperation indispensable to their solution, that truly gives them their global nature. The collapse of global financial markets or climatic change affect regions quite differently. But that doesn't change the principle that everyone is affected, and everyone can potentially be affected in a much worse manner. Thus, in a way, these problems endow each country with a common global interest, which means that, to a certain extent, we can already talk about the basis of a global community of fate. Furthermore, it is also intellectually obvious that global problems only have global solutions, and demand global cooperation. So in that sense, we can say the principle of 'globality, which is a growing consciousness of global interconnections, is gaining ground. But between the potential of global cooperation and its realization lie a host of risk conflicts.

Some of these conflicts arise precisely because of the uneven way in which global risks are experienced. For example, global warming is certainly something that encourages a perception of the earth's inhabitants, both of this and future generations, as a community of fate. But the path to its solution also creates conflicts, as when industrial countries seek to protect the rain-forest in developing countries, while at the same time appropriating the lion's share of the world's energy resources for themselves. And yet these conflicts still serve an *integrative* function, because they make it increasingly clear that global solutions must be found, and that these cannot be found through war, but only through negotiation and contract. In the 1970s the slogan was: 'Make love, not war.' What then is the slogan at the beginning of the new century? It certainly sounds more like 'Make *law*, not war.'

The quest for global solutions will in all probability lead to further global institutions and regulations. And it will no doubt achieve its aims through a host

of conflicts. The long-term anticipations of unknown, transnational risks call transnational risk communities into existence. But in the whirlpool of their formation, as in the whirlpool of modernity, they will also transform local cultures into new forms, destroying many central institutions that currently exist. But transformation and destruction are two inescapable sides of the necessary political process of experimentation with new solutions.

Ecological threats are only one axis of global risk conflict. Another lies in the risks of globalized financial markets. Crisis fluctuations in the securities and finance markets are as old as the markets themselves. And it was already clear during the world crisis of 1929 that financial upheavals can have catastrophic consequences - and that they can have huge political effects. The post-Second World War institutions of Bretton Woods were global political solutions to global economic problems, and their efficient functioning was an indispensable key to the rise of the western welfare state. But since the 1970s, those institutions have been largely dismantled and replaced by a series of ad hoc solutions. So we now have the paradoxical situation where global markets are more liberalized and globalized than ever, but the global institutions set up to control them have seen their power drastically reduced. In this context, the possibility of a 1929-size catastrophe certainly cannot be excluded.

Both ecological and financial risks incorporate several of the characteristics we have enumerated that make risks politically explosive. They go beyond rational calculation into the realm of unpredictable turbulence. Moreover, they embody the struggle over the distribution of 'goods' and 'bads', of positive and negative consequences of risky decisions. But above all, what they have in common is that their effects are deterritorialized. That is what makes them *global* risks. And that is what sets in motion the formation of global risk communities - and world risk society.

But while they show similarities, there are also important differences between the various kinds of global risk that significantly influence the resultant conflict. One is that environmental and technological risks come from the 'outside'. They have physical manifestations that then become socially relevant. Financial risks, on the other hand, originate in the heart of the social structure, in its central medium. This then leads

to several other differences. Financial risks are more immediately apparent than ecological risks. A consciousness leap is not required to recognize them. By the same token, they are more individualized than ecological risks. A person and her/his next-door neighbour can be affected in very different ways. But, this aspect does not make financial threats potentially less risky. On the contrary, it increases their potential speed and reach. The economy is the central subsystem of modern society. And because all other subsystems depend on it, a failure of this type could be truly disastrous. So there are very compelling reasons to consider the world economy as another central axis of world risk society.

A further distinction can be made, however, between ecological and financial threats on the one hand, and the threat of global terrorist networks on the other. Ecological and financial conflicts fit the model of modernity's self-endangerment. They both clearly result from the accumulation and distribution of 'bads' that are tied up with the production of goods. They result from society's central decisions, but as unintentional side-effects of those decisions. Terrorist activity, on the other hand, is intentionally bad. It aims to produce the effects that the other crises produce unintentionally. Thus the principle of *intention* replaces the principle of *accident*, especially in the field of economics. Much of the literature on risk in economics treats risk as a positive element within investment decisions, and risk-taking as a dynamic aspect linked to the essence of markets. But investing in the face of risk presupposes trust. Trust, in turn, is about the binding of time and space, because trust implies committing to a person, group or institution over time.

This prerequisite of active trust, in the field of economics as well as in everyday life and democracy, is dissolving. The perception of terrorist threats replaces *active trust with active mistrust*. It therefore undermines the trust in fellow citizens, foreigners and governments all over the world. Since the dissolution of trust multiplies risks, the terrorist threat triggers a self-multiplication of risks by the de-bounding of risk perceptions and fantasies.

This, of course, has many implications. For example, it contradicts the images of the *homo economicus* as an autarkic human being and of the individual as a decider and risk taker. One of the consequences thereof

is that the principle of *private* insurance is partly being replaced by the principle of *state* insurance. In other words, in the terrorist risk society the world of *individual* risk is being challenged by a world of *systemic* risk, which contradicts the logic of economic risk calculation. Simultaneously, this opens up new questions and potential conflicts, namely how to negotiate and distribute the *costs* of terrorist threats and catastrophes between businesses, insurance companies and states.

Therefore, it becomes crucial to distinguish clearly between, on the one hand, the conventional enemy image between conflicting states and, on the other, the 'transnational terrorist enemy', which consists of individuals or groups but not states. It is the very transnational and hybrid character of the latter representation that ultimately reinforces the hegemony of already powerful states.

The main question is: who defines the identity of a 'transnational terrorist'? Neither judges, nor international courts, but powerful governments and states. They empower themselves by defining who is *their* terrorist enemy, *their* bin Laden. The fundamental distinctions between war and peace, attack and self-defence collapse. Terrorist enemy images are *detrterritorialized, de-nationalized and flexible state constructions that legitimize the global intervention of military powers as 'self-defence'*. President George W. Bush painted a frightening picture of 'tens of thousands' of al-Qaida-trained terrorists 'in at least a dozen countries'. Bush uses the most expansive interpretation: 'They are to be destroyed.' Bush's alarmism has a paradoxical effect: it gives Islamic terrorists what they want most - a recognition of their power. Bush has encouraged the terrorists to believe that the United States really can be badly hurt by terrorist actions like these. So there is a hidden mutual enforcement between Bush's empowerment and the empowerment of the terrorists.

US intelligence agencies are increasingly concerned that future attempts by terrorists to attack the United States may involve Asian or African al-Qaida members, a tactic intended to elude the racial profiles developed by US security personnel. Thus the internal law enforcement and the external counter-threat of US intervention not only focus on Arab faces, but possibly on Indonesian, Filipino, Malaysian or African faces. In order to broaden terrorist enemy images, which, to a large extent, are a one-sided construction of the

powerful US state, expanded parameters are being developed so as to include networks and individuals who may be connected to Asian and African terrorist organizations. This way, Washington constructs the threat as immense. Bush insists that permanent mobilization of the American nation is required, that the military budget be vastly increased, that civil liberties be restricted and that critics be chided as unpatriotic.

So there is another difference: the *pluralization* of experts and expert rationalities, which characterizes ecological and financial risks, is then replaced by the gross *simplification* of enemy images, constructed by governments and intelligence agencies without and beyond public discourse and democratic participation.

So there are huge differences between the external risks of ecological conflicts, the internal risks of financial conflicts and the intentional terrorist threat. Another big difference is the speed of acknowledgement. Global environmental and financial risks are still not truly recognized. But with the horrific images of New York and Washington, terrorist groups *instantly* established themselves as new global players competing with nations, the economy and civil society in the eyes of the world. The terrorist threat, of course, is reproduced by the global media.

To summarize the specific characteristics of terrorist threat: (bad) intention replaces accident, active trust becomes active mistrust, the context of individual risk is replaced by the context of systemic risks, private insurance is (partly) replaced by state insurance, the power of definition of experts has been replaced by that of states and intelligence agencies; and the pluralization of expert rationalities has turned into the simplification of enemy images.

Having outlined their differences, it should be no surprise that the three kinds of global risk, that is ecological, financial and terrorist threat, also interact. And terrorism again is the focal point. On the one hand, the dangers from terrorism increase exponentially with technical progress. Advances in financial and communication technology are what made global terrorism possible in the first place. And the same innovations that have individualized financial risks have also *individualized war*.

But the most horrifying connection is that all the risk conflicts that are stored away as potential could now be intentionally unleashed. Ever)' advance from

gene technology to nanotechnology opens a 'Pandora's box' that could be used as a terrorist's toolkit. Thus the terrorist threat has made everyone into a disaster movie scriptwriter, now condemned to imagine the effects of a home-made atomic bomb assembled with the help of gene or nanotechnology; or the collapse of global computer networks by the introduction of squads of viruses and so on.

## Politics of World Risk Society

There is a sinister perspective for the world after September 11th. It is that uncontrollable risk is now irredeemable and deeply engineered into all the processes that sustain life in advanced societies. Pessimism then seems to be the only rational stance. But this is a one-sided and therefore truly misguided view. It ignores the new terrain. It is dwarfed by the sheer scale of the new opportunities opened up by today's threats, that is the axis of conflicts in world risk society.

People have often asked: 'What could unite the world?' And the answer sometimes given is: 'An attack from Mars.' In a sense, that was just what happened on September 11th: an attack from our 'inner Mars'. It worked as predicted. For some time, at least, the warring camps and nations of the world united against the common foe of global terrorism. I would like to suggest six lessons that can be drawn from this event.

The first lesson: in an age where trust and faith in God, class, nation and progress have largely disappeared, humanity's common fear has proved the last - ambivalent - resource for making new bonds. In his book *The Public and Its Problems*, John Dewey argues that it is not a decision, but its consequences and risk that create a public in the post-traditional world. So the theory of world risk society is *not* just another kind of 'end-of-history' idea; this time world history does not end with the resolution of political and social tensions, as Marx and Fukuyama believed, but with the end of the world itself. Nevertheless, what the global public discourse on global risks creates is a reason for hope, since the political explosiveness of world risk society displays a potential enlightenment function. The perceived risk of global terrorism has had exactly the opposite effect than that which was intended by the terrorists. It has pushed us into a new phase of

globalization, the globalization of politics, the moulding of states into transnational cooperative networks. Once more, the rule has been confirmed that resistance to globalization only accelerates it. Anti-globalization activists operate on the basis of global rights, markets and networks. They both think and act in global terms, and use them to awaken global awareness and a global public. The term 'anti-globalization movement' is misleading. Many fight for an alternative globalization - global justice - rather than anti-globalization.

The second big lesson of the terrorist attack is: national security is no longer national security. Alliances are nothing new, but the decisive difference about this global alliance is that its purpose is to preserve *internal* and not external security. All the distinctions that make up our standard picture of the modern state - the borders that divide domestic from international, the police from the military, crime from war and war from peace - have been overthrown. It was precisely those distinctions that defined the nation state. Without them, it is a zombie idea. It still looks alive, but it is dead.

Foreign and domestic policy, national security and international cooperation are now all interlocked. The only way to deal with global terror is also the only way to deal with global warming, immigration, poison in the food chain, financial risks and organized crime. In all these cases, national security *is* transnational cooperation. Since September 11th, 'terrorist sleepers' have been identified in Hamburg, Germany, and many other places. Thus, German domestic policy is now an important part of US domestic and foreign policy. So are the domestic as well as foreign, security and defence policies of France, Pakistan, Great Britain, Russia and so on.

In the aftermath of the terrorist attack, the state is back, and for the old Hobbesian reason - the provision of security. Around the world we see governments becoming more powerful, and supranational institutions like NATO becoming less powerful. But at the same time, the two most dominant ideas about the state - the idea of the *national* state, and the idea of the *neoliberal* state - have both lost their reality and their necessity. When asked whether the \$40 billion that the US government requested from Congress for the war against terrorism didn't contradict the neoliberal creed to which the Bush administration subscribes, its spokesman replied laconically: 'Security comes first.'

Here is the third lesson: September 11th exposed neoliberalism's shortcomings as a solution to the world's conflicts. The terrorist attacks on America were the Chernobyl of globalization. Just as the Russian disaster undermined our faith in nuclear energy, so September 11th exposed the false promise of neoliberalism.

The suicide bombers not only exposed the vulnerability of western civilization but also gave a foretaste of the conflicts that globalization can bring about. Suddenly, the seemingly irrefutable tenets of neoliberalism - that economics will supersede politics, that the role of the state will diminish - lose their force in a world of global risks.

The privatization of aviation security in the US provides just one example, albeit a highly symbolic one. America's vulnerability is indeed very much related to its political philosophy. It was long suspected that the US could be a possible target for terrorist attacks. But, unlike in Europe, aviation security was privatized and entrusted to highly flexible part-time workers who were paid even less than employees in fast-food restaurants.

It is America's political philosophy and self-image that creates its vulnerability. The horrible pictures of New York contain a message: a state can neoliberalize itself to death. Surprisingly, this has been recognized by the US itself: aviation has been transformed into a federal state service.

Neoliberalism has always been a fair-weather philosophy, one that works only when there are no serious conflicts and crises. It asserts that only globalized markets, freed from regulation and bureaucracy, can remedy the world's ills - unemployment, poverty, economic breakdown and the rest. Today, the capitalist fundamentalists' unswerving faith in the redeeming power of the market has proved to be a dangerous illusion.

This demonstrates that, in times of crises, neoliberalism has no solutions to offer. Fundamental truths that were pushed aside return to the fore. Without taxation, there can be no state. Without a public sphere, democracy and civil society, there can be no legitimacy. And without legitimacy, no security. From these premises, it follows that, without legitimate forums for settling national and global conflicts, there will be no world economy in any form whatsoever.

Neoliberalism insisted that economics should break free from national models and instead impose transnational rules of business conduct. But, at the same time,

it assumed that governments would stick to national boundaries and the old way of doing things. Since September 11th, governments have rediscovered the possibilities and power of international cooperation - for example, in maintaining internal security. Suddenly, the necessity of statehood, the counter-principle of neoliberalism, is omnipresent. A European arrest warrant that supersedes national sovereignty in judicial and legal enforcement - unthinkable until recently - has suddenly become a possibility. We may soon see a similar convergence towards shared rules and frameworks in economics.

We need to combine economic integration with cosmopolitan politics. Human dignity, cultural identity and otherness must be taken more seriously in the future. Since September 11th, the gulf between the world of those who profit from globalization and the world of those who feel threatened by it has been closed. Helping those who have been excluded is no longer a humanitarian task. It is in the West's own interest: the key to its security. The West can no longer ignore the black holes of collapsed states and situations of despair.

To draw the fourth lesson I pick up my statement again that no nation, not even the most powerful, can ensure its national security by itself. World risk society is forcing the nation-state to admit that it cannot live up to its constitutional promise to protect its citizens' most precious asset, their security. The only solution to the problem of global terror - but also to the problems of financial risk, climate catastrophe and organized crime - is transnational cooperation. This leads to the paradoxical maxim that, in order to pursue their national interest, countries need to denationalize and transnationalize themselves. In other words, they need to surrender parts of their autonomy in order to cope with national problems in a globalized world. The zero-sum logic of mutual deterrence, which held true for both nation-states and empires, is losing its coherence.

In this context, then, a new central distinction emerges between sovereignty and autonomy. The nation-state is built on equating the two. So from the nation-state perspective, economic interdependence, cultural diversification and military, judicial and technological cooperation all lead to a loss of autonomy and thus sovereignty. But if sovereignty is measured in terms of

political clout - that is, by the extent to which a country is capable of having an impact on the world stage, and of furthering the security and well-being of its people by bringing its judgements to bear - then it is possible to conceive the same situation very differently. In the latter framework, increasing interdependence and cooperation, that is, a *decrease* in autonomy, can lead to an increase in sovereignty. Thus, sharing sovereignty does not reduce it; on the contrary, sharing actually enhances it. This is what cosmopolitan sovereignty means in the era of world risk society.

Fifth lesson: I think it is necessary to distinguish clearly between on the one hand, not national, but *global unilateralism* - meaning the politics of the new American empire: *the Pax Americana* - and on the other hand, two concepts of multilateralism or the multilateral state: namely the *surveillance* state and *cosmopolitan* state. Before and after September 11th, US foreign policy changed rapidly from national unilateralism to the paradox of a 'global unilateralism'. In the aftermath of the Afghanistan war, the idea of a 'new world order' has taken shape in Washington's think-tanks and the US is supposed to both make and enforce its laws. The historian Paul Kennedy believes that the new American empire will be even more powerful than the classical imperial powers like Rome and Britain.

This is America's core problem today: a 'free society' is based on openness and on certain shared ethics and codes to maintain order, and Americans are now intimately connected to many societies that do not have governments that can maintain these ethics and order. Furthermore, America's internal security depends on peoples who are aggressively opposed to the American way of life. For America to stay America, a free and open society, intimately connected to the world, the world has to become - *Americanized*. And there are two ways to go about it: open societies either grow from the bottom up or freedom, democracy and capitalism are imposed from the outside by (the threat of) external intervention. Of course, there is the alternative: to affirm and value real international cooperation. Real cooperation will require the Bush administration to swallow a word that even September 11th didn't quite force down: 'multilateralism'. In effect, the message from Washington to Europe and the other allies is: 'We will do the cooking and prepare what people are going to eat, then you will wash the dirty dishes.'

On the other hand, we have to distinguish between two forms of multilateralism as well: surveillance states and cosmopolitan states. *Surveillance states* threaten to use the new power of cooperation to build themselves into fortress states, in which security and military concerns will loom large and freedom and democracy will shrink. Already we hear about how western societies have become so used to peace and well-being that they lack the necessary vigour to distinguish friends from enemies. And that priorities will have to change. And that some of our precious rights will have to be sacrificed for the sake of security. This attempt to construct a western citadel against the numinous Other has already sprung up in every country and will only increase in the years to come. It is the sort of phenomenon out of which a democratic authoritarianism might arise, a system in which maintaining flexibility towards the world market would be premised on increasing domestic rigidity. Globalization's winners would get neoliberalism, and globalization's losers would get the other side of the coin: a heightened fear of foreigners, born out of the apprehension of terrorism and bristling with the poison of racism.

This is my sixth and final lesson: if the world is to survive this century, it must find a way to civilize world risk society. A new big idea is wanted. I suggest the idea of the *cosmopolitan state*, founded upon the recognition of the otherness of the other.

National states present a threat to the inner complexity, the multiple loyalties, the social flows and fluids of risks and people that world risk society has caused to slosh across national borders. Conversely, nation states cannot but see such a fuzzing of borders as a threat to their existence. Cosmopolitan states, by contrast, emphasize the necessity of solidarity with foreigners both inside and outside the national borders. They do this by connecting self-determination with responsibility for (national and non-national)

Others. It is not a matter of limiting or negating self-determination. On the contrary, it is a matter of freeing self-determination from its national cyclopean vision and connecting it to the world's concerns. Cosmopolitan states struggle not only against terror, but against the *causes* of terror. They seek to regain and renew the power of politics to shape and persuade, and they do this by seeking the solution of global problems that are even now burning humanity's fingertips but which cannot be solved by individual nations on their own. When we set out to revitalize and transform the state in a cosmopolitan state, we are laying the groundwork for international cooperation on the basis of human rights and global justice.

Cosmopolitan states can theoretically be founded on the principle of the national indifference of the state. This is a concept that is redolent of the way in which, during the 17th century, the Peace of Westphalia ended the religious civil war we call the '30 years war' through the separation of church and state. In a similar manner, the separation of state and nation could be the solution to some global problems and conflicts of the 21st century. For example: just as the a-religious state finally made possible the peaceful coexistence of multiple religions side by side, the cosmopolitan state could provide the conditions for multiple national and religious identities to coexist through the principle of constitutional tolerance.

We should seize this opportunity to reconceive the European political project as an experiment in the building of cosmopolitan states. And we could envision a cosmopolitan Europe, whose political force would emerge directly not only out of the worldwide struggle against terrorism, ecological and financial risks, but also out of both the affirmation and taming of European national complexity.



## READING 39

## Risk, Globalisation and the State: A Critical Appraisal of Ulrich Beck and the World Risk Society Thesis

Darryl S. L. Jarvis

### Global Risk Society

Global risk society is distinct from industrial modernity for Beck in one crucial respect: the "social compact" or risk contract is increasingly broken down. Risks are now incalculable and beyond the prospects for control, measurement, socialisation and compensation. "Nuclear power, many types of chemical and biotechnological production as well as continuing and threatening ecological destruction", argues Beck, are breaking down the "security pact" of industrial society, and thus the "foundations of the established risk logic are being subverted or suspended". This is the entry into global risk society and it occurs when

the hazards which are now decided and consequently produced by society *undermine and/or cancel the established safety systems of the welfare state's existing risk calculations*. In contrast to early industrial risks, nuclear, chemical, ecological and genetic risk (a) can be limited in terms of neither time nor place, (b) are not accountable according to the established rules of causality, blame and liability, and (c) cannot be compensated for or insured against.

In the global risk society, no one any longer knows with certainty the extent of the risks we face through our collective technologies and innovations. Science now fails us, with conflicting reports, contradictory assessments and wide variance in risk calculations. Faith in the risk technocrats evaporates, the hegemony of experts dissolves and risk assessment becomes no more than a political game that advances sectional

interests. The introduction of genetically modified food products in Western Europe, for example, has been mostly rejected by consumers not because of adverse findings by scientists in terms of prospective risks to human health, but because a wide spectrum of the population rejects the sanctity of the advice issued by risk experts who are seen as being influenced by big agrobusiness. Consumers now suspect the limited horizon of understanding that "experts" have about the unintended consequences of complex technologies and their risk externalities. The "social compact" of risk society thus breaks down under reflexive modernisation. Beck's portrayal of global risk society is a rather depressing one, increasingly dangerous and beyond meaningful control. Certainty and knowledge appear to break down, and the risk society seems more and more to engulf us all in a kind of cultural mindset of increasing fears, phobias, hyper-risks, and the possibility of severe scientifically induced catastrophe. For Beck, the consequence of global risk society is the production of "organized irresponsibility" with expert division, contradiction and the limits of scientific knowledge paralysing political responses to emerging threats and risks.

### Assessing the World Risk Society Thesis

The popularity of Beck's work is in part explained by its timing. Beck could not have foreseen that the publication of his first work on world risk society in May 1986 would coincide with a catastrophe of monumental proportions, namely the explosion of the nuclear power plant at Chernobyl, Ukraine, on 25 April. Beck's concerns about reflexive modernity, his fears about the



limits of science and technology and of the ability of human beings to control the consequences of the technologies they invented were all amply demonstrated when the number four reactor at Chernobyl suffered two fatal explosions allowing deadly radiation (30-40 times the radioactivity released by the atomic bombs over Hiroshima and Nagasaki) to escape into the atmosphere. In the days following the explosion the sight of men willingly sacrificing their lives as they were deployed by helicopter to crudely dump soil and concrete on the reactor in the hope of plugging any further radiation leakages only underscored the inability of science to respond meaningfully to the crisis it had unleashed. There was no crisis management, no response plan, no containment strategy other than to close down the facility, encase it in concrete, evacuate millions of people, seal off thousands of hectares of land and create a 30 km radius no-go zone around the reactor, later extended to a 4,300 km<sup>2</sup> exclusion zone. World risk society had, it seemed, arrived with a vengeance.

Yet, despite the timely publication of Beck's work and its resonance with the Chernobyl disaster, the broader contours of his thesis remain problematic and have attracted rigorous debate. Much of this debate has focused on the way Beck conceives of risk, but also the way he explains the process of individualisation and globalisation as antithetical to the logic of industrial modernity, the state and state-based mechanisms for risk control. Indeed, much of Beck's thesis rests on his observations about globalisation and what Beck sees as its negative effects upon state autonomy and institutional capacity. These, he believes, are challenged by complex interdependence, the globalisation of markets, heightened connectivity in media and opinion formation, capital mobility, as well as the advent of supranationalism. The leading patterns of political organisation that, since the Peace of Westphalia in 1648, have governed society in terms of its spatial-political and economic configuration are, for Beck, now eroded by activities (economic and political) that occur between states and by processes that are not state bound. The outcome is the transition from a Westphalian-based system of governance to a post-Westphalian system, where the bounds of the state and its capacity effectively to regulate and control all manner of processes, risks and externalities is

fatally compromised. States surrender parts of their sovereignty not willingly but surreptitiously, through cultural shifts, economic processes that bypass state regulatory regimes and political processes that ensnare states into complex regimes and transnational regulatory governance structures. The epicentre of society moves from a purely national setting to a worldwide community. Lorraine Eden and Stefanie Lenway capture the essence of this thesis:

If we visualize the world of the 1970s and 1980s as a chessboard, then the immovable blocks were the national boundaries and trade walls behind which governments, firms and the citizens found shelter. Protected by politically made walls, countries could maintain their own cultures, traditions and ways of life, as well as their own choice of governance modes.

For Eden and Lenway, however, globalisation and the spate of neo-liberal policies that emerged during the 1980s have removed or "at least significantly reduced the impact of these immovable blocks between economies". In the process, the post-Westphalian system is born. Beck's reading of globalisation is a popular and widely held one; indeed, it has come to comprise the rationale for many of the anti-globalisation protest movements currently active all over the globe today. But what is the basis for the assumptions about the effects of globalisation on the state and the Westphalian system? If correct, we should be able to discern empirical variance and significant changes in, for example, the spread and distribution of wealth, foreign direct investment (FDI), the extent of multinational enterprise (MNE) relocation, perhaps increasing state failure as globalisation robs the state of its economic base and produces a fiscal crisis for the state. If, as Beck suggests, the state is now passing on to its citizens increasing burdens, offloading its welfare obligations as the tax base dwindles due to forced competition to reduce taxes and increase its attractiveness to highly mobile capital, then we should be able to track these changes and observe absolute reductions in government revenues and smaller government.

An examination of disparate empirical sources, however, reveals little to support Beck's thesis. First, there is little evidence of declining government tax receipts across a wide selection of OECD states. Nor is

Table 1 Government spending and tax revenue as a percentage of GDP: selected OECD states

	Government Spending			Tax Revenue		
	1960	1980	1998	1960 <sup>a</sup>	1980	1997
Australia	21.2	31.4	32.9	22.4	28.4	30.3
Britain	32.2	43.0	40.2	28.5	35.1	35.3
Canada	28.6	38.8	42.1	23.8	32.0	36.8 <sup>c</sup>
France	24.6	46.1	54.3	N/A	41.7	46.1
Germany	32.4 <sup>b</sup>	47.9 <sup>b</sup>	46.9	31.3 <sup>b</sup>	38.2 <sup>b</sup>	37.5
Italy	30.1	42.1	49.1	34.4	30.4	44.9
Japan	17.5	32.0	36.9	18.2	25.4	28.4 <sup>c</sup>
Spain	N/A	32.2	41.8	14.0	23.9	35.3
Sweden	31.0	60.1	60.8	27.2	48.8	53.3
United States	26.8	31.4	32.8	26.5	26.9	28.5 <sup>c</sup>
Averages <sup>d</sup>	28.3	40.5	43.8	25.1	33.1	37.6

estimated;<sup>a</sup>West Germany;<sup>b</sup>1996;<sup>c</sup>Unweighted.

Source: OECD figures as quoted in Raymond Vernon, "Big Business and National Governments: Reshaping the Compact in a Globalizing Economy", *Journal of International Business Studies*, Vol. 32, No. 3 (2001), p. 515.

there evidence of declining government spending. In fact, across the OECD government spending has increased in real terms as a percentage of GDP year on year (see Table 1) since 1960 - precisely when the effects of globalisation on Beck's account began to transform the international economy. As a percentage of gross domestic product (GDP), for example, government spending increased from 32.2% in Britain in 1960 to 40.2% in 1998, in Canada from 28.6% to 42.1%, in Italy from 30.1% to 49.1% and in the United States from 26.8% to 32.8%. Tax revenues have similarly shown significant growth trends, contrary to Beck's assertions. As a proportion of GDP, tax revenues increased in Britain from 28.5% of GDP in 1960 to 35.3% in 1998, in Canada from 23.8% to 36.8%, in Italy from 34.4% to 44.9% and even in the United States - an historically low-taxing state - increasing from 26.5% in 1960 to 28.5% in 1998. Rather than a fiscal crisis of the state or the retreat of the state in contemporary economic life, in OECD countries the state continues to be an integral part of the tapestry of modern economies.

The "hollowing out" of the welfare state thesis is also challenged by John Hobson, who notes that "reports of the death of taxation and the welfare state remain greatly exaggerated". Examining taxation policy in the OECD between 1965 and 1999, for example, Hobson

finds that rather than a downward trend of the tax burden there is, in fact, a clear upward trend - and not just for tax revenues but also for state expenditure (see Table 2). Indeed, as Hobson demonstrates, corporate tax rates in the OECD have actually increased at higher annual average rates than have government expenditure and aggregate tax burdens, with the average tax burdens applied specifically to capital increasing by more than 50% from 1960 to 1996-9 - the period typically identified with deepening and intensifying globalisation. As Hobson notes, "what *is* striking in an era of intensifying capital mobility, is the degree to which these broad fiscal indicators have *increased*, thereby suggesting a broadly positive rather than a negative relationship between globalisation and state fiscal capacity" - a finding diametrically opposite to the assertions of Beck and his characterisation of globalisation and its risk consequences for states and welfare societies.

The fiscal crisis of the state has thus not materialised, nor does it display any evidence of doing so in the near future. While, of course, the figures produced above are not indicative of discretionary government spending on welfare entitlements per se - of which there certainly might be evidence of reduced expenditure - they suggest that if this is the case it is *not* due to the forces of globalisation nor a compromised revenue base but ideational change among domestic constituencies and

Table 2 Tax and expenditure burdens, OECD, 1965-99

	1965-9	1970-4	1975-9	1980-4	1985-9	1990-4	1995-9
<i>Aggregate tax burdens</i>							
Average OECD	100	107	113	113	114	117	120
Average EU	100	106	114	118	119	122	125
<i>Average expenditure burdens</i>							
Average OECD	100	107	120	122	121	126	123
Average EU	100	106	121	125	126	129	128
<i>Average tax burdens on capital</i>							
Average OECD	100	117	143	141	148	148	152
<i>Average corporate income tax burden</i>							
Average OECD	100	105	109	116	126	117	131

Source: Adapted from John M. Hobson, "Disappearing Taxes or the 'Race to the Middle'? Fiscal Policy in the OECD", in Linda Weiss (ed.), *States in the Global Economy: Bringing Domestic Institutions back In* (Cambridge: Cambridge University Press, 2003), pp. 40, 44, 46.

the growth of new-right doctrines about the need for welfare reform. This is an entirely different set of issues, unrelated to induced fiscal austerity because of declining tax bases through capital mobility or globalisation.

As for the policy autonomy of states being "strait-jacketed" by globalising forces that *demand* conversion to neo-liberal policy agendas, fiscal conservatism and laissez-faire systems, there is little evidence of such homogenisation. Linda Weiss, for example, when examining policy autonomy and discretionary state manoeuvrability in emerging economies in Asia (Taiwan, South Korea) as well as developed states (Japan, Germany and Sweden), discovered greater latitude for state discretion than might be anticipated by mainstream globalisation theorists such as Beck. Rather than increasing institutional conformity between states or the loss of discretionary institutional capacity, divergence continues to be the order of the day. Indeed, Weiss's findings indicate that what she terms the "transformatory capacity" of the state remains robust, with states able to broker networks of domestic actors and innovate state policy to cultivate domestic industry transformation and engineer internationally competitive industry segments. Rather than globalisation being a "top-down" imposed process, as traditional globalisation theorists suggest, Weiss demonstrates the ways in which states and domestic policy innovation launch domestic actors into the international area

- effectively becoming catalysts of globalisation. By acting as "midwives", state institutions in Japan, Sweden, Germany, South Korea and Taiwan, Weiss demonstrates, but also in Australia, the United States, Britain and Singapore, have effectively launched overseas investment, regional relocation and global competitiveness. Globalisation, in other words, is a process utilised by states; it is an enabling strategy to mould policy goals and bring about nationally desirable developmental outcomes. Rather than "strait-jacketing" states, state-societal relations powerfully shape economic outcomes and harness globalisation. For Weiss, states remain powerful instrumentalities with strong institutional capacities which exhibit a high degree of institutional variation. Globalisation, in short, is what states make of it.

These findings contrast sharply with Beck's depiction of globalisation and its direct causal link with increased risk through the alleged reduction in the size of the welfare state. Beck tends to exaggerate the impact of globalisation, particularly in terms of capital mobility and his suggestion that capital mobility generates a systemic fiscal crisis for the state. If we look at FDI patterns in terms of its origins and destination, however, we observe little variance from historical patterns. In 1990 the triad regions of Western Europe, North America and Japan continued to account for the vast majority of FDI receipts - as

they have done throughout the post-war period. In all, some 75% of the total accumulated stock of FDI and 60% of FDI flows in 1990 were concentrated in just three regions - North America, Western Europe and Japan. Globalisation has *not* changed this pattern other than to increase its volume. Capital might have become more mobile but it has not gone elsewhere and become more global or led to outright divestiture in the case of the triad economies.

Henry Wai-chung Yeung and Peter Dicken, among others, confirm the continuation of this trend for the 1990s. Rather than creating increased risk vulnerabilities because of capital mobility and its dispersal to cost-efficient havens in the far-flung corners of the earth, globalisation in fact displays a remarkable propensity to concentrate capital flows in developed economies, itself creating a problem for developing economies. Africa, for example, continues to attract less than 2% of global capital flows, while Latin America and the Caribbean are stalled at around 10-15% of global capital flows. Moreover, while about a third of FDI capital inflows find their way to developing countries as a whole, their dispersal tends to be predominantly to Asia (around 20%), while in Asia itself 90% of these flows concentrate in just 10 Asian countries, with the vast majority heading for China, Singapore and Hong Kong. Highly mobile capital, otherwise so often invoked as the nemesis of globalisation, in fact proves to be less mobile in terms of geographic spread than Beck suggests.

Similarly, if we look at the capitalisation of stock markets all over the world, which is indicative of the enormous growth in flows of portfolio foreign investment, we might expect to observe considerable leakage from triad stock exchanges and growth in the capitalisation of those in emerging economies consistent with mainstream globalisation theory. Yet little change is apparent, with the circulation of international portfolio investment seemingly content to stay in developed Western states and Japan (see Table 3). The United States, for example, still predominates with the vast bulk of the world's liquidity soaked up by the major US stock exchanges that in 2001 accounted for 48.5% of total global stock market capitalisation. By contrast, Latin America, all of Asia (excluding Japan), nondeveloped Europe, the Middle East and Africa, accounted for a mere 10.5% of global stock market capitalisation. Capital might now be mobile but it has certainly not gone global.

Table 3 Capitalisation of world stock markets, 2001

Country/region	Percentage of Global Total
United States	48.5
Developed Europe	31.3
Japan	9.7
Rest of Asia	5.3
Latin America	1.4
Rest of world	3.8

Source: Roger Lee, "The Marginalization of Everywhere: Emerging Geographies of Emerging Economies", in Jamie Peck and Henry Wai-chung Yeung (eds.). *Remaking the Global Economy: Economic Geographical Perspectives* (London: Sage, 2003), p. 73.

The point in highlighting these examples is to demonstrate that the beneficiaries of international capital flows continue overwhelmingly to be developed Western states and Japan. To be sure, this suggests the internationalisation of these economies and a structural transition in their economic composition, but does not suggest capital flight or capital scarcity and thus necessarily increased risk and vulnerability for industrial society as Beck insists. The process of financial liberalisation and capital mobility has thus been considerably more nuanced than Beck appreciates. Rather than an imposed condition foisted upon states, globalisation, at least in the sense of capital mobility, has been the result of deliberative state actions through capital account liberalisation, that is, state-sponsored initiatives generated by domestic actors. The causality of the globalisation process is thus opposite to that suggested by Beck and mainstream globalisation theorists. This might explain why many states have actually benefited from capital account liberalisation, developing highly successful financial service sectors and employment growth. At the very least, it demonstrates ample state capacity for adaptability, with most developed states structurally adjusting their economic composition to profit from the evolving forms of international capital circulation.

Finally, and perhaps most tellingly, Beck's much feared rise of reflexive modernity through the process of radicalised globalisation does not appear to have affected the durability of the state that, for all its weakness and supposed declining utility, appears to

be enjoying something of a renaissance. At the very time when globalisation was accelerating, judged by increased flows of FDI and international trade, and at the same time as the state, according to Beck's account, was experiencing diminishing juridical authority through growing permeability and loss of political control, the number of states grew significantly- from 127 in 1970 to 191 in 2004. This, to say the least, is an oddity and suggests that rather than experiencing a transition to a post-Westphalian order, as postulated by Beck, we are in fact experiencing a deepening of the Westphalian system - evidence of the continuing utility of the state as a medium for economic and security protection - but it is losing in other domains. As Louise Pauly notes:

If sovereignty is defined as policy autonomy, then increased international capital mobility seems necessarily to imply a loss of sovereignty. This old chestnut ignores, however, both an extensive literature on the evolution of the legal concept of sovereignty and a generation of research on the political trade-offs entailed by international economic interdependence. Furthermore, it downplays the stark historical lesson of 1914: Under conditions of crisis, the locus of ultimate political authority in the modern age - the state - is laid bare. Especially through its effects on domestic politics, capital mobility constrains states, but not in an absolute sense. If a crisis increases their willingness to bear the consequences, states can still defy markets. More broadly, the abrogation of the emergent regime of international capital mobility by the collectivity of states may be unlikely and undesirable, but it is certainly not inconceivable. As long as that remains the case, states retain their sovereignty. Nevertheless, in practical terms, it is undeniable that most states today do confront heightened pressures on their economic policies as a result of more freely flowing capital. The phenomenon itself, however, is not new. What is new is the widespread perception that all states and societies are now similarly affected.

### Implications for Beck's Risk Society Thesis

Beck's use of globalisation as one of the principal determinants of risk under reflexive modernity makes his characterisation of globalisation central to validat-

ing the risk society thesis. As we have seen, however, it fails many empirical tests with relatively crude postulations. There is little empirical evidence to support Beck's suggestion that the state is in systematic retreat, that its fiscal base has been eroded, or its expenditure abilities reduced. If anything, among OECD countries, the institutional reach of the state, its fiscal base and expenditure commitments have all increased commensurate with deepening globalisation. Does this, then, invalidate Beck's world risk society thesis?

The answer to this question comes in many parts - much like Beck's thesis. As one of Beck's "five interrelated processes" that contribute to and generate increased risk, the extent of globalisation in terms of its dislocating impact upon the state, its political authority and ability to provide welfare has been overstated by Beck. While new historical precedents have been established through growing levels of interdependence, especially in terms of economic linkages (trade, finance, and investment), the suggestion that the state is withering away or that we are in a post-Westphalian system is premature, at least in these domains.

These observations, however, do not necessarily discount Beck's notion that individuals over the last few decades have been exposed to increasing personal vulnerabilities. Since the mid to late 1970s some OECD states (such as Britain, Australia and New Zealand) have witnessed a repudiation of social-democratic forms of governance such as a diminution of welfare entitlements combined with an increasing use of user-pays and fee-for-service systems in the provision of previously universally provided public goods (particularly in education, health, and transportation). Economic individualisation has thus undoubtedly exposed some groups to greater vulnerabilities and reduced the level of equitable access in relation to health and educational services. Indeed, the gulf between the rich and poor has been widening throughout the OECD. However, this widening gap is not a result of globalisation impoverishing disadvantaged strata of society but rather, as Timothy Smeeding notes, "by raising incomes at the top of the income distribution [spectrum]." As he goes on to note:

Notwithstanding [the influence of globalisation] domestic policies - labor market institutions, welfare policies, etc. - can act as a powerful countervailing

force to market driven inequality. Even in a globalized world, the overall distribution of income in a country remains very much a consequence of the domestic political, institutional and economic choices made by those individual countries - both rich and middle income ones.

Beck gives too little attention to the autonomous ideational changes that have championed the neo-liberal agenda - incorrectly ascribing these to structural forces endemic to radical modernisation. Of course, it is entirely conceivable that, depending on the prevailing political climate and the constellation of political forces, this agenda might be reversed, partially abandoned or modified. Thus the rise of the risk society, at least as it relates to the individualisation of risk through declining welfare provision or progressive taxation systems and globalisation, might not be as predetermined as Beck suggests.

Equally, some of Beck's other "interrelated processes" also appear problematic. For example, his assertion that rising and endemic underemployment will usurp the distributive function necessary to the reproduction of industrial modernity and transpose greater risks and vulnerabilities onto a growing segment of society does not appear empirically sustainable. To be sure, there has been a pronounced increase in the rate of casual and flexible employment practices, but the wholesale offshore movement of jobs has not taken place. Job redundancy and the replacement of "old economy" industries, for example, while a feature of the latter part of the 20th century and early part of the new millennium, have also been accompanied by job creation in the so-called "new economy" sectors (such as biotechnology, information technology, financial services, education, and the hospitality and tourism industries). Consequently, the fact that global unemployment stood at only 6.2% of the global workforce in 2003 (according to the International Labour Organisation - ILO) fails to indicate the emergence of a structural employment crisis. Indeed, this rate came off the back of a severe global economic slowdown (2000-3), the war on terror and disruptions to the global hospitality, tourism and aviation industries, and global panic associated with the outbreak of SARS in Asia. This rate, in other words, is cyclical not systemic and, according to the ILO, likely to trend downwards

as global economic activity picks up over the next couple of years.

What, then, might account for these premature assertions by Beck? The answer perhaps lies in appreciating the historical backdrop to his central thesis. Beck formulated many of his observations amid a period of tumultuous change in Germany. First, the rise of the Greens led to rapidly changing political affiliations in the 1980s, while the events surrounding the fall of the Berlin Wall and the problems of economic restructuring as a result of German reunification and post-reunification economic adaptation were tumultuous. The latter, in particular, have posed continuing challenges for Germany, especially in terms of labour market integration, economic equalisation and the modernisation of East German industry and infrastructure. Beck has undoubtedly been influenced by these events and the processes of accommodation and dislocation that naturally accompany them. At worst, Beck might thus be accused of a kind of "presentism" - a preoccupation with proximate current events and an assumption of both their ubiquity and universal validity as indices of a new risk civilisation. Robert Dingwall, for example, goes so far as to describe *Risk Society* as "a profoundly German book". As he notes, "most of the citations are to other German authors, the acknowledgements are to German colleagues and the book's drafting 'in the open hill above Starnberger See' is lovingly recorded". This is not, Dingwall insists, a xenophobic criticism but an observation of the milieu in which Beck's thoughts were influenced and the context in which his thesis has evolved - perhaps making Beck's concerns more local and parochial than he would care to admit. The point is a broader one, however. Anthony Elliott, for example, asks whether Beck's observations overstate the phenomena and relevance of risk. How, for example, should we compare risks in different historical periods? Are we really living in a unique historical epoch in which the calculus of risk is so extreme that it distinguishes itself from all previous epochs? As Brian Turner notes:

[A] serious criticism of Beck's arguments would be to suggest that risk has not changed so profoundly and significantly over the last three centuries. For example, were the epidemics of syphilis and bubonic plague in earlier periods any different from the modern

environment illnesses to which Beck draws our attention? That is, do Beck's criteria of risk, such as their impersonal and unobservable nature, really stand up to historical scrutiny? The devastating plagues of earlier centuries were certainly global, democratic and general. Peasants and aristocrats died equally horrible deaths. In addition, with the spread of capitalist colonialism, it is clearly the case that in previous centuries many aboriginal peoples such as those of North America and Australia were engulfed by environmental, medical and political catastrophes which wiped out entire populations. If we take a broader view of the notion of risk as entailing at least a strong cultural element whereby risk is seen to be a necessary part of the human condition, then we could argue that the profound uncertainties about life, which occasionally overwhelmed earlier civilizations, were not unlike the anxieties of our own fin-de-siècle civilizations.

This goes to the core of Beck's thesis and questions its basic assumptions about the depth and extent of risk under reflexive modernity. Yet Turner fails to take his critique one step further and question whether, regardless of how extensive risk is, the regime of control and the social compact that distributes risk under industrial modernity is, in fact, breaking down as Beck asserts. Again, it seems highly problematic to suggest that the orderly distribution of risk or the ability to compensate or insure against risk are automatically mitigated on the basis of exceptionalism - the advent of nuclear weaponry, the prospects of nuclear mishap or the looming prospect of ecological disaster possibilities, and until they manifest themselves their possibility should not detract from the strength of existing regimes of control. Many states continue to display a high level of adeptness in indemnifying their constituents against natural disasters (floods, hurricanes, earthquakes, famine, humanitarian disaster). Indeed, the control regimes surrounding emergency management and response have probably never been so well formulated as they are today. The tsunami tragedy of 26 December 2004 in the Indian Ocean, for example, while representing one of the most devastating natural disasters of the last few centuries, inflicting cataclysmic destruction on multiple populations in several countries, was also one of the most well managed in terms of emergency response, humanitarian assistance and reconstructive aid efforts. Within hours of the disaster, emergency

response teams were activated in Thailand, Sri Lanka and Indonesia, and within days international emergency and humanitarian assistance was deployed on a global scale, with these efforts redoubled as the calamity of the devastation became apparent. Perhaps only in terms of the immediate humanitarian emergency response in Western Europe at the end of the Second World War has the world witnessed such a massive mobilisation of resources, inter-agency effort and coordination, and global political coordination and response. Rather than a crisis of risk control and management, current crisis and emergency response systems represent an historical highpoint, having achieved greater levels of response effectiveness, early warning preparedness and crisis management than at any time before in history.

But for Beck, of course, this is not important, since all this would be swept away by the magnitude of looming, exceptional risks. But how accurate is this assumption? The Cold War has ended, the risk of nuclear confrontation has diminished (although proliferation may raise it), and so has the prospect of nuclear weapons accidents. Nuclear arsenals continue to be reduced and technical safety systems increased. Whilst there remains the prospect of weapons of mass destruction "falling into the wrong hands" and the development and deployment of so-called "dirty-bombs" based on the use of low-grade uranium, such a prospect scarcely matches the level of terror threatened during the Cold War. The consequences of risk exposure in these instances have traditionally been socialised, so why does Beck assume that such would not be the case again? The social compact would be stressed and challenged but not necessarily irreversibly broken. Likewise, even with recent events such as the BSE crisis in the United Kingdom, Europe and Canada, the outbreak of AIDS and SARS, the terrorist attacks in the United States, the ecological catastrophe of the cod crisis in Eastern Canada, the fish stock crisis in Europe, or any number of other events, the social compact has remained intact and subject to collective accommodation and response efforts. Imperfect though these may be, they have not yet led to systemic failure in the sense of realising the penultimate consequences of reflexive modernity. Nearly all have been addressed, most rectified or at the very least processes put in place to ameliorate their worst consequences and systemic causes.

Beck prefers to discount the success of these risk management efforts and tends to adopt, instead, a fatalistic view of the human condition, pointing to our inability to correct errors, an ineptitude when it comes to moderating risk-producing behaviour, and a collective inertia in the face of looming risk(s). Yet these assumptions seem to be less founded on empirical realities and more on a philosophy of fatalism, leading Beck to proffer a relatively simplistic prognosis that "institutions founder on their own success". But do they? Again, the empirical evidence for this is problematic. Beck, for example, invokes the case of the German crystal lead factory in Upper Palatinate in the Federal Republic of Germany:

Flecks of lead and arsenic the size of a penny had fallen on the town, and fluoride vapours had turned leaves brown, etched windows and caused bricks to crumble away. Residents were suffering from skin rashes, nausea and headaches. There was no question where all of that originated. The white dust was pouring visibly from the smokestacks of the factory.

In terms of responsibility for the environmental risks produced by the factory, Beck is quite adamant that this was "a clear case". But, as he explains in disgust,

on the tenth day of the trial the presiding judge offered to drop charges in return for a fine DM10,000, a result which is typical of environmental crimes in the Federal Republic (1985: 12,000 investigations, twenty-seven convictions with prison terms, twenty-four of those suspended, the rest dropped).

Science and the "organized irresponsibility" of the "security bureaucracies", Beck insists, increasingly dominate under reflexive modernity and, in the process, the apportionment of blame becomes obfuscated by an inept technocracy. In the case of the German crystal lead factory, Beck notes, "the commission of the crime could not and was not denied by anyone. A mitigating factor came into play for the culprits: there were three other glass factories in the vicinity which emitted the same pollutants". As a result, "the greater the number of smokestacks and discharge pipes through which pollutants and toxins are emitted, the lower the 'residual probability' that a culprit can be

made responsible". The limits of science and of the bureaucracy are revealed by their inability directly to connect the polluter with specific pollutants. The more pollution generated and the more polluters, for Beck, essentially dilutes the social compact and the ability to apportion blame, responsibility and thus secure compensation.

The example provided by Beck is meant to demonstrate the increasing failure of the social compact, of science and the technocracy to apportion blame and compensate for risk production. Eloquent though this example is, again its reification onto a universal plane seems premature. To what extent, for example, is the paucity of environmental law in the Federal Republic true, say, of the United States, Australia, Canada, or New Zealand? And in what sense should the example of the crystal lead factory be taken as a systemic condition of reflexive modernity? Surely it reflects little more than the paucity of outdated law in the German Federal Republic - a process that can be easily rectified by drafting better laws and by engaging political processes - much as Green movements throughout the world have done with increasing success. Beck, it seems, denies politics and the ability of political actors to change laws and respond to environmental damage. More generally, Beck fails to recognise that risk distribution and compensation have always been contentious affairs fraught with different legal opinions and with those responsible for the generation of risk keen to avoid the costs associated with it. Why, then, is this epoch distinctive from previous epochs where the same motifs have applied?

Unfortunately, for Beck, the point where his argument could be sustained empirically, and probably has greatest insight and utility, is precisely the point where he places too little investigative and analytical weight. The epochal distinctiveness of the current global economic order, for example, especially in terms of the risk posed by the constellation of opposing financial architectures, between semi-liberalised and non-liberalised state financial systems, the extraordinary growth in arbitrage instruments of various kinds, and the structural imbalances this creates in a global financial system now fiercely interdependent makes for an increasingly vexed global financial order posing greater risk to global wealth and the normal functioning of markets. While Beck refers to this phenomenon simply



in terms of the structural changes foisted on FDI patterns by globalisation, he is left with little scope for exploring the fundamental changes in the global financial architecture and the increasingly precarious risk environment this generates and which, potentially, poses greater risk to global financial stability and the possibility of systemic global crisis. Beck, however, pays little heed to the basic difference between the movement of productive capital (FDI), short-term capital and the rise of the speculative or symbol economy. It is the latter, and the extraordinary growth in the volume of these transactions and the various arbitrage instruments engineered to secure them, where the emergence of the risk society thesis might be profitably applied but where Beck fails to do so.

### Conclusion: Beck's Contribution to Risk Discourse

It is obvious that a purely empirical reading of Beck reveals serious shortcomings with the risk society thesis. To be fair to Beck, however, is this the correct way to read him? As Dirk Matten notes, "Beck's ideas are more of a provocative and conceptual nature rather than a minute empirical proof of certain social changes". They are perhaps better understood as a cultural and social commentary about the condition of late modernity and of its contradictions that both embody progress but also harm and risk. Like many of his contemporaries, Beck is alarmed by the fact of progress in almost every area of human endeavour amid a rampant disregard for ecological preservation, the use of technologies for nefarious purposes and the accelerated generation of unintended outcomes. Beck's

fixation with risk can thus perhaps be appreciated in an era in which all risk, no matter how finite, becomes ethically unacceptable and a bellwether of the social psyche. When Aaron Wildavsky asks "why are the healthiest, longest lived nations on earth so panicked about their health?" the answer must surely lie not in the empirical condition of longevity, the betterment of the human condition and the fact of medical advance. It is, perhaps, not so much a question about whether in fact there are more risks but how we perceive them and the adequacy of their management, compensation and mitigation. Read as a moment in the success of modernity, and at a time when risk tolerance has been reduced, risk aversion increased, and risk perception sensitised, Beck has undoubtedly captured the collective essence of a global society ill at ease. His greatest contribution perhaps lies in exposing these apparent paradoxes, capturing the essence of our collective angst about the limits of science, progress and rationality, about the sublimation of nature and the natural environment into ever more remote corners of our everyday experience, while at the same time we are still confronted by the limitation of knowledge, the fallibility of our existence, and the finitude of our mortality. Despite the success of science, technical knowledge, and the great leaps forward in our collective well-being, in the end each of us still faces the perils of everyday existence, the probabilities of meeting our fate through incurable illness, the uncertainty of our personal futures, or the possibility of accident and misfortune through exposure to the very products derived through scientific progress. Given the impossibility of transforming uncertainty, risk and harm into instruments amenable to total control and mitigation, Beck's work will surely resonate for generations to come.



## READING 40

# Unpacking Cosmopolitanism for the Social Sciences: A Research Agenda

**Ulrich Beck and Natan Sznajder**

Cosmopolitanism is, of course, a contested term; there is no uniform interpretation of it in the growing

literature. The boundaries separating it from competitive terms like globalization, transnationalism, universalism, glocalization etc. are not distinct and internally

it is traversed by all kind of fault lines. Yet we will argue that the neo-cosmopolitanism in the social sciences - 'realistic cosmopolitanism' or 'cosmopolitan realism' - is an identifiable intellectual movement united by at least three interconnected commitments:

First, the shared *critique of methodological nationalism* which blinds conventional sociology to the multi-dimensional process of change that has irreversibly transformed the very nature of the social world and the place of states within that world. Methodological nationalism does not mean (as the term 'methodological individualism' suggests) that one or many sociologists have consciously created an *explicit* methodology (theory) based on an *explicit* nationalism. The argument rather goes that social scientists in doing research or theorizing take it for granted that society is equated with national society, as Durkheim does when he reflects on the integration of society. He, of course, has in mind the integration of the *national* society (France) without even mentioning, naming or thinking about it. In fact, not using the adjective 'national' as a universal language does not falsify but might sometimes even prove methodological nationalism. That is the case when the *practice* of the argument or the research presupposes that the unit of analysis is the national society or the national state or the combination of both. The concept of methodological nationalism is not a concept of methodology but of the sociology of sociology or the sociology of social theory.

Second, the shared diagnosis that the twenty-first century is becoming an age of cosmopolitanism. This could and should be compared with other historical moments of cosmopolitanism, such as those in ancient Greece, the Alexandrian empire and the Enlightenment. In the 1960s Hannah Arendt analysed the *Human Condition*, in the 1970s Francois Lyotard the *Post-modern Condition*. Now at the beginning of the twenty-first century we have to discover, map and understand the Cosmopolitan Condition.

Third, there is a shared assumption that for this purpose we need some kind of *methodological cosmopolitanism*. Of course, there is a lot of controversy about what this means. The main point for us lies in the fact that the dualities of the global and the local, the national and the international, us and them, have dissolved and merged together in new forms that require conceptual and empirical analysis. The outcome of this is that the concept and phenomena of cosmopolitanism

are not spatially fixed; the term itself is not tied to the 'cosmos' or the 'globe', and it certainly does not encompass 'everything'. The principle of cosmopolitanism can be found in specific forms at every level and can be practiced in every field of social and political action: in international organizations, in bi-national families, in neighbourhoods, in global cities, in transnationalized military organizations, in the management of multi-national co-operations, in production networks, human rights organizations, among ecology activists and the paradoxical global opposition to globalization.

## Critique of Methodological Nationalism

Methodological nationalism takes the following premises for granted: it equates societies with nation-state societies and sees states and their governments as the primary focus of social-scientific analysis. It assumes that humanity is naturally divided into a limited number of nations, which organize themselves internally as nation-states and externally set boundaries to distinguish themselves from other nation-states. And it goes further: this outer delimitation as well as the competition between nation-states, represent the most fundamental category of political organization.

The premises of the social sciences assume the collapse of social boundaries with state boundaries, believing that social action occurs primarily within and only secondarily across, these divisions:

[Like] stamp collecting [...] social scientists collected distinctive national social forms. Japanese industrial relations, German national character, the American constitution, the British class system - not to mention the more exotic institutions of tribal societies - were the currency of social research. The core disciplines of the social sciences, whose intellectual traditions are reference points for each other and for other fields, were therefore *domesticated* - in the sense of being preoccupied not with Western and world civilization as wholes but with the 'domestic' forms of particular national societies.

The critique of methodological nationalism should not be confused with the thesis that the end of the nation-state has arrived. One does not criticize methodological individualism by proclaiming the end of

the individual. Nation-states (as all the research shows) will continue to thrive or will be transformed into transnational states. What, then, is the main point of the critique of methodological nationalism? It adopts categories of practice as categories of analysis. The decisive point is that *national organization as a structuring principle of societal and political action can no longer serve as the orienting reference point for the social scientific observer*. One cannot even understand the re-nationalization or re-ethnification trend in Western or Eastern Europe without a cosmopolitan perspective. In this sense, the social sciences can only respond adequately to the challenge of globalization if they manage to overcome methodological nationalism and to raise empirically and theoretically fundamental questions within specialized fields of research, and thereby elaborate the foundations of a newly formulated *cosmopolitan* social science.

As many authors - including the ones in this volume - criticize, in the growing discourse on cosmopolitanism there is a danger of fusing the ideal with the real. What cosmopolitanism *is* cannot ultimately be separated from what cosmopolitanism *should be*. But the same is true of nationalism. The small, but important, difference is that in the case of nationalism the value judgment of the social scientists goes unnoticed because methodological nationalism includes a naturalized conception of nations as real communities. In the case of the cosmopolitan '*Wertbeziehung*' (Max Weber, value relation), by contrast, this silent commitment to a nation-state centred outlook of sociology appears problematic.

In order to unpack the argument in the two cases it is necessary to distinguish between the *actor* perspective and the *observer* perspective. From this it follows that a sharp distinction should be made between *methodological* and *normative* nationalism. The former is linked to the social-scientific observer perspective, whereas the latter refers to the negotiation perspectives of political actors. In a normative sense, nationalism means that every nation has the right to self-determination within the context of its cultural, political and even geographical boundaries and distinctiveness. Methodological nationalism assumes this normative claim as a socio-ontological given and simultaneously links it to the most important conflict and organization orientations of society and politics.

These basic tenets have become the main perceptual grid of the social sciences. Indeed, this social-scientific stance is part of the nation-state's own self-understanding. A national view on society and politics, law, justice, memory and history governs the sociological imagination. To some extent, much of the social sciences has become a prisoner of the nation-state. That this was not always the case [has been shown by] Bryan Turner. [...] This does not mean, of course, that a cosmopolitan social science can and should ignore different national traditions of law, history, politics and memory. These traditions exist and become part of our cosmopolitan methodology. The comparative analyses of societies, international relations, political theory, and a significant part of history and law all essentially function on the basis of methodological nationalism. This is valid to the extent that the majority of positions in the contemporary debates in social and political science over globalization can be systematically interpreted as transdisciplinary reflexes linked to methodological nationalism.

These premises also structure empirical research, for example, in the choice of statistical indicators, which are almost always exclusively national. A refutation of methodological nationalism from a strictly empirical viewpoint is therefore difficult, indeed, almost impossible, because so many statistical categories and research procedures are based on it. It is therefore of historical importance for the future development of the social sciences that this methodological nationalism, as well as the related categories of perception and disciplinary organization, be theoretically, empirically, and organizationally re-assessed and reformed.

What is at stake here? Whereas in the case of the nation-state centred perspective there is an historical correspondence between normative and methodological nationalism (and for this reason this correspondence has mainly remained latent), this does not hold for the relationship between normative and methodological cosmopolitanism. In fact, the opposite is true: even the re-nationalization or re-ethnification of minds, cultures and institutions has to be analysed within a cosmopolitan frame of reference.

Cosmopolitan social science entails the systematic breaking up of the process through which the national perspective of politics and society, as well as the methodological nationalism of political science, sociology,

history, and law, confirm and strengthen each other in their definitions of reality. Thus it also tackles (what had previously been *analytically* excluded as a sort of conspiracy of silence of conflicting basic convictions) the various developmental versions of de-bounded politics and society, corresponding research questions and programmes, the strategic expansions of the national and international political fields, as well as basic transformations in the domains of state, politics, and society.

This paradigmatic de-construction and re-construction of the social sciences from a national to a cosmopolitan outlook can be understood and methodologically justified as a 'positive problem shift', a broadening of horizons for social science research making visible new realities encouraging new research programmes. Against the background of cosmopolitan social science, it suddenly becomes obvious that it is neither possible to distinguish clearly between the national and the international, nor, correspondingly, to make a convincing contrast between homogeneous units. National spaces have become denationalized, so that the national is no longer national, just as the international is no longer international. New realities are arising: a new mapping of space and time, new co-ordinates for the social and the political are emerging which have to be theoretically and empirically researched and elaborated.

This entails a re-examination of the fundamental concepts of 'modern society'. *Household, family, class, social inequality, democracy, power, state, commerce, public, community, justice, law, history, memory and politics* must be released from the fetters of methodological nationalism, re-conceptualized, and empirically established within the framework of a new cosmopolitan social and political science. It would be hard to understate the scope of this task. But nevertheless it has to be taken up if the social sciences want to avoid becoming a museum of antiquated ideas.

### Structure and Normativity: the Cosmopolitan Condition and the Cosmopolitan Moment

In order to unpack cosmopolitanism, we need to make another important distinction, namely that between

normative-philosophical and empirical-analytical cosmopolitanism; or, to put it differently, between the cosmopolitan *condition* and the cosmopolitan *moment*. Up to now, much of the social scientific discourse has assumed the notion of cosmopolitanism as a moral and political standpoint, a shared normative-philosophical commitment to the primacy of world citizenship over all national, religious, cultural, ethnic and other parochial affiliations; added to this is the notion of cosmopolitanism as an attitude or biographical situation in which the cultural contradictions of the world are unequally distributed, not just out there but also at the centre of one's own life. A world of yesterday turned into an Utopian future and reclaimed by social thinkers is elevating 'homelessness', 'fluidity', 'liquidity', 'mobility' to new heights. 'Cosmopolitanism' has a noble ring in a plebeian age, the nobility of a Kant in a postmodern age. This is the kind of cosmopolitanism familiar to philosophers since ancient times, but alien to social scientists. Here, cosmopolitanism is equated with *reflexive* cosmopolitanism. This idea of cosmopolitanism includes the idea that the self-reflexive global age offers space in which old cosmopolitan ideals could and should be translated and re-configured into concrete social realities and philosophy turned into sociology. Nevertheless, the question has to be asked and answered: *Why* is there a cosmopolitan moment now, at the beginning of the twenty-first century?

On the other hand the discourse on cosmopolitanism so far has not really paid attention to the fact that, besides the intended, there is an *unintended and lived* cosmopolitanism and this is of growing importance: the increase in interdependence among social actors across national borders (which can only be observed from the cosmopolitan outlook), whereby the peculiarity exists in the fact that this 'cosmopolitanization' occurs as unintended and unseen *side-effects* of actions which are not intended as 'cosmopolitan' in the normative sense. Only under certain circumstances does this latent cosmopolitanization lead to the emergence of global public spheres, global discussion forums, and global regimes concerned with transnational conflicts ('institutionalized cosmopolitanism'). Summarizing these aspects, we speak of the *Cosmopolitan Condition* as opposed to the *Post-modern Condition*.

### The cosmopolitan condition

If we make a clear distinction between the actor perspective and the observer perspective, both in relation to the national outlook and the cosmopolitan outlook, we end up with four fields in a table representing the possible changes in perspectives and reality. It is at least conceivable (and this needs a lot of optimism!) that the shift in outlook from methodological nationalism to methodological cosmopolitanism will gain acceptance. But this need not have any implications for the prospect for realizing cosmopolitan ideals in society and politics. So, if one is an optimist regarding a cosmopolitan turn in the social sciences, one can certainly also be a pessimist regarding a cosmopolitan turn in the real world. It would be ridiculously naive to think that a change in scientific paradigm might lead to a situation where people, organizations and governments are becoming more open to the ideals of cosmopolitanism. But again: if this is so why do we need a cosmopolitan outlook for the social sciences? Our answer is: in order to understand the really-existing process of cosmopolitanization of the world.

Like the distinction between 'modernity' and 'modernization', we have to distinguish between *cosmopolitanism* as a set of normative principles and (really existing) *cosmopolitanization*. This distinction turns on the rejection of the claim that cosmopolitanism is a conscious and voluntary choice, and all too often the choice of an elite. The notion 'cosmopolitanization' is designed to draw attention to the fact that the emerging cosmopolitan of reality is also, and even primarily, a function of coerced choices or a side-effect of unconscious decisions. The choice to become or remain an 'alien' or a 'non-national' is not as a general rule a voluntary one but a response to acute need, political repression or a threat of starvation. A 'banal' cosmopolitanism in this sense unfolds beneath the surface or behind the facades of persisting national spaces, jurisdiction and labelling, while national flags continue to be hoisted and national attitudes, identities and consciousness remain dominant. Judged by the lofty standards of ethical and academic morality, this latent character renders cosmopolitanism trivial, unworthy of comment, even suspect. An ideal that formerly strutted the stage of world history as an ornament of the elite cannot possibly slink into social

and political reality by the backdoor. Thus, we emphasize the centrality of emotional engagement and social integration and not only fragmentation as part of the cosmopolitan world. And this emphasizes that the process of cosmopolitanization is bound up with symbol and ritual, and not just with spoken ideas. And it is symbol and ritual that turns philosophy into personal and social identity and consequently relevant for social analysis. The more such rituals contribute to individuals' personal sense of conviction, the larger the critical mass available to be mobilized in cosmopolitan reform movements for instance, be they movements against global inequality or human rights violations. And the farther cosmopolitan rituals and symbols spread, the more chance there will be of someday achieving a cosmopolitan political order. This is where normative and empirical cosmopolitanism meet. At the same time, we must remember that a cosmopolitan morality is not the only historically important form of today's globalized world. Another one is nationalism. The nation-state was originally formed out of local units to which people were fiercely attached. They considered these local attachments 'natural' and the nation-state to be soulless and artificial - *Gesellschaft* compared to the local *Gemeinschaft*. But thanks to national rituals and symbols, that eventually changed completely. Now today many people consider national identity to be natural and cosmopolitan or world identity to be an artificial construct. They are right. It will be an artificial construct, if artificial means made by humans. But they are wrong if they think artificial origins prevent something from eventually being regarded as natural. It did not stop the nation-state. And there is no reason it has to stop cosmopolitan morality. However, the challenge will be to see these moral orders not as contradictory but as living side by side in the global world. Cosmopolitanism and nationalism are not mutually exclusive, neither methodologically nor normatively.

There can be no doubt that a cosmopolitanism that is passively and unwillingly suffered is a *deformed* cosmopolitanism. The fact that really-existing cosmopolitanization is not achieved through struggle, that it is not chosen, that it does not come into the world as progress with the reflected moral authority of the Enlightenment, but as something deformed and profane, cloaked in the anonymity of side-effects - this

is an essential founding moment within cosmopolitan realism in the social sciences. Our main point is here to make a distinction between the moral ideal of cosmopolitanism (as expressed in Enlightenment philosophy) and the above mentioned cosmopolitan condition of real people. It's also the distinction between theory and praxis. This means, in our case, the distinction between a cosmopolitan philosophy and a cosmopolitan sociology.

#### Cosmopolitanism and globalization

But, one might object, isn't 'cosmopolitanization' simply a new word for what used to be called 'globalization'? The answer is 'no': globalization is something taking place 'out there', cosmopolitanization happens 'from within'. Whereas globalization presupposes, cosmopolitanization dissolves the 'onion model' of the world, where the local and the national form the core and inner layer and the international and the global

form the outer layers. Cosmopolitanization thus points to the irreversible fact that people, from Moscow to Paris, from Rio to Tokyo, have long since been living in *really-existing relations of interdependence*; they are as much responsible for the intensification of these relations through their production and consumption as are the resulting global risks that impinge on their everyday lives. The question, then, is: how should we operationalize this conception of the world as a collection of different cultures and divergent modernities? Cosmopolitanization should be chiefly conceived of as globalization from *within*, as *internalized* cosmopolitanism. This is how we can suspend the assumption of the nation-state, and this is how we can make the empirical investigation of local-global phenomena possible. We can frame our questions so as to illuminate the transnationality that is arising inside nation-states. This is what a cosmopolitan sociology looks like.

[...]

## / READING 41

# Cosmopolitanism and Nationalism

Craig Calhoun

Cosmopolitanism has become an enormously popular rhetorical vehicle for claiming at once to be already global and to have the highest ethical aspirations for what globalisation can offer. It names a virtue of considerable importance. But, and these are my themes, it is not at all clear (a) that cosmopolitanism is quite so different from nationalism as sometimes supposed, (b) whether cosmopolitanism is really supplanting nationalism in global politics, and (c) whether cosmopolitanism is an ethical complement to politics, or in some usages a substitution of ethics for politics.

[...]

There are, however, three potential lines of confusion built into the idea of cosmopolitanism. We have noted two already. First, does it refer to what is common to the whole world and unites humanity? Or does

it refer to appreciation of the differences among different groups and places? And second, does it refer to an individual attitude or ethical orientation, or does it refer to a condition of collective life? But confusion of the third sort is at least as common: cosmopolitanism is both description and normative program and the distinction is often unclear.

Indeed, part of the attraction of the idea of cosmopolitanism is that it seems to refer at once to a fact about the world - particularly in this era of globalisation - and to a desirable response to that fact. Ulrich Beck suggests that we should think of two linked processes. The growing interconnection of the world he calls 'cosmopolitanization'. He uses 'cosmopolitanism' for the attitude that treats these as a source of moral responsibility for everyone. But the very overlap in terminology suggests (despite occasional disclaimers) that one is automatically linked to the other. And this

is not just an issue in Beck's writing but a wider feature of discourse about cosmopolitanism.

Clearly, neither the interconnectedness nor the diversity of the world brings pleasure to everyone. Growing global connections can become a source of fear and defensiveness rather than appreciation for diversity or sense of ethical responsibility for distant strangers. Globalisation can lead to renewed nationalism or strengthening of borders - as has often been the case since the 2001 terrorist attacks. But like many others Beck hopes that instead a cosmopolitan attitude will spread. He emphasises that risks such as environmental degradation turn the whole world into a 'community of fate'. Cosmopolitanism is, for him, the perspective on what humanity shares that will help us deal with this. Cosmopolitanism offers an ethics for globalisation.

[...]

It is impossible not to belong to social groups, relations, or culture. The idea of individuals abstract enough to be able to choose all their 'identifications' is deeply misleading. Versions of this idea are, however, widespread in liberal cosmopolitanism. They reflect the attractive illusion of escaping from social determinations into a realm of greater freedom, and from cultural particularity into greater universalism. But they are remarkably unrealistic, and so abstract as to provide little purchase on what the next steps of actual social action might be for real people who are necessarily situated in particular webs of belonging, with access to particular others but not to humanity in general. Treating ethnicity as *essentially* (rather than partially) a choice of identifications, they neglect the omnipresence of ascription (and discrimination) as determinations of social identities. They neglect the huge inequalities in the supports available to individuals to enter cosmopolitan intercourse as individuals (and also the ways in which certain socially distributed supports like wealth, education, and command of the English language are understood as personal achievements or attributes). And they neglect the extent to which people are implicated in social actions which they are not entirely free to choose (as, for example, I remain an American and share responsibility for the invasion of Iraq despite my opposition to it and distaste for the US administration that launched it). Whether blame or benefit follow from such implications, they are not altogether optional.

Cosmopolitanism seems to signal *both* the identity (and therefore unity) of all human beings despite their differences, *and* appreciation for and ability to feel at home among the actual differences among people and peoples. We focus sometimes on the essential similarity of people and sometimes on their diversity.

We should be careful not to imagine that either sort of cosmopolitanism is an immediately useful example for democracy. Modern democracy grew in close relationship to nationalism, as the ideal of self-determination demanded a strong notion of the collective self in question. Nationalism was also (at least often) an attempt to reconcile liberty and ethical universalism with felt community. This doesn't mean that we should not seek more cosmopolitan values, cultural knowledge, and styles of interpersonal relations in modern national democracy. It certainly doesn't mean that we should embrace reactionary versions of nationalism which have often been antidemocratic as well as anticosmopolitan. But it does mean that we need to ask some hard questions about how cosmopolitanism relates to the construction of political and social solidarities. Does cosmopolitanism actually underpin effective political solidarity, or only offer an attractive counterbalance to nationalism? How can we reconcile the important potential of multiple and hybrid cultural and social identities with political participation and rights? What is the relationship between valuing difference and having a strong enough commitment to specific others to sacrifice in collective struggle or accept democracy's difficult challenge of living in a minority and attempting only to persuade and not simply dominate others with whom one does not agree? It will not do simply to substitute ethics for politics, no matter how cosmopolitan and otherwise attractive the ethics. It will not do to imagine democratic politics without paying serious attention to the production of strong solidarity among the subjects of struggles for greater self-determination.

Many forms and visions of belonging are also responses to globalisation, not merely inheritances from time immemorial. Nations and national identities, for example, have been forged in international relations from wars to trade, in international migrations and among those who traveled as well as those who feared their arrival, and in pursuit of popular sovereignty

against traditional rulers. Nationalism has often grown stronger when globalisation has intensified. Islam, Christianity, Buddhism and other religions arose in the contexts of empires and conflicts but also have been remade as frames of identity crossing nations and yet locating believers in a multireligious world. Religion has shaped globalisation not only as a source of conflict but of peacemaking. The significance of local community has repeatedly been changed by incorporation into broader structures of trade and association. And communal values have been articulated both to defend havens in a seemingly heartless world and to set examples for global imitation. While structures of belonging may be shaped by tradition, thus, we need to understand them not merely as traditional alternatives to modernity or cosmopolitanism but as important ways in which ordinary people have tried to take hold of modernity and to locate themselves in a globalising world.

In a broad, general sense cosmopolitanism is unexceptionable. Who - at least what sophisticated intellectual - could argue for parochialism over a broader perspective, for narrow sectarian loyalties over recognition of global responsibilities? Who could be against citizenship of the world? But the word 'citizenship' is a clue to the difficulty. Cosmopolitanism means something very different as a political project - or as the project of substituting universalistic ethics for politics

- from what it means as a general orientation to difference in the world. And a central strand of political theory is now invested in hopes for cosmopolitan democracy, democracy not limited by nation-states. In the spirit of Kant as well as Diogenes, many say, people should see themselves as citizens of the world, not just of their countries. This requires escape from the dominance of a nationalist social imaginary (that is, a nationalist way of understanding what society is and constituting new political communities).

It is an escape that carries the risk of throwing the baby out with the bathwater. We should, I think, join in recognising the importance of transnational relations and therefore transnational politics, movements, and ethics. We should try to belong to the world as a whole and help it thrive, and be more just and better organised. But we should not imagine we can do so very well by ignoring or wishing away national and local solidarities. This is something I think the work of Ernest Gellner affirms. We need to be global in part through how we are national. And we need to recognise the ways national - and ethnic and religious - solidarities work for others. If we are among those privileged to transcend national identities and limits in our travel and academic conferences and reading and friendships we should nonetheless be attentive to the social conditions of our outlook and the situations of those who do not share our privileges.



# McWorld and Jihad

In an argument first published as an article in *Atlantic Monthly* in 1992 and later in a book, *Jihad vs McWorld*, Benjamin Barber offered a hotly debated thesis on globalization. As the title suggests, Barber focuses on the antagonism between Jihad and McWorld. Whereas McWorld refers to the expansion of a unified political and cultural process that is progressively becoming omnipresent throughout the world, Jihad, as Barber defines it, is the localized, reactionary force that bolsters cultural parochialism, but which also leads to greater political heterogeneity throughout the world. However, he argues that Jihad must, in the end, yield to McWorld.

Jihad is usually associated with Islam, where it means the spiritual effort, struggle, and striving of the heart against vice, passion, and ignorance. It should be noted, however, that Barber does not restrict the use of the term to Islam; rather he uses it rhetorically to refer to groups that aim to redraw boundaries and reassert ethnic, racial, tribal, and/or religious identities. Thus, non-Islamic examples of Jihad include the Basque separatists, the Catholics of Northern Ireland, Québécois, and Puerto Ricans, among others.

By McWorld, on the other hand, Barber means the global businesses - McDonald's, Microsoft, Disney, Coca-Cola, Panasonic, Kentucky Fried Chicken, etc. - that are producing global homogeneity. He reduces all of them to "Mc" in order to highlight and to critique

the culturally homogeneous nature of their products. McWorld suggests the threatening aspects of unregulated capitalism as well as the damage caused by the international corporations, which are committed to large and fast profits through their aggressive global expansion. Taken together, McWorld and Jihad symbolize a planet simultaneously being drawn together by communications and commerce and being split apart by the "Jihad" of fanatics and terrorists.

In Barber's view, McWorld is the true driving force in globalization and ultimately the more powerful of the two processes on which he focuses. A combination of economic expansionism and the spread of popular culture, McWorld produces a global marketplace in which the sovereignty of the nation-state is surrendered to transnational commerce. Barber argues that the requirements of the market lead McWorld to support international peace and stability, and to reduce the possibility of isolation and war, in order to make for greater efficiency, productivity, and profitability. Nonetheless, he believes that McWorld faces a series of challenges. Barber contends that market freedom does not necessarily mean democracy and that markets can only be a means, not an end. The economic efficiency of the market does not translate into democracy, full employment, dignity at work, environmental protection, and so on.

Barber contends that McWorld has not always delivered on its promises. Without regulation, markets can eliminate competition in many areas. This has various cultural and ideological implications. Of greatest importance is the possibility of the emergence of monopolies in the media which result in uniformity and censorship and which might help lead to totalitarianism. Further, it brings together diverse cultures and ethnicities under the heading of consumer culture, with the result that "consumer" and "person" become practically synonymous. For that reason, McWorld can be culturally manipulative and coercive; it replaces culturally unique societies with a global consumer society in which people consume the same goods and have the same symbols, lifestyles, and "so-called" necessities.

In the face of struggle between Jihad and McWorld, Barber does not foresee Jihad withstanding McWorld in the long run, especially Americanization, McDonaldization (see chapter 15), and Hollywoodization. The culture of McWorld is, to Barber, enmeshed in capitalism and this is more likely to mean the defeat of liberal democracy than its victory. Barber argues that although American consumerism is more democratic than most traditionalisms, a strong state has been the only sponsor of democratic freedoms and social equality.

Zakaria criticizes Barber's thesis on several grounds. He argues that Barber understands Islam as monolithic and inherently hostile to democracy. Zakaria also contends that Barber is ambivalent about nationalism. On the one hand, Barber argues that nationalism has an important role in history as it gives people a sense of belonging and self-determination, and he criticizes those who distort the concept. On the other hand, Zakaria states that Barber himself uses "a crude, xenophobic and inaccurate term to describe this complex phenomenon." Zakaria maintains that the Jihad vs McWorld distinction is an oversimplification of a very complex world. According to Zakaria, Jihad is not discussed thoroughly, is used incorrectly, and is

employed only as the antithesis of McWorld. Similarly, Zakaria argues that "McWorld" as a concept does not provide a substantial analysis of the global economy, international financial markets, or national governments.

Turner shares Zakaria's concerns about the use of Jihad and McWorld as all-encompassing concepts. Turner argues that Barber's presentation of Jihad and McWorld as uniform entities obscures the differences that exist within each. Furthermore, Turner criticizes the validity of "Jihad" as an explanatory category. He argues that by treating Islam as monolithic and inherently hostile to democracy, Barber fails to recognize the similarities between Islamic and Christian fundamentalism, equates fundamentalism with traditionalism in order to argue that fundamentalism is hostile to modernity, overlooks Islam's historical development with the West, and recreates a "friend or foe" perspective.<sup>2</sup>

Barber returns to his Jihad vs McWorld thesis in the post-9/11 world. He rejects the "war on terrorism" at least as it is being waged in light of the 9/11 attacks. Instead of a war against the jihadists, Barber urges a war, or at least a struggle, on behalf of democracy. The true enemy is what Barber calls "radical nihilists" and he believes they can be defeated by a variety of democratic movements already under way. In order to play a role in this, the US needs to change from a society dedicated to "wild capitalism and an aggressive secularism" and riddled with "social injustice";<sup>3</sup> it needs to tame its capitalism, ameliorate social injustice, and accept religion and civil society. He believes that 9/11 and its aftermath have given global democracy its moment.

Despite its shortcomings, Barber's Jihad vs McWorld thesis is, and continues to be, one of the noteworthy endeavors to explain the contemporary world in the light of globalization. By focusing on the role of culture, and discussing the links between consumption, markets, and democracy, Barber delivers one of the most hotly debated accounts of the globalization process.

## NOTES.....●●●●●

- 1 Fareed Zakaria, "Paris is Burning." *The New Republic*, January 22, 1996: 28.
- 2 Bryan S. Turner, "Sovereignty and Emergency: Political Theology, Islam and American Conser-

- vatism." *Theory, Culture and Society* 19, 4, 2002: 112.
- 3 Benjamin R. Barber, "On Terrorism and the New Democratic Realism." *The Nation*, January 21, 2002: 18.



## Jihad vs McWorld

**Benjamin R. Barber**

Just beyond the horizon of current events lie two possible political futures - both bleak, neither democratic. The first is a retribalization of large swaths of humankind by war and bloodshed: a threatened Lebanonization of national states in which culture is pitted against culture, people against people, tribe against tribe - a Jihad in the name of a hundred narrowly conceived faiths against every kind of interdependence, every kind of artificial social cooperation and civic mutuality. The second is being borne in on us by the onrush of economic and ecological forces that demand integration and uniformity and that mesmerize the world with fast music, fast computers, and fast food - with MTV, Macintosh, and McDonald's, pressing nations into one commercially homogeneous global network: one McWorld tied together by technology, ecology, communications, and commerce. The planet is falling precipitantly apart *AND* coming reluctantly together at the very same moment.

These two tendencies are sometimes visible in the same countries at the same instant: thus Yugoslavia, clamoring just recently to join the New Europe, is exploding into fragments; India is trying to live up to its reputation as the world's largest integral democracy while powerful new fundamentalist parties like the Hindu nationalist Bharatiya Janata Party, along with nationalist assassins, are imperiling its hard-won unity. States are breaking up or joining up: the Soviet Union has disappeared almost overnight, its parts forming new unions with one another or with like-minded nationalities in neighboring states. The old interwar national state based on territory and political sovereignty looks to be a mere transitional development.

The tendencies of what I am here calling the forces of Jihad and the forces of McWorld operate with equal strength in opposite directions, the one driven by parochial hatreds, the other by universalizing markets, the one re-creating ancient subnational and ethnic borders from within, the other making national

borders porous from without. They have one thing in common: neither offers much hope to citizens looking for practical ways to govern themselves democratically. If the global future is to pit Jihad's centrifugal whirlwind against McWorld's centripetal black hole, the outcome is unlikely to be democratic - or so I will argue.

### McWorld, or the Globalization of Politics

Four imperatives make up the dynamic of McWorld: a market imperative, a resource imperative, an information-technology imperative, and an ecological imperative. By shrinking the world and diminishing the salience of national borders, these imperatives have in combination achieved a considerable victory over factiousness and particularism, and not least of all over their most virulent traditional form - nationalism. It is the realists who are now Europeans, the Utopians who dream nostalgically of a resurgent England or Germany, perhaps even a resurgent Wales or Saxony. Yesterday's wishful cry for one world has yielded to the reality of McWorld.

#### The market imperative

Marxist and Leninist theories of imperialism assumed that the quest for ever-expanding markets would in time compel nation-based capitalist economies to push against national boundaries in search of an international economic imperium. Whatever else has happened to the scientific predictions of Marxism, in this domain they have proved farsighted. All national economies are now vulnerable to the inroads of larger, transnational markets within which trade is free, currencies are convertible, access to banking is open, and contracts are enforceable under law. In Europe,

Asia, Africa, the South Pacific, and the Americas such markets are eroding national sovereignty and giving rise to entities - international banks, trade associations, transnational lobbies like OPEC and Greenpeace, world news services like CNN and the BBC, and multinational corporations that increasingly lack a meaningful national identity - that neither reflect nor respect nationhood as an organizing or regulative principle.

The market imperative has also reinforced the quest for international peace and stability, requisites of an efficient international economy. Markets are enemies of parochialism, isolation, factionalism, war. Market psychology attenuates the psychology of ideological and religious cleavages and assumes a concord among producers and consumers - categories that ill fit narrowly conceived national or religious cultures. Shopping has little tolerance for blue laws, whether dictated by pub-closing British paternalism, Sabbath-observing Jewish Orthodox fundamentalism, or no-Sunday-liquor-sales Massachusetts puritanism. In the context of common markets, international law ceases to be a vision of justice and becomes a workaday framework for getting things done - enforcing contracts, ensuring that governments abide by deals, regulating trade and currency relations, and so forth.

Common markets demand a common language, as well as a common currency, and they produce common behaviors of the kind bred by cosmopolitan city life everywhere. Commercial pilots, computer programmers, international bankers, media specialists, oil riggers, entertainment celebrities, ecology experts, demographers, accountants, professors, athletes - these compose a new breed of men and women for whom religion, culture, and nationality can seem only marginal elements in a working identity. Although sociologists of everyday life will no doubt continue to distinguish a Japanese from an American mode, shopping has a common signature throughout the world. Cynics might even say that some of the recent revolutions in Eastern Europe have had as their true goal not liberty and the right to vote but well-paying jobs and the right to shop (although the vote is proving easier to acquire than consumer goods). The market imperative is, then, plenty powerful; but, notwithstanding some of the claims made for "democratic capitalism," it is not identical with the democratic imperative.

### The resource imperative

Democrats once dreamed of societies whose political autonomy rested firmly on economic independence. The Athenians idealized what they called autarky, and tried for a while to create a way of life simple and austere enough to make the polis genuinely self-sufficient. To be free meant to be independent of any other community or polis. Not even the Athenians were able to achieve autarky, however: human nature, it turns out, is dependency. By the time of Pericles, Athenian politics was inextricably bound up with a flowering empire held together by naval power and commerce - an empire that, even as it appeared to enhance Athenian might, ate away at Athenian independence and autarky. Master and slave, it turned out, were bound together by mutual insufficiency.

The dream of autarky briefly engrossed nineteenth-century America as well, for the underpopulated, endlessly bountiful land, the cornucopia of natural resources, and the natural barriers of a continent walled in by two great seas led many to believe that America could be a world unto itself. Given this past, it has been harder for Americans than for most to accept the inevitability of interdependence. But the rapid depletion of resources even in a country like ours, where they once seemed inexhaustible, and the maldistribution of arable soil and mineral resources on the planet, leave even the wealthiest societies ever more resource-dependent and many other nations in permanently desperate straits.

Every nation, it turns out, needs something another nation has; some nations have almost nothing they need.

### The information-technology imperative

Enlightenment science and the technologies derived from it are inherently universalizing. They entail a quest for descriptive principles of general application, a search for universal solutions to particular problems, and an unswerving embrace of objectivity and impartiality.

Scientific progress embodies and depends on open communication, a common discourse rooted in rationality, collaboration, and an easy and regular flow and exchange of information. Such ideals can be hypocritical covers for power-mongering by elites, and they may be

shown to be wanting in many other ways, but they are entailed by the very idea of science and they make science and globalization practical allies.

Business, banking, and commerce all depend on information flow and are facilitated by new communication technologies. The hardware of these technologies tends to be systemic and integrated - computer, television, cable, satellite, laser, fiber-optic, and microchip technologies combining to create a vast interactive communications and information network that can potentially give every person on earth access to every other person, and make every datum, every byte, available to every set of eyes. If the automobile was, as George Ball once said (when he gave his blessing to a Fiat factory in the Soviet Union during the Cold War), "an ideology on four wheels," then electronic telecommunication and information systems are an ideology at 186,000 miles per second - which makes for a very small planet in a very big hurry. Individual cultures speak particular languages; commerce and science increasingly speak English; the whole world speaks logarithms and binary mathematics.

Moreover, the pursuit of science and technology asks for, even compels, open societies. Satellite footprints do not respect national borders; telephone wires penetrate the most closed societies. With photocopying and then fax machines having infiltrated Soviet universities and *samizdat* literary circles in the eighties, and computer modems having multiplied like rabbits in communism's bureaucratic warrens thereafter, *glasnost* could not be far behind. In their social requisites, secrecy and science are enemies.

The new technology's software is perhaps even more globalizing than its hardware. The information arm of international commerce's sprawling body reaches out and touches distinct nations and parochial cultures, and gives them a common face chiseled in Hollywood, on Madison Avenue, and in Silicon Valley. Throughout the 1980s one of the most-watched television programs in South Africa was *The Cosby Show*. The demise of apartheid was already in production. Exhibitors at the 1991 Cannes film festival expressed growing anxiety over the "homogenization" and "Americanization" of the global film industry when, for the third year running, American films dominated the awards ceremonies. America has dominated the world's popular culture for much longer, and much more decisively.

In November of 1991 Switzerland's once insular culture boasted best-seller lists featuring *Terminator 2* as the No. 1 movie, *Scarlett* as the No. 1 book, and Prince's *Diamonds and Pearls* as the No. 1 record album. No wonder the Japanese are buying Hollywood film studios even faster than Americans are buying Japanese television sets. This kind of software supremacy may in the long term be far more important than hardware superiority, because culture has become more potent than armaments. What is the power of the Pentagon compared with Disneyland? Can the Sixth Fleet keep up with CNN? McDonald's in Moscow and Coke in China will do more to create a global culture than military colonization ever could. It is less the goods than the brand names that do the work, for they convey life-style images that alter perception and challenge behavior. They make up the seductive software of McWorld's common (at times much too common) soul.

Yet in all this high-tech commercial world there is nothing that looks particularly democratic. It lends itself to surveillance as well as liberty, to new forms of manipulation and covert control as well as new kinds of participation, to skewed, unjust market outcomes as well as greater productivity. The consumer society and the open society are not quite synonymous. Capitalism and democracy have a relationship, but it is something less than a marriage. An efficient free market after all requires that consumers be free to vote their dollars on competing goods, not that citizens be free to vote their values and beliefs on competing political candidates and programs. The free market flourished in junta-run Chile, in military-governed Taiwan and Korea, and, earlier, in a variety of autocratic European empires as well as their colonial possessions.

#### The ecological imperative

The impact of globalization on ecology is a cliché even to world leaders who ignore it. We know well enough that the German forests can be destroyed by Swiss and Italians driving gas-guzzlers fueled by leaded gas. We also know that the planet can be asphyxiated by greenhouse gases because Brazilian farmers want to be part of the twentieth century and are burning down tropical rain forests to clear a little land to plough, and because Indonesians make a living out of converting their lush jungle into toothpicks for fastidious Japanese

diners, upsetting the delicate oxygen balance and in effect puncturing our global lungs. Yet this ecological consciousness has meant not only greater awareness but also greater inequality, as modernized nations try to slam the door behind them, saying to developing nations, "The world cannot afford your modernization; ours has wrung it dry!"

Each of the four imperatives just cited is transnational, transideological, and transcultural. Each applies impartially to Catholics, Jews, Muslims, Hindus, and Buddhists; to democrats and totalitarians; to capitalists and socialists. The Enlightenment dream of a universal rational society has to a remarkable degree been realized - but in a form that is commercialized, homogenized, depoliticized, bureaucratized, and, of course, radically incomplete, for the movement toward McWorld is in competition with forces of global breakdown, national dissolution, and centrifugal corruption. These forces, working in the opposite direction, are the essence of what I call Jihad.

## Jihad, or the Lebanonization of the World

OPEC, the World Bank, the United Nations, the International Red Cross, the multinational corporation ... there are scores of institutions that reflect globalization. But they often appear as ineffective reactors to the world's real actors: national states and, to an ever greater degree, subnational factions in permanent rebellion against uniformity and integration - even the kind represented by universal law and justice. The headlines feature these players regularly: they are cultures, not countries; parts, not wholes; sects, not religions; rebellious factions and dissenting minorities at war not just with globalism but with the traditional nation-state. Kurds, Basques, Puerto Ricans, Ossetians, East Timoreans, Québécois, the Catholics of Northern Ireland, Abkhazians, Kurile Islander Japanese, the Zulus of Inkatha, Catalonians, Tamils, and, of course, Palestinians - people without countries, inhabiting nations not their own, seeking smaller worlds within borders that will seal them off from modernity.

A powerful irony is at work here. Nationalism was once a force of integration and unification, a movement aimed at bringing together disparate clans, tribes, and

cultural fragments under new, assimilationist flags. But as Ortega y Gasset noted more than sixty years ago, having won its victories, nationalism changed its strategy. In the 1920s, and again today, it is more often a reactionary and divisive force, pulverizing the very nations it once helped cement together. The force that creates nations is "inclusive," Ortega wrote in *The Revolt of the Masses*. "In periods of consolidation, nationalism has a positive value, and is a lofty standard. But in Europe everything is more than consolidated, and nationalism is nothing but a mania [...]"

This mania has left the post-Cold War world smoldering with hot wars; the international scene is little more unified than it was at the end of the Great War, in Ortega's own time. There were more than thirty wars in progress last year, most of them ethnic, racial, tribal, or religious in character, and the list of unsafe regions doesn't seem to be getting any shorter. Some new world order!

The aim of many of these small-scale wars is to redraw boundaries, to implode states and resecure parochial identities: to escape McWorld's dully insistent imperatives. The mood is that of Jihad: war not as an instrument of policy but as an emblem of identity, an expression of community, an end in itself. Even where there is no shooting war, there is fractiousness, secession, and the quest for ever smaller communities. Add to the list of dangerous countries those at risk: in Switzerland and Spain, Jurassian and Basque separatists still argue the virtues of ancient identities, sometimes in the language of bombs. Hyperdisintegration in the former Soviet Union may well continue unabated - not just a Ukraine independent from the Soviet Union but a Bessarabian Ukraine independent from the Ukrainian republic; not just Russia severed from the defunct union but Tatarstan severed from Russia. Yugoslavia makes even the disunited, ex-Soviet, nonsocialist republics that were once the Soviet Union look integrated, its sectarian fatherlands springing up within factional motherlands like weeds within weeds. Kurdish independence would threaten the territorial integrity of four Middle Eastern nations. Well before the current cataclysm Soviet Georgia made a claim for autonomy from the Soviet Union, only to be faced with its Ossetians (164,000 in a republic of 5.5 million) demanding their own self-determination within Georgia. The Abkhazian minority in Georgia

has followed suit. Even the good will established by Canada's once promising Meech Lake protocols is in danger, with Francophone Quebec again threatening the dissolution of the federation. In South Africa the emergence from apartheid was hardly achieved when friction between Inkatha's Zulus and the African National Congress's tribally identified members threatened to replace Europeans' racism with an indigenous tribal war. After thirty years of attempted integration using the colonial language (English) as a unifier, Nigeria is now playing with the idea of linguistic multiculturalism - which could mean the cultural breakup of the nation into hundreds of tribal fragments. Even Saddam Hussein has benefited from the threat of internal Jihad, having used renewed tribal and religious warfare to turn last season's mortal enemies into reluctant allies of an Iraqi nationhood that he nearly destroyed.

The passing of communism has torn away the thin veneer of internationalism (workers of the world unite!) to reveal ethnic prejudices that are not only ugly and deep-seated but increasingly murderous. Europe's old scourge, anti-Semitism, is back with a vengeance, but it is only one of many antagonisms. It appears all too easy to throw the historical gears into reverse and pass from a Communist dictatorship back into a tribal state.

Among the tribes, religion is also a battlefield. ("Jihad" is a rich word whose generic meaning is "struggle" - usually the struggle of the soul to avert evil. Strictly applied to religious war, it is used only in reference to battles where the faith is under assault, or battles against a government that denies the practice of Islam. My use here is rhetorical, but does follow both journalistic practice and history.) Remember the Thirty Years War? Whatever forms of Enlightenment universalism might once have come to grace such historically related forms of monotheism as Judaism, Christianity, and Islam, in many of their modern incarnations they are parochial rather than cosmopolitan, angry rather than loving, proselytizing rather than ecumenical, zealous rather than rationalist, sectarian rather than deistic, ethnocentric rather than universalizing. As a result, like the new forms of hypernationalism, the new expressions of religious fundamentalism are fractious and pulverizing, never integrating. This is religion as the Crusaders knew it: a battle to the death for souls that if not saved will be forever lost.

The atmospherics of Jihad have resulted in a breakdown of civility in the name of identity, of comity in the name of community. International relations have sometimes taken on the aspect of gang war - cultural turf battles featuring tribal factions that were supposed to be sublimated as integral parts of large national, economic, postcolonial, and constitutional entities.

## The Darkening Future of Democracy

These rather melodramatic tableaux vivants do not tell the whole story, however. For all their defects, Jihad and McWorld have their attractions. Yet, to repeat and insist, the attractions are unrelated to democracy. Neither McWorld nor Jihad is remotely democratic in impulse. Neither needs democracy; neither promotes democracy.

McWorld does manage to look pretty seductive in a world obsessed with Jihad. It delivers peace, prosperity, and relative unity - if at the cost of independence, community, and identity (which is generally based on difference). The primary political values required by the global market are order and tranquillity, and freedom - as in the phrases "free trade," "free press," and "free love." Human rights are needed to a degree, but not citizenship or participation - and no more social justice and equality than are necessary to promote efficient economic production and consumption. Multinational corporations sometimes seem to prefer doing business with local oligarchs, inasmuch as they can take confidence from dealing with the boss on all crucial matters. Despots who slaughter their own populations are no problem, so long as they leave markets in place and refrain from making war on their neighbors (Saddam Hussein's fatal mistake). In trading partners, predictability is of more value than justice.

The Eastern European revolutions that seemed to arise out of concern for global democratic values quickly deteriorated into a stampede in the general direction of free markets and their ubiquitous, television-promoted shopping malls. East Germany's Neues Forum, that courageous gathering of intellectuals, students, and workers which overturned the Stalinist regime in Berlin in 1989, lasted only six months in Germany's mini-version of McWorld. Then it gave way to money and markets and monopolies from the

West. By the time of the first all-German elections, it could scarcely manage to secure three percent of the vote. Elsewhere there is growing evidence that glasnost will go and perestroika - defined as privatization and an opening of markets to Western bidders - will stay. So understandably anxious are the new rulers of Eastern Europe and whatever entities are forged from the residues of the Soviet Union to gain access to credit and markets and technology - McWorld's flourishing new currencies - that they have shown themselves willing to trade away democratic prospects in pursuit of them: not just old totalitarian ideologies and command-economy production models but some possible indigenous experiments with a third way between capitalism and socialism, such as economic cooperatives and employee stock-ownership plans, both of which have their ardent supporters in the East.

Jihad delivers a different set of virtues: a vibrant local identity, a sense of community, solidarity among kinsmen, neighbors, and countrymen, narrowly conceived. But it also guarantees parochialism and is grounded in exclusion. Solidarity is secured through war against outsiders. And solidarity often means obedience to a hierarchy in governance, fanaticism in beliefs, and the obliteration of individual selves in the name of the group. Deference to leaders and intolerance toward outsiders (and toward "enemies within") are hallmarks of tribalism - hardly the attitudes required for the cultivation of new democratic women and men capable of governing themselves. Where new democratic experiments have been conducted in retribalizing societies, in both Europe and the Third World, the result has often been anarchy, repression, persecution, and the coming of new, noncommunist forms of very old kinds of despotism. During the past year, Havel's velvet revolution in Czechoslovakia was imperiled by partisans of "Czechland" and of Slovakia as independent entities. India seemed little less rent by Sikh, Hindu, Muslim, and Tamil infighting than it was immediately after the British pulled out, more than forty years ago.

To the extent that either McWorld or Jihad has a *NATURAL* politics, it has turned out to be more of an antipolitics. For McWorld, it is the antipolitics of globalism: bureaucratic, technocratic, and meritocratic, focused (as Marx predicted it would be) on the administration of things - with people, however, among the chief things to be administered. In its politico-economic

imperatives McWorld has been guided by laissez-faire market principles that privilege efficiency, productivity, and beneficence at the expense of civic liberty and self-government.

For Jihad, the antipolitics of tribalization has been explicitly antidemocratic: one-party dictatorship, government by military junta, theocratic fundamentalism - often associated with a version of the *Fuhrerprinzip* that empowers an individual to rule on behalf of a people. Even the government of India, struggling for decades to model democracy for a people who will soon number a billion, longs for great leaders; and for every Mahatma Gandhi, Indira Gandhi, or Rajiv Gandhi taken from them by zealous assassins, the Indians appear to seek a replacement who will deliver them from the lengthy travail of their freedom.

## The Confederal Option

How can democracy be secured and spread in a world whose primary tendencies are at best indifferent to it (McWorld) and at worst deeply antithetical to it (Jihad)? My guess is that globalization will eventually vanquish retribalization. The ethos of material "civilization" has not yet encountered an obstacle it has been unable to thrust aside. Ortega may have grasped in the 1920s a clue to our own future in the coming millennium.

"Everyone sees the need of a new principle of life. But as always happens in similar crises - some people attempt to save the situation by an artificial intensification of the very principle which has led to decay. This is the meaning of the 'nationalist' outburst of recent years [... ] things have always gone that way. The last flare, the longest; the last sigh, the deepest. On the very eve of their disappearance there is an intensification of frontiers - military and economic."

Jihad maybe a last deep sigh before the eternal yawn of McWorld. On the other hand, Ortega was not exactly prescient; his prophecy of peace and internationalism came just before blitzkrieg, world war, and the Holocaust tore the old order to bits. Yet democracy is how we remonstrate with reality, the rebuke our aspirations offer to history. And if retribalization is inhospitable to democracy, there is nonetheless a form of democratic government that can accommodate parochialism and communitarianism, one that can even



save them from their defects and make them more tolerant and participatory: decentralized participatory democracy. And if McWorld is indifferent to democracy, there is nonetheless a form of democratic government that suits global markets passably well - representative government in its federal or, better still, confederal variation.

With its concern for accountability, the protection of minorities, and the universal rule of law, a confederalized representative system would serve the political needs of McWorld as well as oligarchic bureaucratism or meritocratic elitism is currently doing. As we are already beginning to see, many nations may survive in the long term only as confederations that afford local regions smaller than "nations" extensive jurisdiction. Recommended reading for democrats of the twenty-first century is not the US Constitution or the French Declaration of Rights of Man and Citizen but the Articles of Confederation, that suddenly pertinent document that stitched together the thirteen American colonies into what then seemed a too loose confederation of independent states but now appears a new form of political realism, as veterans of Yeltsin's new Russia and the new Europe created at Maastricht will attest.

By the same token, the participatory and direct form of democracy that engages citizens in civic activity and civic judgment and goes well beyond just voting and accountability - the system I have called "strong democracy" - suits the political needs of decentralized communities as well as theocratic and nationalist party dictatorships have done. Local neighborhoods need not be democratic, but they can be. Real democracy has flourished in diminutive settings: the spirit of liberty, Tocqueville said, is local. Participatory democracy, if not naturally apposite to tribalism, has an undeniable attractiveness under conditions of parochialism.

Democracy in any of these variations will, however, continue to be obstructed by the undemocratic and antidemocratic trends toward uniformitarian globalism and intolerant retribalization which I have portrayed here. For democracy to persist in our brave new McWorld, we will have to commit acts of conscious political will - a possibility, but hardly a probability, under these conditions. Political will requires much more than the quick fix of the transfer of institutions. Like technology transfer, institution transfer rests on

foolish assumptions about a uniform world of the kind that once fired the imagination of colonial administrators. Spread English justice to the colonies by exporting wigs. Let an East Indian trading company act as the vanguard to Britain's free parliamentary institutions. Today's well-intentioned quick-fixers in the National Endowment for Democracy and the Kennedy School of Government, in the unions and foundations and universities zealously nurturing contacts in Eastern Europe and the Third World, are hoping to democratize by long distance. Post Bulgaria a parliament by first-class mail. Fed Ex the Bill of Rights to Sri Lanka. Cable Cambodia some common law.

Yet Eastern Europe has already demonstrated that importing free political parties, parliaments, and presses cannot establish a democratic civil society; imposing a free market may even have the opposite effect. Democracy grows from the bottom up and cannot be imposed from the top down. Civil society has to be built from the inside out. The institutional superstructure comes last. Poland may become democratic, but then again it may heed the Pope, and prefer to found its politics on its Catholicism, with uncertain consequences for democracy. Bulgaria may become democratic, but it may prefer tribal war. The former Soviet Union may become a democratic confederation, or it may just grow into an anarchic and weak conglomeration of markets for other nations' goods and services.

Democrats need to seek out indigenous democratic impulses. There is always a desire for self-government, always some expression of participation, accountability, consent, and representation, even in traditional hierarchical societies. These need to be identified, tapped, modified, and incorporated into new democratic practices with an indigenous flavor. The tortoises among the democratizers may ultimately outlive or outpace the hares, for they will have the time and patience to explore conditions along the way, and to adapt their gait to changing circumstances. Tragically, democracy in a hurry often looks something like France in 1794 or China in 1989.

It certainly seems possible that the most attractive democratic ideal in the face of the brutal realities of Jihad and the dull realities of McWorld will be a confederal union of semi-autonomous communities smaller than nation-states, tied together into regional economic associations and markets larger than

nation-states - participatory and self-determining in local matters at the bottom, representative and accountable at the top. The nation-state would play a diminished role, and sovereignty would lose some of its political potency. The Green movement adage "Think globally, act locally" would actually come to describe the conduct of politics.

This vision reflects only an ideal, however - one that is not terribly likely to be realized. Freedom, Jean-Jacques Rousseau once wrote, is a food easy to eat but hard to digest. Still, democracy has always played itself out against the odds. And democracy remains both a form of coherence as binding as McWorld and a secular faith potentially as inspiring as Jihad.



## READING 43

# Paris Is Burning: *Jihad vs McWorld* by Benjamin R. Barber

**Fareed Zakaria**

Benjamin Barber is a professor of political philosophy at Rutgers University who has often written on big subjects. He is best known for his advocacy of "strong democracy." His book of that name, which appeared in 1984, was an argument for unmediated democratic politics. It advocated greater participation of all citizens in all aspects of social and political life; criticized communitarianism for its intolerance of individual choice and autonomy; and extolled civic education. But the book's animating purpose was an attack on America's distinctive political theory, liberal constitutionalism. As developed perhaps most importantly by James Madison, liberal constitutionalism seeks to tame the passions of direct democracy through various mediating mechanisms - delegated powers, deliberative representation, federal structures, and so on. For Barber, this was thinly veiled oligarchy. He rejected the very notion of mediation, dismissing - in the tradition of the American pragmatists John Dewey and Charles Pierce - all knowledge not grounded in experience. Again and again he quoted Rousseau's cry, "Once a people permits itself to be represented, it is no longer free."

Barber's new book could be read as a continuation of these themes. It, too, is deeply concerned about the fate of democracy. It, too, is littered with approving references to participation, civic education and (that most trendy Eden of all) civil society. It, too, quotes

Rousseau often. On closer reading, however, *Jihad vs McWorld* is a wholesale refutation, unacknowledged or unwitting, of Barber's longstanding public philosophy. The most interesting and original parts of the new book comprise, at heart, a diatribe against the effects of unchecked participation by the masses.

More importantly, the book reflects a certain kind of unyielding leftism's final argument against the rise of liberal democratic capitalism. With political and economic critiques exhausted, what remains is an aesthetic case against capitalism, a strange exercise in the politics of taste.

The starting point of Barber's book is reasonable enough: the simultaneous rise of economic globalization and communal loyalties threaten the nation-state, from above and from below. Barber goes on to link the fate of the nation-state to the fate of democracy, which is his chief concern. "The modern nation-state has actually acted as a cultural integrator and has adapted well to pluralist ideas; civic ideologies and constitutional faiths around which their many clans and tribes can rally." If the state gets overwhelmed in its struggle with "Jihad" and "McWorld," Barber argues, our "post-industrial, post-national [...] [epoch] is likely also to be terminally postdemocratic."

Thus the book has two villains, who are the infelicitous entities of its title. "Jihad" is a metaphor, referring here not simply to the Islamic idea of a holy war, but to "dogmatic and violent particularism of a kind known

to Christians no less than Muslims, to Germans and Hindis [sic] as well as to Arabs." Barber does discuss Islam, but he betrays more prejudice than knowledge. He seems to equate Islam with the Arabs (as the quotation above implies), imputing that region's political dysfunctions to that religion. The reader of Barber's book would not know, for example, that the four largest Muslim populations in the world are all outside the Middle East - in Indonesia, India, Pakistan and Bangladesh. Islam is a monolith, according to Barber, and one that is intrinsically inhospitable to democracy and "nurtures conditions favorable to parochialism, antimodernism, exclusiveness, and hostility to 'others.'" I guess Clinton didn't get to this part of the book.

Barber is quite ambivalent about nationalism. (And it is odd that he discusses nationalism in the context of "Jihad.") He recognizes nationalism's historical role in giving people a sense of belonging and self-determination. He scorns people who "use nationalism as a scathing pejorative," thus distorting "a far more dialectical concept." Yet he himself uses a crude, xenophobic and inaccurate term to describe this complex phenomenon. What on earth does "Jihad" have to do with the mood that he discerns in Occitan France, Spanish Catalonia, French Canada and German Switzerland?

Mercifully, the discussion of "Jihad" is short: a mere fifty of the book's 300 pages. This is partly because bashing "Jihad" isn't complicated. It does not take long to convince people in the West today that communal militancy is bad and a danger for democracy. But the real reason for the brevity of Barber's analysis of "Jihad" is that he seems to have decided that it is not really the problem after all. "Jihad" is simply a frightened reaction to the onslaught of "McWorld." It "tends the soul that McWorld abjures and strives for the moral well-being that McWorld [...] disdains." It becomes clear now that Barber's real enemy, his real obsession, is "McWorld."

Barber's discussion of "McWorld" is tough going. It is written in the breathless style of a futurologist, complete with invented words and obscure logic. Chapter four, for example, concludes: "This infotainment telesector is supported by hard goods, which in fact have soft entailments that help obliterate the hard/soft distinction itself." The book is studded with impressive-sounding, hollow lines such as this one:

"The dynamics of the Jihad-McWorld linkage are deeply dialectical."

Barber makes several arguments in the sections on "McWorld," not all of them consistent. "McWorld" itself is, variously, the global market, multinational business, rampant consumerism and global pop culture. Barber sometimes speaks in the gloomy tones of the declinists, suggesting that America barely survived the cold war, and then only by taking on a crippling national debt. Other times he speaks of an America poised to dominate the world economically and culturally. In some places he argues that the globalization of economics has created a world of multinational corporations that have no national character, but he also declares incessantly that "McWorld" is pervasively American - " 'international' is just another way of saying global American." So what, exactly, is the problem: a weakening America in the midst of a nationless world, or American global hegemony?

The expansion of the global marketplace and its consequences is an important subject. It has spawned vigorous debates among political scientists and economists for decades. Which is to say, it is not as novel as Barber or some of the wide-eyed management consultants he cited think. The power of multinationals, for example, is not exactly a new phenomenon. India was colonized, in the seventeenth and eighteenth centuries, not by a country but by a multinational corporation, the British East India Company, which wielded financial, political and military powers that no modern-day corporation could ever have. Imagine Coca-Cola with its own army, its own courts, its own laws.

Scholarly studies with careful collections of data abound on topics such as foreign direct investment, home country controls and outsourcing - all of which complicate the simple picture of nation-states in decline in the face of global markets. International financial markets function smoothly, for example, owing to an elaborate regulatory structure created and sustained by national governments; but Barber pays little attention to such matters, filling his pages instead with a blizzard of anecdotes taken from the pages of newspapers and magazines. Many of his assertions about the frightening power of "McWorld" and its relentless thrust across the globe are supported by the evidence off...] advertisements. Ralph Lauren's "Living Without Space" campaign to sell Safari perfume and Reebok's

"Planet Reebok" theme are illustrations of how "advertising colonizes space." By this method, I suppose, the gooey 1980s song "We Are the World" is proof of a new imperialism, with Quincy Jones its mastermind. In fact, pop music does worry Barber. In a chapter on MTV called "McWorld's Noisy Soul" there is an ominous two-page world map, reminiscent of the geopolitical primers of yore, that shows most of the globe shaded in grey. It turns out that all these countries receive music television. Where is Samuel Huntington when you need him?

Amid the din, however, one note can be heard throughout Barber's discussion: a distaste for "McWorld" in all its manifestations. Barber clearly abhors McDonald's, the evil empire itself, with its day-glo arches, plastic decor, factory food and tacky advertising. And McDonald's is merely the symbol for all large, consumer-based multinationals such as Coca-Cola, Pepsi, Nike, Reebok and Disney. Barber's vision is the sophisticated urbanite's suburban nightmare: "McWorld is an entertainment shopping experience that brings together malls, multiplex movie theaters, theme parks, spectator sports arenas, fast-food chains (with their endless movie tie-ins), and television (with its burgeoning shopping networks) into a single vast enterprise."

Barber hates the fact that the global consumer companies are destroying the delightful and quaint and individual cultures that one expects to see when one travels abroad. And the sinister new globalism has even hit France, the country he cherishes most. In the good old days, Barber lovingly recounts, "one ate nonpasteurised Brie and drank *vin de Provence* in cafes and brasseries that were archetypically French; one listened to Edith Piaf and Jacqueline Françoise on French national radio stations and drove 2CV Citroens and Renault sedans without ever leaving French roadways [...] An American in Paris crossed the waters to get away from TasteeFreez, White Castie and Chevrolet pickup trucks and once in France could be certain they would vanish." It is a novel objection to imperialism that it is ruining tourism.

I like many of the things that Barber likes - neighborhood stores, bistros, good food, good wine - but I try not to confuse my tastes with my politics. Barber misunderstands the phenomenon that he deplors. McDonald's and Coca-Cola and Nike and Disney have become so dominant because during the last hundred

years, and especially during the last forty years, the industrialized world has seen a staggering rise in the standard of living of the average person. This means that vast numbers of people now have the time and the money to indulge in what used to be upper-class styles of life and leisure, most notably eating out and shopping. True, they eat and shop at places that Barber would not, but surely that is not the point.

The explosion of wealth and the rise of living standards, in what the Marxist historian E.J. Hobsbawm has called capitalism's "golden age," is among the most important social transformations in history. After thousands of years, more than a tiny percent of the population of these countries have some degree of material well-being. The recent debate over the very real problem of stagnating wages has made us forget how far we have come. A half century of peace and economic growth has created a new revolution of rising expectations. The average American family now consumes twice as many goods and services as in 1950. Then, less than 10 percent of Americans went to college; now, almost 60 percent do. The poorest fifth of the population of the United States consumes more today than the middle fifth did in 1955.

It is easy to demean the rise of mass consumption, as Barber does, mocking the individual "choice" that is reflected in the range of toppings on a baked potato or the variety of cereals in a supermarket. But this trivializes a remarkable phenomenon. Rising standards of living mean rising levels of hygiene, health and comfort. John Kenneth Galbraith, hardly a free-market ideologue, explained in 1967 that "no hungry man who is also sober can be persuaded to use his last dollar for anything but food. But a well-fed, well-clad, well-sheltered and otherwise well-tended person can be persuaded as between an electric razor and an electric toothbrush." When a middle-class person thinks of a house today, it has two bathrooms with heat and air conditioning in every room. This would have been considered prohibitively luxurious in 1950. Even measuring from 1973, when real wages began stagnating, standards of living have kept moving up. And the benefits are not mainly in the variety of cereal brands available. The number of cases of measles in America in 1974 was 22,094; it is now 312. A rising standard of living is not a form of corruption. It often represents an increase in the dignity of daily life.

McDonald's does look tawdry when compared to a Parisian bistro, but most of the customers at McDonald's, even at McDonald's in Paris, probably did not eat much in bistros before cheap fast-food restaurants appeared. Two generations ago, eating out was a luxury; today the average American eats out four times a week. (A weekly Big Mac is a fine expression of family values.) McDonald's and its look-alikes became successful because they offered ordinary people the convenience of eating out often and cheaply in sanitary (OK, antiseptic) conditions. And the rise of fast food has not exactly brought about the demise of fine dining. The world Barber likes is alive and well, but it is no longer central to society. Madonna looms larger in the general culture than Jessye Norman because more people listen to her sing: and in a democratic society it matters more how many listen than who listens. Indeed, *Jihad vs McWorld* can be read as a compendium of the social changes that a rising middle class has wrought on national cultures that were heretofore shaped by upper-class rituals and symbols.

A large part of Barber's discomfort with "McWorld" seems to stem from his discomfort with capitalism. This shows itself in two interesting ways. First, he litters his book with the usual paeans to civil society, by which he (like everyone else) means not all private groups, but the private groups he likes. Thus, conspicuously absent from his account of civil society are private firms. In fact, he sees corporations as actively hostile to civil society. "Who will get the private sector off the backs of civil society?"

As a professor of political theory, Barber must know that the concept of civil society emerged in Europe in the eighteenth century in part to describe private business activity. From Adam Ferguson and Adam Smith to Bernard Mandeville and David Hume, the philosophers who developed this idea spoke of the unintended good to society that results from selfish economic activity. In Mandeville's famous phrase, "private vice is public virtue." And leaving aside the matter of intellectual pedigree, how can one speak about organizations that provide individuals with personal autonomy and personal dignity, and shield them from the whims of the state, without mentioning private enterprise?

Second, individual choice that is exercised in a private economic sphere is, for Barber, somehow false. He celebrates the average person's hasty choice at the

ballot box as genuine, but he scorns the careful decisions that the same person makes about where to work and live, what house or car to buy. These latter decisions, he implies, are forced on the unsuspecting consumer by omnipotent corporations. His book is sprinkled with calls for "real choice" and "genuine choice," but this is patronizing and unconvincing: he really means *choices like his*. The truth is that companies usually succeed when they cater to people's choices; and when they try to create people's choices, they often fail. Remember New Coke? Barber has his own nightmare backwards: it is the people of France, not the evil multinationals, who are abandoning French culture. If more Frenchmen ate in bistros and watched Louis Malle than eat at McDonald's and watch Arnold Schwarzenegger, there would be no slippage of French culture.

There is no denying that "McWorld" is not a pretty sight. The rise of a mass consumption society produces political, economic and cultural side effects that are troubling. But surely the criticism of this world, and of the liberal capitalism which created it, must first recognize its accomplishments. The political and economic changes that have created McWorld are, on the whole, admirable ones. Giving people the ability to live longer, to move where they want, own a house, to enjoy such pleasures as vacations and restaurants and shopping is good, even noble. And there is something distinctly unbecoming about an American intellectual disparaging the spread of American blandishments across the world. We like higher standards of living for ourselves, but we worry about their effects on others.

It is particularly strange to find that Barber, a man of the left, is so worried. After all, the left has been in favor of the goal of rising standards of living for the average person for centuries. In the pursuit of this goal it often made serious arguments against capitalism, questioning whether it was the right path. Some of these criticisms have proven wrong. (Communism, Lenin explained, would outproduce capitalism.) And some of these criticisms - relating to, say, income inequality - are important questions to this day. But Barber's book reflects a stubborn kind of leftism that has despaired of political and economic argument and, as a last resort, takes refuge in an aesthetic criticism of the market. This is the same leftism that produced Norman Mailer's one specific political position: tax plastic.

Barber's own work has been filled with paeans to ordinary people. He has championed measures that would give them greater autonomy and freedom of choice. But now that he is confronted by "the people's" actual - that is to say, tacky - choices, Barber wants them to choose differently. Indeed, he seems to desire what he has always denounced: elites, and the mediating institutions that try to cushion society from the direct effects of democracy while at the same time working to elevate people's judgments. Maybe Barber has discovered that there is something to be said, after all, for cultural leadership, for constraints on individual choice.

Sixty-three years ago, Ortega y Gasset, in *The Revolt of the Masses*, made a more intellectually honest argu-

ment against democratic capitalism, against the consequences of rampant and unfettered choice. He spoke directly to the Barbers of his time. "You want the ordinary man to be master," he wrote. "Well, do not be surprised if he acts for himself, if he demands all form of enjoyment, if he firmly asserts his will [...] if he considers his own person and his own leisure, if he is careful as to dress [...] Was it not this that it was hoped to do, namely, that the average man should feel himself master, lord and ruler of himself and of his life? Well, that is now accomplished. Why then these complaints of the liberals, the democrats, the progressives of thirty years ago? Or is it that like children they want something, but not the consequences of that something?"



## READING 44

# Sovereignty and Emergency: Political Theology, Islam and American Conservatism

**Bryan S. Turner**

In 1995 Benjamin Barber presciently published *Jihad vs McWorld*, and republished it in 2001 [...] the book is essentially about the problem of democracy in the modern world, but the overt theme is the clash between the universal consumer world (McWorld) and the tribal world of identity politics and particularities (Jihad). The 'essential Jihad' is the fundamentalist movement of Islam, and the essence of McWorld is McDonald's. These two realities produce two radically different forms of politics. 'Jihad pursues a bloody politics of identity, McWorld a bloodless economics of politics'. Although in his 'Afterword' Barber retreats somewhat from an exclusive identification of Jihad with Islamic fundamentalism, the Islamic world does provide Barber with his most striking illustration of a committed or hot politics. By contrast, McWorld could be used to illustrate an argument from Oliver Wendell Holmes who, reflecting on the violence of the American civil war, came to the conclusion that conviction and certitude breed violence. McWorld is not a place for hot political emotions, but for steady pragmatic adjustments to contingencies.

The terrorist attack on New York can be taken as an illustration of Barber's dichotomy of politics in *Jihad vs McWorld*, because symbolically the World Trade Center towers perfectly embodied the cool systems of economic exchange that advanced capitalism had promoted against the hot politics of diasporic people and their cultures. Barber's typology is not merely a reproduction of Huntington's clash of civilizations in which once more Islam is chosen as a compelling illustration of an inevitable conflict between the West and the rest, or Fukuyama's reconstruction of the end-of-ideology thesis. Barber's analysis is in fact more complex and more interesting than Huntington's dichotomous model of endless conflict or Fukuyama's model of inevitable evolution towards liberal capitalism. For Barber, Jihad and McWorld stand in a dialectical relationship of mutual reinforcement. McWorld needs Jihad as its negative Other, while Jihad requires capitalism, or more specifically the United States, as its negative contrast. The cool universalism of McDonald's stands in a productive dialectic with the hot politics of Islamic Jihad, and yet at times they also interpenetrate

each other. Jihad utilizes global technologies for its communication requirements and broadcasts its global message through modern media. Furthermore, Barber recognizes that American culture also produces jihadist politics in the form of radical Christian fundamentalism and violent militia men. McWorld and Jihad constantly intermingle and fuse with each other. He notes for example that Japan, in which national identity and national politics have been deeply preserved and fostered in the post-war period, has also embraced many components of western consumerism. In 1992, the number one restaurant in Japan as measured by the volume of consumers was McDonald's. Finally, his argument is constructed as a defence of democratic politics against both McWorld and Jihad. McDonald's undermines community and social capital, and thus erodes and corrodes the trust and communal membership that are essential foundations of secular democracy. The particularistic tribal mentality of Jihad is difficult to reconcile with democratic politics that requires compromise and cooperation between groups and communities that do not share the same ethnic identities. Democratic politics require a social space that has evolved beyond both McWorld and Jihad.

Although there are important political differences between Huntington, Fukuyama and Barber, their characterizations of Islam share a common set of assumptions. The result is the recreation of Orientalism. For example, Barber strongly identifies himself with democratic politics and his approach to the dialectic of McWorld and Jihad is summarized in the acknowledgements to his book when he says of Judith Shklar that she feared Jihad, distrusted McWorld and worked to make democracy possible. However, Barber's use of the term 'Jihad' is unfortunate because, unlike McWorld, it does refer to a specific institution within a given religious culture. Jihad in Islamic theology refers primarily to an internal spiritual struggle for self-mastery or self-overcoming, and its secondary meaning is a struggle against any threat to the integrity of Islam as a surrender to God. In the radical movement of the Muslim Brethren, Jihad was given a definite meaning of anti-colonial struggle by the Muslim teacher Sheikh Hassan al-Banna in the 1930s. While Barber struggles to separate 'Jihad' from 'Islam', the separation never quite works. Similarly, the attempts of western governments to separate 'Islam' from 'terrorism' are never

quite successful, partly because the media image of Muslims is now dominated by militarized images of armed Taliban.

Let us consider five criticisms of these American accounts of Islam. First, they fail typically to recognize the affinities between, for example, Protestant and Islamic fundamentalism. Second, they mistakenly identify fundamentalism with traditionalism in order to argue that fundamentalism is hostile to modernity. Third, western commentaries on fundamentalist Islam typically fail to consider the heterogeneity of contemporary Islamic belief. For example, the apparent triumph of fundamentalism has been challenged by many prominent liberal intellectuals in Islam and there is considerable opposition from radical Muslim women who are Islamist but reject the traditional seclusion of women, veiling and arranged marriages. Fourth, they treat Islam as an external and foreign religion without recognizing its historical development with the West. Finally, the creation of endless dichotomies between Islam and the West, or between Islam and modernity produces the division between foe and friend that follows directly from the political theology of Schmitt.

The first criticism is that in these American academic accounts 'fundamentalism' is undifferentiated and equated with 'militant Islam' of which the Taliban are the principal example. However, the arguments developed by Huntington and Fukuyama would apply equally to Jewish and Christian fundamentalism; they might also apply to Hindu nationalism, and to a range of socio-political movements where political and religious imagery are interwoven. Barber, by contrast, recognizes the global relationship between various types of fundamentalism and Jihad. There exists an 'American Jihad' of the Radical Right and American fundamentalist preachers like Jerry Falwell interpreted the attacks on New York and Washington as 'the wrath of God being vented on abortionists, homosexuals and the American Civil Liberties Union'. Barber's recognition that fundamentalism as a critique of modernity (McWorld) is also shared by Protestant fundamentalism in America represents a useful criticism of Huntington and Fukuyama. Huntington's account of the alienation of young men from modern society as a result of unemployment and under-achievement would be a powerful explanation of alienation and generational conflict in America and Europe.

Second, there is an assumption in these arguments that modernity is singular and uniform rather than plural and diverse. Contemporary ethnographic research, by contrast, has shown how modernity, postmodernity and tradition are completely interconnected in everyday life. For example, in contemporary ethnographic studies we find that Turkish women routinely integrate the Qur'an and *tefsir* collections from famous Sufi sheikhs with textbooks by Foucault, Habermas and Sontag. Because their daily activities combine intense prayer with political topics and pop music, they are not confronted by the inexorable dialectic of Jihad versus McWorld. In his brilliant study of social change in Morocco and Lebanon, Michael Gilsean showed how the religious orders of Sufism, in adapting to urbanization and nationalist politics, have combined both traditional folk religiosity and modern cultural themes. These cultural hybrid systems lend support to S.N. Eisenstadt's argument that there are multiple modernities, and in particular that westernization is not identical with modernization.

Third, it is odd to regard Islam as a tribal or particularistic social movement, given the fact that Islam as a political movement challenges existing political structures precisely because it does not sit easily within nation-state boundaries. The case of Shi'ite Islam is in this respect important, since it does not recognize state authority but only the final authority of the hidden Imamate. We should not regard Islamic fundamentalism as anti-modern, because the implication of this opposition is to equate fundamentalism with traditionalism. Islamic fundamentalism has specifically criticized and rejected traditional Islam, which is seen as a principal source of weakness in the face of modernization. There are sociological arguments in favour of regarding puritanical forms of biblical fundamentalism - whether Christian or Islamic or Jewish - as sources of modernity in opposition to traditional patterns of spiritual mysticism. If we take [Weber's] *The Protestant Ethic and the Spirit of Capitalism* at all seriously, then fundamentalism stands at the roots of the ethos of McWorld in a much more generic and intimate fashion than Barber recognizes. Religious fundamentalism is the (often unintended) harbinger of austere modernity, and fundamentalism is the principal foundation of hostility to tradition. Islamic fundamentalism has been as much opposed to traditional religiosity, such as

Sufi mysticism, as it has been to the corruption of western consumerism. Fundamentalism as an ideal type involves a return to cultural roots in order to reform the present against the aberrations of the immediate past. Its cultural genre involves literalism towards (biblical) texts and typically an antagonism towards (baroque) decoration. Fundamentalism promotes personal asceticism against both mysticism and consumerist hedonism. The thrust of Islam has not been missionary in the same way that Christianity spread throughout the world, but any recognition of Islam as a 'world religion' pays tribute to its universalistic message. Indeed, many accounts of Islam, both internal and external, would recognize its primary commitments to equality and justice rather than to individual salvation. These theological distinctions should not be exaggerated, but one aspect of the dynamic nature of Islam in the modern world is this sense of universal justice.

A fourth criticism would be to argue that McWorld and Jihad should be treated technically as ideal types rather than descriptions of actual patterns of economic and religious organization. One problem with Barber's account is that it obscures the heterogeneity of Islam in actual societies. With globalization, Islam has itself become a diverse and complex cluster of cultures rather than a monolithic religious system. The differences between Shi'ism and Sunni Islam are well known, but the dispersion of Muslim cultures through migration has created a variety of diasporic forms of Islamic culture. The Muslim diaspora has resulted in a significant internal debate about, for example, the authority of traditional religious leadership and sacred texts, and similarly a variety of women's movements in Muslim societies have produced both internal debate and cultural change. The combined effect of these movements has been internal heterogeneity. Defining Islam as the foe has to deny or mask the wide range of distinctive cultural movements within Muslim societies. In military terms, there is a specific problem in Afghanistan where political alliances and networks between warlords change so rapidly and consistently that constituting a consistent foe is impossible.

Finally, the distinction between 'cool' McWorld and 'hot' Jihad is merely a re-description of Weber's ideal type distinction between open-universal (associative) and closed-particularistic (communal) social relationships.



The examples of associative and communal relationships in *Economy and Society* were indeed market and family. The sociological issue is that, whereas familial relations are affective, committed and particular, exchange relationships between strangers in the market place require neutrality, coolness and generality if trade is to prosper. The theoretical implication is that capitalism or McWorld, unlike other social systems, is not bellicose, but it is not the case that McWorld has no connection with state violence. Although under most circumstances McWorld does not fight wars directly, capitalist enterprises typically enter into military relations indirectly through the state or occasionally through mercenary forces. Capitalism is deeply involved in financing and profiting from wars, and indeed one obvious consequence of 9/11 was an improvement in share values of companies that are involved in military production. It is also the case that, at least in places such as Colombia, mercenary troops are financed directly by American business. The relationship between bloody Jihad and bloodless economics is more complex and more dialectical than Barber allows. This problem of what we might call the pragmatics of war and trade is equally at issue with respect to the Taliban, whose military machine has been largely financed, on the one hand, by western governments who wanted them to topple the Russian invasion, and by the global trade in heroin, on the other.

These comments on the distinction between markets and tribes raise a more important and serious problem in the debate about Islam and the West, namely the issue concerning the sovereignty of nation-states and the impact of globalization on state politics. Before 11 September, there was a consensus that globalization constrained the political autonomy of the state and that, in the long term, globalization might result in the decline of nation-states and the rise of global governance. The modern state might eventually give way to 'cosmopolitan governance'. The terrorist attack on New York and the offensive of the Northern Alliance in Afghanistan have raised an important question around the optimistic view of the development of global politics after the erosion of the nation-state. The current military conflict has clearly demonstrated

that the United States is the only power that can wage a global war, and that American foreign policy needs will largely dictate the development of global governance. The consequence is to underscore the fact that international relations are primarily defined by conflicts between nation-states, and that America can shape global developments through its superior military and economic powers. The growth of the Russian oil economy, with the support of the US administration, indicates that America will not remain dependent on either the Saudi government or OPEC. Finally, the dominance of America over media systems (despite the importance of 'glocalism', alternative media systems and competition from al-Jazeera TV) has given the American government powerful control over the global presentation of the conflict.

The identification of militant Islam with the foe assumes, amongst other things, that Islam is the Other and that it is an external alien force. However, this view of Islam has to ignore the fact that Islam, partly through global migration, has become an important part of the cultural and economic life of the West. These negative images of Islam can be interpreted as aspects of a revival of Orientalism, but the paradox of these negative images is that, as a result of migration and globalization, Muslim communities have settled and evolved in most western industrial societies, where they constitute an important element of the labour force. It is estimated that there are 16 million Muslims in Europe, and Islam as a faith is also well established in the United States, where it is estimated that its adherents number between 1 and 6 million. The proximity and interpenetration of cultures are suppressed by the dependence on exclusionary dichotomies in the Orientalist vision of global divisions. In his *Representations of the Intellectual*, Edward Said complained that 'cultures are too intermingled, their contents and histories too interdependent and hybrid, for surgical separation into large and mostly ideological oppositions like Orient and Occident'. The foe/friend distinction has to remain largely oblivious or indifferent to Said's modest observations about cultural hybridity, and the futility of the Orient/Occident separation.


 READING 45

## On Terrorism and the New Democratic Realism

**Benjamin R. Barber**

Can Asian tea, with its religious and family "tea culture," survive the onslaught of the global merchandising of cola beverages? Can the family sit-down meal survive fast food, with its focus on individualized consumers, fuel-pit-stop eating habits and nourishment construed as snacking? Can national film cultures in Mexico, France or India survive Hollywood's juggernaut movies geared to universal teen tastes rooted in hard violence and easy sentiment? Where is the space for prayer, for common religious worship or for spiritual and cultural goods in a world in which the 24/7 merchandising of material commodities makes the global economy go round? Are the millions of American Christian families who home-school their children because they are so intimidated by the violent commercial culture awaiting the kids as soon as they leave home nothing but an American Taliban? Do even those secular cosmopolitans in America's coastal cities want nothing more than the screen diet fed them by the ubiquitous computers, TVs and multiplexes?

Terror obviously is not an answer, but the truly desperate may settle for terror as a response to our failure even to ask such questions. The issue for *jihad's* warriors of annihilation is of course far beyond such anxieties: it entails absolute devotion to absolute values. Yet for many who are appalled by terrorism but unimpressed by America, there may seem to be an absolutist dimension to the materialist aspirations of our markets. Our global market culture appears to us as both voluntary and wholesome; but it can appear to others as both compelling (in the sense of compulsory) and corrupt - not exactly coercive, but capable of seducing children into a willed but corrosive secular materialism. What's wrong with Disneyland or Nikes or the Whopper? We just "give people what they want." But this merchandiser's dream is a form of romanticism, the idealism of neoliberal markets, the convenient idyll that material plenty can satisfy

spiritual longing so that fishing for profits can be thought of as synonymous with trolling for liberty.

It is the new democratic realist who sees that if the only choice we have is between the mullahs and the mall, between the hegemony of religious absolutism and the hegemony of market determinism, neither liberty nor the human spirit is likely to flourish. As we face up to the costs both of fundamentalist terrorism and of fighting it, must we not ask ourselves how it is that when we see religion colonize every other realm of human life we call it theocracy and turn up our noses at the odor of tyranny; and when we see politics colonize every other realm of human life we call it absolutism and tremble at the prospect of totalitarianism; but when we see market relations and commercial consumerism try to colonize every other realm of human life we call it liberty and celebrate its triumph? There are too many John Walkers who begin by seeking a refuge from the aggressive secularist materialism of their suburban lives and end up slipping into someone else's dark conspiracy to rid the earth of materialism's infidels. If such men are impoverished and without hope as well, they become prime recruits for *jihad*.

The war on terrorism must be fought, but not as the war of McWorld against *jihad*. The only war worth winning is the struggle for democracy. What the new realism teaches is that only such a struggle is likely to defeat the radical nihilists. That is good news for progressives. For there are real options for democratic realists in search of civic strategies that address the ills of globalization and the insecurities of the millions of fundamentalist believers who are neither willing consumers of Western commercial culture nor willing advocates of jihadist terror. Well before the calamities of September 11, a significant movement in the direction of constructive and realistic interdependence was discernible, beginning with the Green and human rights movements of the 1960s and 1970s, and continuing into the NGO and "antiglobalization" movements of

the past few years. Jubilee 2000 managed to reduce Third World debt-service payments for some nations by up to 30 percent, while the Community of Democracies initiated by the State Department under Madeleine Albright has been embraced by the Bush Administration and will continue to sponsor meetings of democratic governments and democratic NGOs. International economic reform lobbies like the Millennium Summit's development goals project, established by the UN to provide responses to global poverty, illiteracy and disease; Inter Action, devoted to increasing foreign aid; Global Leadership, a start-up alliance of corporations and grassroots organizations; and the Zedillo Commission, which calls on the rich countries to devote 0.7 percent of their GNP to development assistance (as compared to an average of 0.2 percent today and under 0.1 percent for the United States), are making serious economic reform an issue for governments. Moreover, and more important, they are insisting with Amartya Sen and his new disciple Jeffrey Sachs that development requires democratization first if it is to succeed.

George Soros's Open Society Institute and Civicus, the transnational umbrella organization for NGOs, continue to serve the global agenda of civil society.

Even corporations are taking an interest: hundreds are collaborating in a Global Compact, under the aegis of UN Secretary General Kofi Annan, to seek a response to issues of global governance, while the World Economic Forum plans to include fifty religious leaders in a summit at its winter meeting in New York in late January.

This is only a start, and without the explicit support of a more multilateralist and civic-minded American government, such institutions are unlikely to change the shape of global relations. Nonetheless, in closing the door on the era of sovereign independence and American security, anarchic terrorism has opened a window for those who believe that social injustice, unregulated wild capitalism and an aggressive secularism that leaves no space for religion and civil society not only create conditions on which terrorism feeds but invite violence in the name of rectification. As a consequence, we are at a seminal moment in our history - one in which trauma opens up the possibility of new forms of action. Yesterday's Utopia is today's realism; yesterday's realism, a recipe for catastrophe tomorrow. If ever there was one, this is democracy's moment. Whether our government seizes it will depend not just on George Bush but on us.

PART



# Culture

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Part II of this book opens with an excerpt from the work of Jan Nederveen Pieterse in which he differentiates among three theories of cultural globalization: *differentialism*, *hybridization*, and *convergence*. While these theories are treated here under the heading of culture, they have much broader applicability to many topics covered in this book. It could be argued, for example, that nation-states throughout the world remain stubbornly different ("differentialism"), are growing increasingly alike ("convergence"), or involve more and more combinations of various political forms drawn from many different parts of the world ("hybridization"). In fact, differentialism has already been covered in chapter 2 in a discussion of Huntington's work on civilizations. While this work is discussed earlier because of its political aspects and implications, it could also have been discussed here because civilization can be seen as "culture writ large." In spite of their broader applicability, the focus here will be on the other two types of cultural theory and the ways in which they relate to global culture.

What makes all of these theories particularly attractive is that they relate to the focal concern in the definition of globalization offered in the introduction to this book with flows and barriers. However, they take very different positions on them and their relationship to one another. In *differentialism*, the focus is much more on barriers that prevent flows that would serve to make cultures (and much else) more alike. In this view, cultures tend to remain stubbornly different from one another. In the *convergence* perspective, the barriers are much weaker and the global flows stronger, with the result that cultures are subject to many of the same flows and tend to grow more alike. In its extreme form, convergence suggests the possibility that local cultures can be overwhelmed by other, more powerful, cultures, or even a globally homogeneous culture. Finally, in the *hybridization* perspective, external flows interact with internal flows in order to produce a unique cultural hybrid that combines elements of the two. Barriers to external cultural flows exist in the hybridization perspective, and while they are strong enough to prevent those flows from overwhelming local culture, they are not strong enough to block all external cultural flows entirely. That which does succeed in gaining entry mixes with local culture to produce unique cultural hybrids.

While differentialism has already been covered, this part of the book deals with perspectives on hybridization and convergence, as well as the debates which surround them. We begin with hybridization which encompasses work on three different but closely related ideas: creolization, hybridity, and glocalization (chapter 13). This is followed by a selection of works (chapter 14) devoted to critiques of these ideas. This part of the book closes with two perspectives - McDonaldization (chapter 15) and world culture (chapter 16) - that represent the convergence perspective ("McWorld", covered in chapter 12, could also be included in this category).



## READING 46

## Globalization and Culture: Three Paradigms

Jan Nederveen Pieterse

Globalization or the trend of growing worldwide interconnectedness has been accompanied by several clashing notions of cultural difference. The awareness of the world "becoming smaller" and cultural difference receding coincides with a growing sensitivity to cultural difference. The increasing salience of cultural difference forms part of a general cultural turn, which involves a wider self-reflexivity of modernity. Modernization has been advancing like a steamroller, erasing cultural and biological diversity in its way, and now not only the gains (rationalization, standardization, control) but also the losses (alienation, disenchantment, displacement) are becoming apparent. Stamping out cultural diversity has been a form of disenchantment of the world.

Yet it is interesting to note how the notion of cultural difference itself has changed form. It used to take the form of *national* differences, as in familiar discussions of national character or identity. Now different forms of difference have come to the foreground, such as gender and identity politics, ethnic and religious movements, minority rights, and indigenous peoples. Another argument is that we are experiencing a "clash of civilizations." In this view, cultural differences are regarded as immutable and generating rivalry and conflict. At the same time, there is a widespread understanding that growing global interconnectedness leads toward increasing cultural standardization and uniformization, as in the global sweep of consumerism. A shorthand version of this momentum is McDonaldization. A third position, altogether different from both these models of intercultural relations, is that what is taking place is a process of cultural mixing or hybridization across locations and identities.

This is a meta-theoretical reflection on cultural difference that argues that there are three, and only three, perspectives on cultural difference: cultural differentialism or lasting difference, cultural convergence or growing sameness, and cultural hybridization or

ongoing mixing. Each of these positions involves particular theoretical precepts and as such they are paradigms. Each represents a particular *politics of difference* - as lasting and immutable, as erasable and being erased, and as mixing and in the process generating new translocal forms of difference. Each involves different subjectivities and larger perspectives. The first view, according to which cultural difference is immutable, may be the oldest perspective on cultural difference. The second, the thesis of cultural convergence, is as old as the earliest forms of universalism, as in the world religions. Both have been revived and renewed as varieties of modernism, respectively in its romantic and Enlightenment versions, while the third perspective, hybridization, refers to a postmodern sensibility of traveling culture. This chapter discusses the claims of these perspectives, their wider theoretical assumptions, and asks what kind of futures they evoke. Arguably there may be other takes on cultural difference, such as indifference, but none have the scope and depth of the three perspectives outlined here.

### Clash of Civilizations

In 1993 Samuel Huntington, as president of the Institute for Strategic Studies at Harvard University, published a controversial paper in which he argued that "a crucial, indeed a central, aspect of what global politics is likely to be in the coming years [...] will be the clash of civilizations [...] With the end of the Cold War, international politics moves out of its Western phase, and its centerpiece becomes the interaction between the West and non-Western civilizations and among non-Western civilizations."

The imagery is that of civilizational spheres as tectonic plates at whose fault lines conflict, no longer subsumed under ideology, is increasingly likely. The argument centers on Islam: the "centuries-old military

interaction between the West and Islam is unlikely to decline." "Islam has bloody borders." The fault lines include Islam's borders in Europe (as in former Yugoslavia), Africa (animist or Christian cultures to the south and west), and Asia (India, China). Huntington warns against a "Confucian-Islamic military connection" that has come into being in the form of arms flows between East Asia and the Middle East. Thus "the paramount axis of world politics will be the relations between 'the West and the Rest'" and "a central focus of conflict for the immediate future will be between the West and several Islamic-Confucian states." He therefore recommends greater cooperation and unity in the West, between Europe and North America; the inclusion of Eastern Europe and Latin America in the West; cooperative relations with Russia and Japan; exploiting differences and conflicts among Confucian and Islamic states; and for the West to maintain its economic and military power to protect its interests.

The idea of dividing the world into civilizations has a long lineage. In Europe, it goes back to the medieval understanding of a tripartite world of descendants of the three sons of Noah. Arnold Toynbee's world history divided the world into civilizational spheres. It informs the approach of the "Teen Murti" school of Contemporary Studies in Delhi. Kavolis divides the world into seven incommensurable civilizational systems based on religion: Christian, Chinese (Confucian-Taoist-Buddhist), Islamic, Hindu, Japanese (Shinto-Buddhist-Confucian), Latin American syncretism, and non-Islamic African. Galtung argues that each civilization has different ways of knowing the world. Dividing the world into civilizations is a cliché that echoes in every encyclopedia of world history; but it is also old fashioned and overtaken by new historiography and the emergence of "world history."

Huntington's position stands out for its blatant admixture of security interests and a crude rendition of civilizational difference. In view of its demagogic character it obviously belongs to the genre of "new enemy" discourse. In fact, it merges two existing enemy discourses, the "fundamentalist threat" of Islam and the "yellow peril," and its novelty lies in combining them.

Huntington recycles the Cold War: "The fault lines between civilizations are replacing the political and

ideological boundaries of the Cold War as the flash points for crisis and bloodshed." "The Velvet Curtain of culture has replaced the Iron Curtain of ideology as the most significant dividing line in Europe." Hence there will be no "peace dividend." The Cold War is over but war is everlasting. This has been referred to as a new politics of containment and a new round of hegemonic rivalry, which is translated from an ideological into a civilizational idiom. Huntington's thesis has given rise to extensive debate and his argument has been widely rejected while acknowledging that its contribution has been to present culture as a significant variable in international relations. Huntington has developed his thesis in a book and followed up with a wider treatment of culture. I will not reiterate the debate here but bring up key points that show Huntington's view as one of three paradigms of cultural difference.

Huntington constructs the West as a "universal civilization," "directly at odds with the particularism of most Asian societies and their emphasis on what distinguishes one people from another." The charge against "the Rest" is that they attempt modernization without westernization. This maybe the actual danger: the specter of *different modernities* and thus the breakdown of western civilizational hegemony. By now, multiple modernities are an accepted theme.

The geopolitics is odd. Significant arms flows between the Middle East and East Asia do not involve Islamic countries but Israel and its arms sales to China, which have been of particular concern to the US because they re-export high-tech equipment of US origin. Another instance, which Huntington does cite, exchanges of military technology between Pakistan and China, also involves an American angle. Major concerns from an American security point of view, such as military relations between China and Iran (and more recently, arms exports from North Korea), are not mentioned.

What is overlooked in this geopolitical construction are the dialectics of the Cold War and the role the United States has been playing. It's not so much a matter of civilizational conflict as the unraveling of geopolitical security games most of which have been initiated by the US in the first place, which the hegemon in its latter days can no longer control, so it calls on allied states to help channel them in a desirable direction. At the turn of the century, the British Empire in its latter days of

waning economic and military power did the same, calling on the United States to "police" the Pacific, the Caribbean, and Latin America, on Japan to play a naval role in the China Sea, and to contain the Russian empire, and seeking allies in the European concert of powers. Then as now, the waning hegemon calls on "civilizational" affinities: the White Man's Burden and his civilizing mission, and now "democracy," freedom, and the virtues of the free market.

The sociologist Malcolm Waters formulates an interesting theorem according to which "material exchanges localize, political exchanges internationalize and symbolic exchanges globalize." This is difficult to maintain because it ignores how microeconomic dynamics at the level of firms propel the macroeconomic process of globalization; but interesting in this context is the view that the cultural, symbolic sphere is the first to globalize; a perspective diametrically opposed to Huntington's thesis. This shows the oddity of Huntington's view: it is a *political* perspective on culture coined in conventional national security language. Culture is politicized, wrapped in civilizational packages that just happen to coincide with geopolitical entities. Obviously, there is much slippage along the way and all along one wonders: what is national security doctrine doing in a world of globalization and in the sphere of cultural representations? While Huntington focuses on fault lines between civilizations, his pessimism is matched by gloomy views on growing ethnic conflict.

Indeed the most remarkable element of the thesis is its surface claim of a clash of *civilizations*. Why is *culture* being presented as the new fault line of conflict? Huntington's framework is a fine specimen of what he blames Asian societies for: "Their emphasis on what distinguishes one people from another." At a general level, this involves a very particular way of reading culture. Compare Immanuel Wallerstein on "Culture as the ideological battleground of the modern world-system": note that culture and ideology are being merged in a single frame, and that culture is defined as "the set of characteristics which distinguish one group from another." Anthony King uses a similar concept of culture as "collective articulations of human diversity."

If we would take this to its ultimate consequence then, for instance, bilingualism cannot be "cultural"

because "it does not distinguish one group from another." Indeed any bicultural, intercultural, multicultural, or transcultural practices could not according to this definition be "cultural." Whichever mode of communication or intercourse different groups would develop to interact with one another would not be cultural for culture refers only to intergroup diversity. We have thus defined any form of intergroup or transnational culture out of existence for such per definition cannot exist. Intercultural diffusion through trade and migration, a lingua franca between cultures, returnees from abroad with bicultural experience, children of mixed parentage, travelers with multicultural experience, professionals interacting cross-culturally, the fields of cyberspace - all of these fall outside "culture."

Obviously, this notion of culture is one-sided to the point of absurdity. Diversity is one side of the picture but only one, and interaction, commonality or the possibility of commonality is another. In anthropology this is cultural relativism and Ruth Benedict's view of cultures as single wholes - a Gestalt or configuration that can only be understood from within and in its own terms. It implies a kind of "billiard ball" model of cultures as separate, impenetrable units (similar to the way states have been represented in the realist view of international relations). Over time, this generated ethnomethodology, ethnosociology, and a trend toward the indigenization of knowledge. This is an anomalous definition of culture. More common a definition in anthropology is that culture refers to behavior and beliefs that are learned and shared: learned so it is not "instinctual" and shared so it is not individual. Sharing refers to social sharing but there is no limitation as to the boundaries of this sociality. No territorial or historical boundaries are implied as part of the definition. This understanding of culture is open-ended. Learning is always ongoing as a function of changing circumstances and therefore culture is always *open*. To sharing there are no fixed boundaries other than those of common social experience, therefore there are no territorial limitations to culture. Accordingly culture refers as much to commonality as to diversity. [...] I refer to these fundamentally different notions of culture as territorial culture and translocal culture.



Cultural relativism represents an angle on culture that may be characterized as *culturalist differentialism*. Its lineages are ancient. They are as old as the Greeks who deemed non-Greek speakers "barbarians." Next, this took the form of immutable cultural difference based on religion, separating the faithful from heathens, unbelievers and heretics. The romantics such as Johann Gottfried Herder revived this view of strong cultural boundaries, now in the form of language as the key to nationhood. Both nationalism and race thinking bear the stamp of cultural differentialism, one emphasizing territory and language, and the other biology as destiny. Nation and race have long been twin and at times indistinguishable discourses. During the era of nationalism, all nations claimed cultural distinction for their own nation and inferiority for others, usually in racial terms. "Jewishness," "Germanness," "Japaneseness," "Englishness," "Turkishness," "Greekness," and so forth, all imply an inward-looking take on culture and identity. They are creation myths of modern times. They all share the problem of boundaries: who belongs, and since when?

Cultural differentialism can serve as a defense of cultural diversity. It may be evoked by local groups resisting the steamroller of assorted "developers," by ecological networks, anthropologists, and artists, as well as travel agencies and advertisers promoting local authenticity. Culture and development, a growing preoccupation in development thinking, may turn "culture" into an asset. It calls to mind the idea of the "human mosaic." An upside of this perspective maybe local empowerment; the downside may be a politics of nostalgia, a conservationist posture that ultimately leads to the promotion of open-air museums. Either way the fallacy is the reification of the local, sidelining the interplay between the local and the global. The image of the mosaic is biased, as the anthropologist Ulf Hannerz points out, because a mosaic consists of fixed, discrete pieces whereas human experience, claims and postures notwithstanding, is fluid and open-ended. Accordingly critical anthropology opts for deterritorialized notions of culture such as flows and "traveling culture."

Huntington's thesis is at odds with the common self-understandings of East and Southeast Asian societies, which run along the lines of East-West fusion, as

in "Western technology, Asian values." The Confucian ethic may carry overtones of East Asian chauvinism but also represents an East-West nexus of a kind because the neo-Confucianism it refers to owes its status to its reinterpretation as an "Asian Protestant ethic." While Confucianism used to be the reason why East Asian countries were stagnating, by the late twentieth century it has become the reason why the "Tigers" have been progressing. In the process, Confucianism has been recoded as a cross-cultural translation of the Weberian thesis of the Protestant ethic as the "spirit of modern capitalism." The Confucian ethic carries some weight in the "Sink" circle of Singapore, Taiwan, China, and Korea; it carries less weight in Japan and no weight among the advocates of an "Asian way" such as Prime Minister Mahathir Mohamad of Malaysia and his "Look East" program. Given the tensions between the ethnic Chinese and the "bumiputra" Malays in Malaysia, just as in Indonesia, here an Islamic-Confucian alliance is the least likely option.

While Huntington reproduces standard enemy images of "the Rest," he also rehearses a standard self-image of the West. "The West" is a notion conditioned by and emerging from two historical polarities: the North-South polarity of the colonizing and colonized world, and the East-West polarity of capitalism-communism and the Cold War. These were such overriding fields of tension that differences *within* the West/North, *among* imperialist countries and *within* capitalism faded into the background, subsiding in relation to the bigger issue, the seeming unity of imperialist or neocolonial countries and of the "free world" led by the US. In view of this expansionist history, we might as well turn the tables and say: the West has bloody borders. Thus, Huntington practices both Orientalism and Occidentalism. In reinvoking "the West," the differences between North America and Europe are papered over. In fact, historical revision may well show that there are much greater historical affinities, in particular similar feudal histories with their attendant consequences for the character of capitalisms, between Europe and Asia than between Europe and North America.

In his usual capacity as a comparative political scientist, Huntington observes a worldwide "third wave" of democratization. Apparently, at this level of

discourse civilizational differences *are* receding. In this domain, Huntington follows the familiar thesis of convergence, that is, the usual modernization paradigm of growing worldwide standardization around the model of the "most advanced country," and his position matches Fukuyama's argument of the universal triumph of the idea of liberal democracy.

## McDonaldization

The McDonaldization thesis is a version of the recent idea of the worldwide homogenization of societies through the impact of multinational corporations. McDonaldization, according to the sociologist George Ritzer, is "the process whereby the principles of the fast-food restaurant are coming to dominate more and more sectors of American society as well as the rest of the world." The expression "the rest of the world" bears contemplating. The process through which this takes place is rationalization in Weber's sense, that is, through formal rationality laid down in rules and regulations. McDonald's formula is successful because it is efficient (rapid service), calculable (fast and inexpensive), predictable (no surprises), and controls labor and customers.

McDonaldization is a variation on a theme: on the classical theme of universalism and its modern forms of modernization and the global spread of capitalist relations. Diffusionism, if cultural diffusion is taken as emanating from a single center (e.g., Egypt), has been a general form of this line of thinking. From the 1950s, this has been held to take the form of Americanization. Since the 1960s, multinational corporations have been viewed as harbingers of American modernization. In Latin America in the 1970s, this effect was known as Coca-colonization. These are variations on the theme of cultural imperialism, in the form of consumerist universalism or global media influence. This line of thinking has been prominent in media studies according to which the influence of American media makes for global cultural synchronization.

Modernization and Americanization are the latest versions of westernization. If colonialism delivered Europeanization, neocolonialism under US hegemony

delivers Americanization. Common to both is the modernization thesis, of which Marx and Weber have been the most influential proponents. Marx's thesis was the worldwide spread of capitalism. World-system theory is a current version of this perspective. With Weber, the emphasis is on rationalization, in the form of bureaucratization and other rational social technologies. Both perspectives fall within the general framework of evolutionism, a single-track universal process of evolution through which all societies, some faster than others, are progressing - a vision of universal progress such as befits an imperial world. A twentieth-century version of this line of thinking is Teilhard de Chardin's evolutionary convergence towards the noosphere.

Shannon Peters Talbott examines the McDonaldization thesis through an ethnography of McDonald's in Moscow and finds the argument inaccurate on every score. Instead of efficiency, queuing (up to several hours) and lingering are commonplace. Instead of being inexpensive, an average McDonald's meal costs more than a third of a Russian worker's average daily wage. Instead of predictability, difference and uniqueness attract Russian customers, while many standard menu items are not served in Moscow. Instead of uniform management control, McDonald's Moscow introduces variations in labor control ("extra fun motivations," fast service competitions, special hours for workers to bring their families to eat in the restaurant) and in customer control by allowing customers to linger, often for more than an hour on a cup of tea, to "soak up the atmosphere."

She concludes that McDonald's in Moscow does not represent cultural homogenization but should rather be understood along the lines of *global localization*. This matches the argument in business studies that corporations, also when they seek to represent "world products," only succeed if and to the extent that they adapt themselves to local cultures and markets. They should become insiders; this is the principle of "insiderization" for which the late Sony chairman Akio Morita coined the term "*glocalization*," or "looking in both directions." Firms may be multinational but "all business is local."

This can lead to counterintuitive consequences, as in the case of the international advertising firm McCann

Erickson, whose Trinidad branch to justify a local presence promotes Trinidadian cultural specificity. "The irony is, of course, that [...] it is advertising including transnational agencies which have become the major investors in preserving and promoting images of local specificity, retaining if not creating the idea that Trinidad is different, and inculcating this belief within the population at large." The profitability of the transnational firm hinges on the profitability of the branch office whose interest lies in persuading the firm that only local advertising sells.

So far, this only considers the angle of the corporation. The other side of global localization is the attitude of customers. The McDonald's Moscow experience compares with adaptations of American fast food principles elsewhere, for instance in East Asia. Here fast food restaurants though outwardly the same as the American models serve quite different tastes and needs. They are not down-market junk food but cater to middle class tastes. They are sought out for their "modern" aesthetics, are appreciated for food variation rather than uniformity, and generate "mixed" offspring, such as "Chinglish" or "Chamerican" restaurants in China. They offer a public space, a meeting place - in a sense culturally neutral because of its novelty - for new types of consumers, such as the consumer market of the young, of working women, and of middle class families. They function in similar ways in southern Europe and the Middle East. In wintry Tokyo, upstairs in Wendy's young students spend hours doing their homework, smoking and chatting with friends, because Japanese houses are small.

Thus, rather than cultural homogenization McDonald's and others in the family of western fast food restaurants (Burger King, KFC, Pizza Hut, Wendy's) usher in difference and variety, giving rise to and reflecting new, mixed social forms. Where they are imported, they serve different social, cultural, and economic functions than in their place of origin, and their formula is accordingly adapted to local conditions. In western metropolises, we now see oriental fast food restaurants and chains along with Latino, Middle Eastern, Turkish, and French eateries. Fast food may well have originated outside the West, in the street side food stalls of the Middle East, Asia, and Africa. American fast-food restaurants serve German food (hamburgers, frankfurters) with French (fries, dressing) and Italian elements

(pizza) in American management style. American contributions besides ketchup are assembly-line standardization, in American Taylorist and managerial traditions, and marketing. Thus, it would make more sense to consider McDonaldization as a form of intercultural hybridization, partly in its origins and certainly in its present globally localizing variety of forms.

McDonaldization has sparked growing resistance and wide debate. In its home country, McDonald's is past its peak, its shares declining and franchises closing. Obesity as a national disease and changing diets, saturation of the fast food market, resistance, and litigation contribute to the decline. Beyond "rationalization" this takes us to the shifting shapes of contemporary capitalism. Is contemporary capitalism a homogenizing force? A stream of studies examines the cultures of late capitalism, a problematic often structured by world system thinking or at least vocabulary. The commodification of labor, services, and information takes myriad forms, under headings each of which are another lament: Mcjobs, McInformation, McCitizens, McUniversity, McTourism, McCulture, McPrisons, McCourts. One study seeks "to intervene in discourses on transnational capitalism whose tendency is to totalize the world system," but in the process finds that "capitalism has proceeded not through global homogenization but through differentiation of labor-markets, material resources, consumer markets, and production operations." The economist Michael Storper finds a combined effect of homogenization and diversification across the world:

The loss of "authentic" local culture in these places [smaller US cities] is a constant lament. But on the other hand, for the residents of such places - or of Paris, Columbus, or Belo Horizonte, for that matter - there has been an undeniable increase in the variety of material, service, and cultural outputs. In short, the perceived loss of diversity would appear to be attributable to a certain rescaling of territories: from a world of more internally homogeneous localities, where diversity was found by traveling between places with significantly different material cultures to a world where one travels between more similar places but finds increasing variety within them.

Most studies of capitalism and culture find diverse and hybrid outcomes. This suggests that capitalism

itself hosts more diversity than is usually assumed - so the appropriate analytic would rather be capitalisms; and its cultural intersections are more diverse than is generally assumed. The rhizome of capitalism twins then with the rhizome of culture, which brings us to the theme of hybridization.

## Hybridization: the Rhizome of Culture

Mixing has been perennial as a process but new as an imaginary. As a perspective, it differs fundamentally from the previous two paradigms. It does not build on an older theorem but opens new windows. It is fundamentally excluded from the other two paradigms. It springs from the taboo zone of race thinking because it refers to that which the doctrines of racial purity and cultural integritism could not bear to acknowledge the existence of: the half-caste, mixed-breed, *métis*. If it was acknowledged at all, it was cast in diabolical terms. Nineteenth-century race thinking abhorred mixing because, according to Comte de Gobineau and many others, in any mixture the "lower" element would predominate. The idea of mixing goes against all the doctrines of *purity* as strength and sanctity, ancient and classical, of which "race science" and racism have been modern, biologized versions.

Hybridization is an antidote to the cultural differentialism of racial and nationalist doctrines because it takes as its point of departure precisely those experiences that have been banished, marginalized, tabooed in cultural differentialism. It subverts nationalism because it privileges border-crossing. It subverts identity politics such as ethnic or other claims to purity and authenticity because it starts out from the fuzziness of boundaries. If modernity stands for an ethos of order and neat separation by tight boundaries, hybridization reflects a postmodern sensibility of cut'n'mix, transgression, subversion. It represents, in Foucault's terms, a "resurrection of subjugated knowledges" because it foregrounds those effects and experiences which modern cosmologies, whether rationalist or romantic, would not tolerate.

Hybridization goes under various aliases such as syncretism, creolization, *métissage*, *mestizaje*,

crossover. Related notions are global ecumene, global localization, and local globalization. [...] Hybridization may conceal the asymmetry and unevenness in the process and the elements of mixing. Distinctions need to be made between different times, patterns, types, and styles of mixing; besides mixing carries different meanings in different cultural settings.

Hybridization occurs of course also among cultural elements and spheres *within* societies. In Japan, "Grandmothers in kimonos bow in gratitude to their automated banking machines. Young couples bring hand-held computer games along for romantic evenings out." Is the hybridization of cultural styles then typically an urban phenomenon, a consequence of urbanization and industrialization? If we look into the countryside virtually anywhere in the world, we find traces of cultural mixing: the crops planted, planting methods and agricultural techniques, implements and inputs used (seeds, fertilizer, irrigation methods, credit) are usually of translocal origin. Farmers and peasants throughout the world are wired, direct or indirect, to the fluctuations of global commodity prices that affect their economies and decision-making. The ecologies of agriculture may be local, but the cultural resources are translocal. Agriculture is a prime site of globalization.

An interesting objection to the hybridization argument is that what are actually being mixed are cultural *languages* rather than *grammars*. The distinction runs between surface and deep-seated elements of culture. It is, then, the folkloric, superficial elements of culture - foods, costumes, fashions, consumption habits, arts and crafts, entertainments, healing methods - that travel, while deeper attitudes and values, the way elements hang together, the structural ensemble of culture, remain contextually bound. There are several implications to this argument. It would imply that contemporary "planetaryization" is a surface phenomenon only because "deep down" humanity remains divided in historically formed cultural clusters. Does this also imply that the new social technologies of telecommunication - from jet aircraft to electronic media - are surface phenomena only that don't affect deep-seated attitudes? If so, the implications would be profoundly conservative. A midway position is that the new technologies are profound in themselves while each

historically framed culture develops its own takes on the new spaces of commonality.

Another issue is immigrant and settler societies where intermingling over time represents a historical momentum profound enough to engage cultural grammar and not just language. A prime example is North America. Probably part of the profound and peculiar appeal of American popular culture is precisely its mixed and "traveling" character, its "footloose" lightness, unhinged from the feudal past. In this culture, the grammars of multiple cultures mingle, and this intercultural density may be part of the subliminal attraction of American popular media, music, film, television: the encounter, and often enough the clash, but an intimate clash, of ethnicities, cultures, histories. The intermingling of cultural grammars then makes up the deeply human appeal of American narratives and its worldly character, repackaging elements that came from other shores, in a "Mississippi Massala."

Intercultural mingling itself is a deeply creative process not only in the present phase of accelerated globalization but stretching far back in time. Cees Hamelink notes: "The richest cultural traditions emerged at the actual meeting point of markedly different cultures, such as Sudan, Athens, the Indus Valley, and Mexico."

This sheds a different light on the language/grammar argument: presumably, some grammars have been mingling all along. Thus, a mixture of cultural grammars is part of the intrinsic meaning of the world religions (as against tribal, national religions). More fundamentally, the question is whether the distinction between cultural language and cultural grammar can be maintained at all, as a distinction between surface and depth. Certainly we know that in some spheres nothing has greater depth than the surface. This is the lesson taught by art and aesthetics. Superficial mingling then may have deep overtones. Even so we have been so trained and indoctrinated to think of culture in territorial packages of assorted "imagined communities" that to seriously address the windows opened and questions raised by hybridization in effect requires a decolonization of imagination.

A schematic precis of the three paradigms of cultural difference is in table 1.

## Futures

The futures evoked by these three paradigms are dramatically different. McDonaldization evokes both

Table 1 Three ways of seeing cultural difference

<i>Dimensions</i>	<i>Differentialism</i>	<i>Convergence</i>	<i>Mixing</i>
Cosmologies	Purity	Emanation	Synthesis
Analytics	Territorial culture	Cultural centers and diffusion	Translocal culture
Lineages	Differences in language, religion, region. Caste.	Imperial and religious universalisms. Ancient "centrisms."	Cultural mixing of technologies, languages, religions
Modern times	Romantic differentialism. Race thinking, chauvinism. Cultural relativism.	Rationalist universalism. Evolutionism. Modernization. Coca-colonization.	Métissage, hybridization, creolization, syncretism
Present	"Clash of civilizations." Ethnic cleansing. Ethnodevelopment.	McDonaldization, Disneyfication, Barbiefication. Homogenization.	Postmodern views of culture, cultural flows, crossover, cut'n'mix
Futures	A mosaic of immutably different cultures and civilizations	Global cultural homogeneity	Open-ended ongoing mixing

a triumphalist Americanism and a gloomy picture of a global "iron cage" and global cultural disenchantment. The clash of civilizations likewise offers a horizon of a world of iron, a deeply pessimistic politics of cultural division as a curse that dooms humanity to lasting conflict and rivalry; the world as an archipelago of incommunicable differences, the human dialogue as a dialogue of war, and the global ecumene as an everlasting battlefield. The political scientist Benjamin Barber in *Jihad vs. McWorld* presents the clash between these two perspectives without giving a sense of the third option, mixing. Mixing or hybridization is open-ended in terms of experience as well as in a theoretical sense. Its newness means that its ramifications over time are not predictable because it doesn't fit an existing matrix or established paradigm but itself signifies a paradigm shift.

Each paradigm represents a different politics of *multiadulturalism*. Cultural differentialism translates into a policy of closure and apartheid. If outsiders are let in at all, they are preferably kept at arm's length in ghettos, reservations, or concentration zones. Cultural communities are best kept separate, as in colonial "plural society" in which communities are not supposed to mix except in the marketplace, or as in gated communities that keep themselves apart. Cultural convergence translates into a politics of assimilation with the dominant group as the cultural center of gravity. Cultural mixing refers to a politics of integration without the need to give up cultural identity while cohabitation is expected to yield new cross-cultural patterns of difference. This is a future of ongoing mixing, ever-generating new commonalities and new differences.

At a deeper level, each paradigm resonates with particular sensibilities and cosmologies. The paradigm of differentialism follows the principle of *purity*, as in ritual purity in the caste system, the *limpieza de sangre* in Spain after the Reconquest, and the preoccupation with purity of blood and lineage among aristocracies, a concern that was subsequently translated into thinking about "race" and class. The paradigm of convergence follows the theory of *emanation*, according to which phenomena are the outward expressions of an ultimate numinous realm of being. In its sacred version, this reflects a theology and cosmogony of emanation outward from a spiritual center of power (as in

Gnosticism). What follows upon the cycle of emanation, dissemination, and divergence is a cycle of "in-gathering," or a process of convergence. A temporal reflection of this cosmology is the ancient imperial system in which the empire is the circumference of the world and the emperor its center (as in the case of the Pharaoh, the emperor of China as the "middle of the middle kingdom," and imperial Rome) and divine kingship, in which the king embodies the land and the people. Western imperialism and its *mission civilisatrice* or White Man's Burden was a variation on this perspective. Since decolonization, the principle of radiation outward from an imperial center has retained its structure but changed its meaning, from positive to negative, as in dependency theory and the critique of cultural imperialism and Eurocentrism.

The third view is the synthesis that acts as the solvent between these polar perspectives. As such, it owes its existence to the previous two principles and is meaningful only in relation to them. It resolves the tension between purity and emanation, between the local and the global, in a dialectic according to which the local is in the global and the global is in the local. An example in which we see this synthetic motion in operation is Christmas: "The ability of this festival to become potentially the very epitome of globalization derives from the very same quality of easy syncretism which makes Christmas in each and every place the triumph of localism, the protector and legitimation for specific regional and particular customs and traditions."

Each paradigm involves a different take on *globalization*. According to cultural differentialism, globalization is a surface phenomenon only: the real dynamic is regionalization, or the formation of regional blocs, which tend to correspond with civilizational clusters. Therefore, the future of globalization is interregional rivalry. According to the convergence principle, contemporary globalization is westernization or Americanization writ large, a fulfillment in installments of the classical imperial and the modernization theses. According to the mixing approach, the outcome of globalization processes is open-ended and current globalization is as much a process of easternization as of westernization, as well as of many interstitial influences.

In the end it turns out that the two clashing trends noted at the beginning, growing awareness of cultural

difference and globalization, are not simply contradictory but interdependent. Growing awareness of cultural difference is a function of globalization. Increasing cross-cultural communication, mobility, migration, trade, investment, tourism, all generate awareness of cultural difference. The other side of the politics of difference is that the very striving for recognition implies a claim to equality, equal rights, same treatment: in other words, *a common universe of difference*. Accordingly, the clash between cultural diversity and globalization may well be considered a creative clash.

These views find adherents in each setting and their dispute echoes in every arena. Arguably, cultural self-understandings and empirical evidence confirm the third perspective more than the others do. Through most of Asia, ideas of East-West fusion are a dominant motif. In Africa, recombinations of local and foreign practices are a common notion. Latin America and the Caribbean are steeped in syncretism and creolization. But the imprint of other paradigms runs deep, disputes over identity and meaning are ubiquitous, and besides there is disagreement over the meaning and dynamics of hybridity.

# Creolization, Hybridity, and Glocalization

While we present three key, interrelated ideas in this chapter, there are many others that present much the same idea, including "collage, mélange, hotchpotch, montage, synergy, bricolage . . . mestizaje, mongrelization, syncretism, transculturation, third cultures."<sup>1</sup>

*Glocalization* can be defined as the interpénétration of the global and the local resulting in unique outcomes in different geographic areas. Based on the work of Roland Robertson,<sup>2</sup> the essential elements of the perspective on globalization adopted by those who emphasize glocalization are that the world is growing more pluralistic (glocalization theory is exceptionally alert to differences within and between areas of the world); individuals and local groups have great power to adapt, innovate, and maneuver within a glocalized world (glocalization theory sees individuals and local groups as important and creative agents); social processes are relational and contingent (globalization provokes a variety of reactions - ranging from nationalist entrenchment to cosmopolitan embrace - that produce glocalization); and commodities and the media are seen *not* as (totally) coercive, but rather as providing material to be used in individual and group creation throughout the glocalized areas of the world.

A discussion of some closely related terms (and related examples) will be of considerable help in getting a better sense of glocalization, as well as the broader issue of

cultural hybridization.<sup>3</sup> Of course, *hybridization* itself is one such term, emphasizing increasing diversity associated with the unique mixtures of the global and the local as opposed to the tendency toward *uniformity* often associated with globalization. A cultural hybrid involves the combination of two or more elements from different cultures and/or parts of the world. Among the examples of hybridization (and heterogenization, glocalization) are Ugandan tourists visiting Amsterdam to watch Moroccan women engage in Thai boxing, Argentinians watching Asian rap performed by a South American band at a London club owned by a Saudi Arabian, and the more mundane experiences of Americans eating such concoctions as Irish bagels, Chinese tacos, Kosher pizza, and so on. Obviously, the list of such hybrids is long and growing rapidly with increasing hybridization. The contrast, of course, would be such uniform experiences as eating hamburgers in the United States, quiche in France, or sushi in Japan.

Yet another concept that is closely related to glocalization is *creolization*. The term "creole" generally refers to people of mixed race, but it has been extended to the idea of the creolization of language and culture involving a combination of languages and cultures that were previously unintelligible to one another.<sup>4</sup>

Given this general overview, we turn to a summary of the seminal works on this topic presented in this



chapter. The popularity of the term "creolization" is traceable to Ulf Hannerz's 1987 essay, "The World in Creolisation." As he defines it, "creole cultures . . . are those which draw in some way on two or more historical sources, often originally widely different."<sup>9</sup> In some cases creole cultures can be based on internal differences such as rural-urban differences, the division of labor, the division of knowledge, and so on.

In developing this idea, Hannerz takes on ideas associated with cultural homogeneity. Instead of producing homogeneity, Hannerz sees the world system as a new source of diversity. Foreign cultural influence can be destructive, but it can also "give people access to technological and symbolic resources for dealing with their own ideas, managing their own culture, in new ways."<sup>10</sup> Hannerz puts this in the context of "conversations" among cultures. The creolist perspective leads to the view "that the different cultural streams engaging one another in creolisation may all be actively involved in shaping the resultant forms . . . active handling of meanings of various local and foreign derivations."<sup>11</sup>

Jan Nederveen Pieterse's work is closely related to the idea of hybridization. One definition of the term, with a focus on culture, is "the ways in which forms become separated from existing practices and recombine with new forms in new practices."<sup>12</sup> In a later work, Nederveen Pieterse associates the term with that which "denotes a wide register of multiple identity, crossover, pic-'n'-mix, boundary-crossing experiences and styles, matching a world of growing migration and diaspora lives, intensive intercultural communication, everyday multiculturalism and erosion of boundaries."<sup>13</sup>

Nederveen Pieterse also distinguishes between cultural and structural hybridization. In terms of the latter, this involves the concept of hybridization "extended to structural forms of social organization."<sup>14</sup> Structural hybridization can lead to an alteration in, even a weakening of, the nation-state and the national economy.<sup>15</sup> For example, migrants to a given nation can live in it, but engage in "long distance nationalism"<sup>16</sup> with their country of origin (and even those in other nations who come from that country). This weakens the nation-state in which they live since the migrants do not owe their allegiance, or at least some of it, to that country.

Such structural hybridization can be compared to the period between the 1840s and the 1960s when the

nation-state predominated as a structural form. In recent decades we have seen a proliferation in the modes of organization including "transnational, international, macro-regional, national, micro-regional, municipal, local."<sup>17</sup> Each of these may exist on its own, or they may exist in a multitude of permutations and combinations without any single one having priority or exercising a monopoly over the others.

Beyond the structures, the informal open spaces that emerge within the interstices between these structures are also important. These interstices are inhabited by "diasporas, migrants, nomads, exiles, stateless people, etc."<sup>18</sup> Also relevant here are border zones, world cities, and ethnic *mélange* neighborhoods. They are all meeting points of structures of a variety of different types. Thus, multiple cultures and identities are paralleled by a multitude of organizational forms. This focus on structures demonstrates Nederveen Pieterse's more sociological approach to hybridity in contrast to Hannerz's more anthropological approach to creolization focusing on culture and cultural differences.

Nederveen Pieterse also deals with the impact of non-Western cultures on the West and the production in the latter of both hybrid culture and structures (a global *mélange*). In this context, he sees the emergence of global crossover cultures including examples such as the Irish bagels mentioned above. All of this indicates, of course, that hybridity applies to culture just as it does to structure.

Nederveen Pieterse explicitly relates the idea of hybridity to creolization which he sees as offering a Caribbean view of the world. It, like hybridity, emphasizes "the mixed and in-between" as well as "boundary crossing." It also stands in contrast to Westernization and communicates the view that the West itself is involved in the process of creolization. More recently Nederveen Pieterse has offered a contrast between old and new hybridity (see table opposite).<sup>19</sup>

Nederveen Pieterse also sees the study of hybridity as proliferating. It first entered the social sciences through the anthropology of religion and the idea of "syncretism," or "uniting pieces of the mythical history of two different traditions in one that continued to be ordered by a single system."<sup>20</sup> It then found its way into linguistics as the study of creole languages and creolization more generally. Nederveen Pieterse also details work in cultural hybridization (e.g. art), structural and institutional hybridization (e.g. forms of

## Varieties of hybridity

New hybridity: recent combinations of cultural and/or institutional forms	Existing or old hybridity: existing cultural and institutional forms are translocal and crosscultural combinations already
Dynamics: migration, trade, ICT, multiculturalism, globalization	Dynamics: <i>crosscultural</i> trade, conquest and contact
Analytically: new modernities	Analytically: history as collage
Examples: Punjabi pop. Mandarin pop. Islamic fashion shows	Examples: too <i>many</i>
Objective: as observed by outsiders	Subjective: as experience and self
As process: hybridization	As discourse and perspective: hybridity
As outcome: hybrid phenomena	consciousness

governance), hybrid organization forms, and diverse cultural influences (e.g. American, Japanese) on management, science (e.g. ecological economics), food (eclectic menus), and most commonly on "identities, consumer behaviour, lifestyle, etc."<sup>17</sup> Finally, even the newly popular "hybrid car" is a reflection of hybridization.

This chapter closes with one of Roland Robertson's essays on glocalization. Some of the basic characteristics of this concept have been outlined at the beginning of the introduction to this chapter. We will also have more to say about it in the following chapter.

## NOTES .....

- 1 Ulf Hannerz, "Flows, Boundaries and Hybrids: Keywords in Transnational Anthropology." Working Paper Series WPTC-2K-02, Transnational Communities Programme, University of Oxford, 1997, 13.
- 2 Roland Robertson, "Globalization Theory 2000 Plus: Major Problematics." In George Ritzer and Barry Smart, eds., *Handbook of Social Theory*. London: Sage, 2001, 458-71; see also Jonathan Friedman, *Culture Identity and Global Processes*. London: Sage, 1994, 102ff.
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- 4 Robin Cohen, "Creolization and Cultural Globalization: The Soft Sounds of Fugitive Power." *Globalizations* 4, 3, 2007: 369-84.
- 5 Ulf Hannerz, "The World in Creolisation." *Africa* 57, 1987:552.
- 6 Ibid., 555.
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- 8 William Rowe and Vivian Schelling, *Memory and Modernity: Popular Culture in Latin America*. London: Verso, 1991. Cited in Jan Nederveen Pieterse, "Globalization as Hybridization." In M. Featherstone, S. Lash and R. Robertson, eds., *Global Modernities*. Thousand Oaks, CA: Sage, 1995, 49.
- 9 Jan Nederveen Pieterse, "Hybridity, So What? The Anti-Hybridity Backlash and the Riddles of Recognition." *Theory, Culture and Society* 18, 2001: 221.
- 10 Pieterse, "Globalization as Hybridization," 49.
- 11 It can also lead to a strengthening of these structures.
- 12 Pieterse, "Globalization as Hybridization," 49.
- 13 Ibid., 50.
- 14 Ibid., 50.
- 15 Pieterse, "Hybridity, So What?," 222, table 1.
- 16 R. Bastide, "Mémoire collective et sociologie du bricolage." *L'Année Sociologique* 21: 65-108. Cited in Pieterse, "Hybridity, So What?," 223.
- 17 Pieterse, "Hybridity, So What?," 223.



## The World in Creolisation

Ulf Hannerz

So cultural studies could well benefit from a fresh start in this area, one that sees the world as it is in the late twentieth century. Scattered here and there in anthropology recently, there have been intimations that this world of movement and mixture is a world in creolisation; that a concept of Creole culture with its congeners may be our most promising root metaphor. Moving from the social and cultural history of particular colonial societies (where they have tended to apply especially to particular racial or ethnic categories) to the discourse of linguists, **Creole** concepts have become more general in their applications. And it is with a usage along such lines that they are now being retrieved. Drummond thus moves from a consideration of internal variability and change in the symbolic processes of ethnicity in Guyana to a general view that there are now no distinct cultures, only intersystemically connected, creolising Culture. Fabian suggests that the colonial system in Africa - 'frequently disjointed, hastily thrown together for the purpose of establishing political footholds' - produced pidgin contact cultures. In the following period there was creolisation, the emergence of viable new syntheses. In Zaire he finds this represented in popular painting, such as in the *mamba muntu* genre of mermaid images; in the Jamaa religious movement, based on a Belgian missionary's interpretation of Bantu philosophy; and in Congo jazz. Graburn sees new Creole art forms, anchored in the reformulated consciousness of Third and Fourth World peoples, expanding beyond the restricted codes of tourist art.

Current creolist linguistics probably has enough theoretical diversity and controversy to allow for rather varied borrowings into cultural theory. As I see it myself, Creole cultures like Creole languages are those which draw in some way on two or more historical sources, often originally widely different. They have had some time to develop and integrate, and to become elaborate

and pervasive. People are formed from birth by these systems of meaning and largely live their lives in contexts shaped by them. There is that sense of a continuous spectrum of interacting forms, in which the various contributing sources of the culture are differentially visible and active. And, in relation to this, there is a built-in political economy of culture, as social power and material resources are matched with the spectrum of cultural forms. A number of important points seem to come together here.

If the 'Standard', the officially approved language of the metropolis, stands at one end of the **Creole** continuum of language, metropolitan culture in some prestige variant occupies the corresponding position on the cultural spectrum. But what are the mechanisms which place it there, on the range of variations of a national culture, and how do the members of the society come to be arranged in some fashion along that range on the basis of their personal cultural repertoires? I sketched such a spectrum above in spatial terms, from city to village, but this tends not to explain much in itself. If we should look for the mechanisms which are more directly involved in the distributive ordering of culture, we must note first of all that in Third World societies, as elsewhere, the division of labour now plays a major part in generating cultural complexity. Anthropological thinking about culture seems too often to disregard this fact. On the one hand, the division of labour entails a division of knowledge, bringing people into interaction precisely because they do not share all understandings. By not sharing, of course, they can increase their collective cultural inventory. On the other hand, as people are differently placed within the division of labour, they develop varied perspectives going beyond that knowledge which is in some sense commoditised, involved in material transactions.

[...]

I believe there is room for a more optimistic view of the vitality of popular expressive forms in the Third

World, at least if the Nigerian example is anything at all to go by. But, of course, these forms are by no means pure traditional Nigerian culture. The world system, rather than creating massive cultural homogeneity on a global scale, is replacing one diversity with another; and the new diversity is based relatively more on inter-relations and less on autonomy. Yet meanings and modes of expressing them can be born in the inter-relations. We must be aware that openness to foreign cultural influences need not involve only an impoverishment of local and national culture. It may give people access to technological and symbolic resources for dealing with their own ideas, managing their own culture, in new ways. Very briefly, what is needed to understand the transforming power of media technology, from print to electronics, on cultures generally is a subtle understanding of the interplay between ideas, symbolic modalities with their varied potentialities, and the ability of the media to create new social relationships and contexts (as well as to alter old ones). Of that subtle understanding there is as yet little in the anthropology of complex cultures, at least in any systematic form.

Along the entire creolising spectrum, from First World metropolis to Third World village, through education and popular culture, by way of missionaries, consultants, critical intellectuals and small-town storytellers, a conversation between cultures goes on. One of the advantages of a creolist view of contemporary Third World cultural organisation, it seems to me, is that it suggests that the different cultural streams engaging one another in creolisation may all be actively involved in shaping the resultant forms; and that the merger of quite different streams can create a particular intensity in cultural processes. The active handling of meanings of various local and foreign derivations can allow them to work as commentaries on one another, through never-ending intermingling and counterpoint. Fela Anikulapo-Kuti, or Fela for short, the creator of Afro beat music, political radical and hero of Nigerian popular culture, tells his biographer that he was Africanised by a black American girlfriend in California who gave him a consciousness-raising working-over. Third World intellectuals generally - writers, artists or academics - maybe close to the point of entry of the international flow of meaning into national cultures, but, like intellectuals in most

places, they are to some extent counter-cultural, carriers of an adversary culture. While far from immune to the charms of the metropolis, they respond to them critically as well, self-consciously making themselves the spokesmen and guardians of Third World cultures (at least some of the time). What they may broadcast about metropolitan culture through the channels of communication reaching into their society, then, is not necessarily that culture itself, in either a pure or a somehow diluted form. It is their report on the dialogue between the metropolitan culture and themselves - as they have heard it. Back in the provincial town a schoolteacher may speak admiringly of the classic ethnography of his people, from the heyday of colonialism, although he may be critical at points on the basis of the oral history he has collected himself. Receding into the past, the 'serial polyandry' of their forefathers and foremothers now seems as titillating to the sophisticates in Kafanchan as Mormon polygamy may be to many Americans. They cannot take the subject as seriously as the missionaries and the first generation of Christian converts did.

The dominant varieties of world system thought which have developed in recent times seem mostly to leave anthropologists uninterested, ambivalent or hostile. This may in part be due to the tradition of anthropological practice, with its preference for the small-scale, the face-to-face, the authentically alien. Another reason, however, would seem to be our distrust of approaches which seem too determined not to let small facts get in the way of large issues, too sure that the dominant is totally dominant, too little concerned with what the peripheries do both for themselves and to the centre. World system thought sometimes indeed breeds its own rhetorical oversimplifications, its own vulgarities. It seems a little too ready to forget that the influences of any one centre on the peripheries may not be wholly monolithic, but may be varied, unco-ordinated and possibly contradictory. In its typical figures of speech there may be no room for recognising that there may be several centres, conflicting or complementary, and that certain of them may not be the products of colonial or post-colonial periods. (For Ahmadu Bello, the northern Nigerian politician, the real Mecca was not London; Mecca was Mecca.) And, last but not least, too often in world system thinking there simply seems to be no room for culture.

A macro-anthropology of culture which takes into account the world system and its centre-periphery relation appears to be well served by a creolist point of view. It could even be the most distinctive contribution anthropology can make to world system studies. It identifies diversity itself as a source of cultural vitality; it demands of us that we see complexity and fluidity as an intellectual challenge rather than as something to escape from. It should point us to ways of looking at systems of meaning which do not hide their connections with the facts of power and material life.

We can perhaps benefit from it, too, because an understanding of the world system in cultural terms can be enlightening not only in Third World studies but also as we try to make of anthropology a truly gen-

eral and comparative study of culture. Creole cultures are not necessarily only colonial and post-colonial cultures. I spend most of my time in a small country which for the last half-millennium or so has been nobody's colony, at least not as far as politics goes. Yet we are also drawn into the world system and its centre-periphery relations, and the terms of debate in these 1980s seem to be those of creolisation. What is really Swedish culture? In an era of population movements and communication satellites will it survive, or will it be enriched? And the questions are perhaps just slightly changed in the real centres of the world. What would life be like there without swamis and without reggae, without Olympic Games and 'the Japanese model'? In the end, it seems, we are all being creolised.



## READING 48

# Flows, Boundaries and Hybrids: Keywords in Transnational Anthropology

**Ulf Hannerz**

Anyway, here we are now, with hybridity, collage, melange, hotchpotch, montage, synergy, bricolage, creolization, mestizaje, mongrelization, syncretism, transculturation, third cultures and what have you; some terms used perhaps only in passing as summary metaphors, others with claims to more analytical status, and others again with more regional or thematic strongholds. Mostly they seem to suggest a concern with cultural form, cultural products (and conspicuously often, they relate to domains of fairly tangible cultural materials, such as language, music, art, ritual, or cuisine); some appear more concerned with process than others.

It seems hybridity is at present the more favored general term; no doubt drawing strength, like "flow", from easy mobility between disciplines (but then several of the other terms are also fairly footloose). Despite its biologicistic flavor, it has a strength not least in literary scholarship, due in large part to its presence in the work of Mikhail Bakhtin. For Bakhtin, I take it,

hybridity was above all the coexistence of two languages, two linguistic consciousnesses, even within a single utterance; commenting on one another, unmasking each other, entailing contradiction, ambiguity, irony; again, the trickster theme may seem not far away. As Homi Bhabha takes the notion into the cultural critique of colonialism, it comes to draw attention to the subversion, the destabilization, of colonial cultural authority. But as different commentators, from a range of disciplines, have taken it in different directions, with varied analytical objectives, hybridity is by now itself a term which is far from unambiguous.

Let us have a quick look at some of the other words for mixture. "Synergy" may not have much of a past in anthropology; it has been pointed out that the concept shows up in some of Ruth Benedict's lecture notes, from 1941. But Benedict used it for situations understood as internal to cultures, where an "act or skill that advantages the individual at the same time advantages the group". At present, too, the term seems less popular in anthropology than among professionals in the

growing field of intercultural communication, who use it to refer to the dynamic advantages of contacts and mergers between cultures. And of course, these interculturalists themselves often move in the borderlands of the world of business, where the idea of synergy tends to lend an attractive aura to mergers and takeovers. "Synergy", that is to say, has distinctly celebratory overtones built into it.

Going back about equally far in anthropology is "transculturation", a term coined by the Cuban social historian Fernando Ortiz in his book *Cuban Counterpoint*. Bronislaw Malinowski, who met Ortiz in Havana in 1939, wrote an introduction (dated 1940) to the book, stating that he had promised the author to "appropriate the new expression for /his/ own use, acknowledging its paternity, and use it constantly and loyally". It was, Malinowski felt, a term much preferable to acculturation, which he thought fell upon the ear in an unpleasant way - "sounds like a cross between a hiccup and a belch" - and which, as he understood it, suggested a more one-sided cultural change. Transculturation, he agreed with Ortiz, was a system of give and take, "a process from which a new reality emerges, transformed and complex, a reality that is not a mechanical agglomeration of traits, nor even a mosaic, but a new phenomenon, original and independent". It hardly seems that at least some of Malinowski's American colleagues actually understood acculturation very differently. In recent times, "transculturation" may have been made more popular again especially by Pratt's use of it in her study of travel writing. And in postcolonial times, one of the attractions of this concept may be that it is in itself an example of counterflow, from periphery to center.

Perhaps, despite their somewhat different histories and emphases, it does not matter much which of these concepts one chooses, but that to which I have been most strongly drawn myself, primarily on the basis of my field experience in Nigeria, is "creolization". While I believe that the others mostly denote cultural mixture as such, and although "creolization" is no doubt sometimes also so used, I think this concept can be used in a more precise, and at the same time restricted, way.

The origins of the idea of "creole" people and cultural phenomena are in the particular culture-historical context of New World plantation societies, and some might feel that the notion should be left there; one

could have a debate over this much like those over other concepts which have been taken out of particular areas to be used for more comparative purposes (caste, totem, taboo . . .). In any case, the more expansive use has been an established fact for some time, particularly in sociolinguistics, and in analogy with creolist understandings there, I would argue that a creolist view is particularly applicable to processes of cultural confluence within a more or less open continuum of diversity, stretched out along a structure of center-periphery relationships which may well extend transnationally, and which is characterized also by inequality in power, prestige and material resource terms. Along such lines it appears to me possible to integrate cultural with social analysis, in a way not equally clearly suggested by many of the other concepts in this cluster, and thus also to pursue a more macroanthropological vision. But again, this also means that creolization becomes a less general term, by referring to a more elaborated type. (And it may also suggest a social landscape which is rather more structured, not so much a frontier or a borderland.)

The identification of **Creole** cultures draws attention to the fact that some cultures are very conspicuously *not* "bounded", "pure", "homogeneous", and "timeless", as in the anthropological tradition cultures have often been made to seem; and to the extent that the celebratory stance toward hybridity recurs here as well, it is also suggested that these cultures draw some of their vitality and creativity precisely from the dynamics of mixture (although the celebration here may be somewhat tempered by the recognition that the cultures are also built around structures of inequality). One objection occasionally raised against the creolization concept - and other related notions may be confronted with it as well - is that such an identification of creole cultures as a particular category might simply push those features of essentialism a step back, implying that the cultural currents joined through creolization were pure, bounded, and so forth, until they were thus joined.

I do not find this implication inevitable. Drawing on the linguistic parallel again, there are a number of English-based creole languages in the world, but nobody would seriously argue that the English language is historically pure. (Remember 1066, and all that.) The claim need only be that in one particular

period, some cultures are more Creole than others, to the extent that the cultural streams coming together, under the given conditions and with more or less dramatic results, are historically distinct from another, even as they themselves may have resulted from other confluences. At some point or other, we or our forefathers may all have been creolized, but we are not forever engaged in it to the same degree.

Finally, syncretism; again an old idea, although perhaps not a continuously highly visible one, used in and out of anthropology, but especially in the field of

comparative religion, for example in the study of how, in Afro-American cultures, West African deities have merged with Catholic saints. Recently there appears to have been some revival of interest, coupled with an interest in "anti-syncretism" - in a world where academics study non-academic lives and non-academics read academic texts, the leaders and adherents of some of the faiths involved are not particularly pleased with scholarship which appears to deny the authenticity and purity of their beliefs and practices.



## READING 49

# Globalization as Hybridization

Jan Nederveen Pieterse

## Global M $\acute{e}$ lange: Windows for Research on Globalization

How do we come to terms with phenomena such as Thai boxing by Moroccan girls in Amsterdam, Asian rap in London, Irish bagels, Chinese tacos and Mardi Gras Indians in the United States, or 'Mexican schoolgirls dressed in Greek togas dancing in the style of Isidora Duncan'? How do we interpret Peter Brook directing the Mahabharata, or Ariane M $\acute{a}$ nouchkine staging a Shakespeare play in Japanese Kabuki style for a Paris audience in the Th $\acute{e}$ âtre Soleil? Cultural experiences, past or present, have not been simply moving in the direction of cultural uniformity and standardization. This is not to say that the notion of global cultural synchronization is irrelevant - on the contrary - but it is fundamentally incomplete. It overlooks the counter-currents - the impact non-Western cultures have been making on the West. It downplays the ambivalence of the globalizing momentum and ignores the role of local reception of Western culture - for example the indigenization of Western elements. It fails to see the influence non-Western cultures have been exercising on one another. It has no room for crossover culture - as in the development of 'third cultures' such as world music. It overrates the homogeneity of Western culture and overlooks the fact that many of the standards

exported by the West and its cultural industries themselves turn out to be of culturally mixed character if we examine their cultural lineages. Centuries of South-North cultural osmosis have resulted in an intercontinental crossover culture. European and Western culture are *part* of this global m $\acute{e}$ lange. This is an obvious case if we reckon that Europe until the fourteenth century was invariably the recipient of cultural influences from 'the Orient'. The hegemony of the West dates only from very recent times, from around 1800, and, arguably, from industrialization.

One of the terms offered to describe this interplay is the *creolization* of global culture. This approach is derived from Creole languages and linguistics. 'Creolization' itself is an odd, hybrid term. In the Caribbean and North America it stands for the mixture of African and European (the Creole *cuisine* of New Orleans, etc.), while in Hispanic America '*criollo*' originally denotes those of European descent born in the continent. 'Creolization' means a Caribbean window on the world. Part of its appeal is that it goes against the grain of nineteenth-century racism and the accompanying abhorrence of *m $\acute{e}$ tissage* as miscegenation, as in Comte de Gobineau's view that race mixture leads to decadence and decay for in every mixture the lower element is bound to predominate. The doctrine of racial purity involves the fear of and *d $\acute{e}$ dain* for the half-caste. By

stressing and foregrounding the *mestizo* factor, the mixed and in-between, creolization highlights what has been hidden and valorizes boundary crossing. It also implies an argument with Westernization: the West itself may be viewed as a mixture and Western culture as a creole culture.

The Latin American term *mestizaje* also refers to boundary-crossing mixture. Since the early part of the century, however, this has served as a hegemonic elite ideology, which, in effect, refers to 'whitening' or Europeanization as the overall project for Latin American countries: while the European element is supposed to maintain the upper hand, through the gradual 'whitening' of the population and culture, Latin America is supposed to achieve modernity. A limitation of both creolization and *mestizaje* is that they are confined to the experience of the post-sixteenth-century Americas.

Another terminology is the 'orientalization of the world', which has been referred to as 'a distinct global process'. In Duke Ellington's words, 'We are all becoming a little Oriental'. It is reminiscent of the theme of 'East wind prevailing over West wind', which runs through Sultan Galiev, Mao and Abdel-Malek. In the setting of the 'Japanese challenge' and the development model of East Asian Newly Industrialized Countries, it evokes the Pacific Century and the twenty-first century as the 'Asian century'.

Each of these terms - 'creolization', '*mestizaje*', 'orientalization' - opens a different window on the global melange. In the United States 'crossover culture' denotes the adoption of black cultural characteristics by European-Americans and of white elements by African-Americans. As a general notion, this may aptly describe global intercultural osmosis and interplay. Global 'crossover culture' may be an appropriate characterization of the long-term global North-South melange. Still, what is not clarified are the *terms* under which cultural interplay and crossover take place. Likewise in terms such as 'global melange', what is missing is acknowledgement of the actual unevenness, asymmetry and inequality in global relations.

## Politics of Hybridity

Given the backdrop of nineteenth-century discourse, it's no wonder that arguments that acknowledge

hybridity often do so on a note of regret and loss - loss of purity, wholeness, authenticity. Thus, according to Hisham Sharabi, neo-patriarchal society in the contemporary Arab world is 'a new, hybrid sort of society/culture', 'neither modern nor traditional'. The 'neopatriarchal petty bourgeoisie' is likewise characterized as a 'hybrid class'. This argument is based on an analysis of 'the political and economic conditions of distorted, dependent capitalism' in the Arab world, in other words, it is derived from the framework of dependency theory.

In arguments such as these hybridity functions as a negative trope, in line with the nineteenth-century paradigm according to which hybridity, mixture, mutation are regarded as negative developments which detract from prelapsarian purity - in society and culture, as in biology. Since the development of Mendelian genetics in the 1870s and its subsequent adoption in early twentieth-century biology, however, a revaluation has taken place according to which crossbreeding and polygenic inheritance have come to be positively valued as enrichments of gene pools. Gradually this theme has been seeping through to wider circles; the work of Bateson, as one of the few to reconnect the natural sciences and social sciences, has been influential in this regard.

In post-structuralist and postmodern analysis, hybridity and syncretism have become keywords. Thus hybridity is the antidote to essentialist notions of identity and ethnicity. Cultural syncretism refers to the methodology of montage and collage, to 'cross-cultural plots of music, clothing, behaviour, advertising, theatre, body language, or [...] visual communication, spreading multi-ethnic and multi-centric patterns'. Interculturalism, rather than multiculturalism, is the keynote of this kind of perspective. But it also raises different problems. What is the political *portée* of the celebration of hybridity? Is it merely another sign of perplexity turned into virtue by those grouped on the consumer end of social change? According to Ella Shohat, 'A celebration of syncretism and hybridity per se, if not articulated in conjunction with questions of hegemony and neo-colonial power relations, runs the risk of appearing to sanctify the *fait accompli* of colonial violence'. Hence a further step would be not merely to celebrate but to theorize hybridity.

A theory of hybridity would be attractive. We are so used to theories that are concerned with establishing



boundaries and demarcations among phenomena - units or processes that are as neatly as possible set apart from other units or processes - that a theory which instead would focus on fuzziness and *mélange*, cut-and-mix, crisscross and crossover, might well be a relief in itself. Yet, ironically, of course, it would have to prove itself by giving as neat as possible a version of messiness, or an unhybrid categorization of hybridities.

By what yardstick would we differentiate hybridities? One consideration is in what context hybridity functions. At a general level hybridity concerns the mixture of phenomena which are held to be different, separate; hybridization then refers to a *cross-category* process. Thus with Bakhtin hybridization refers to sites, such as fairs, which bring together the exotic and the familiar, villagers and townsmen, performers and observers. The categories can also be cultures, nations, ethnicities, status groups, classes, genres, and hybridity, by its very existence, blurs the distinctions among them. Hybridity functions, next, as part of a power relationship between centre and margin, hegemony and minority, and indicates a blurring, destabilization or subversion of that hierarchical relationship.

One of the original notions of hybridity is *syncretism*, the fusion of religious forms. Here we can distinguish, on the one hand, syncretism as *mimicry* - as in Santería, Candomblé, Vodún, in which Catholic saints are adapted to serve as masks behind which non-Christian forms of worship are practised. The Virgin of Guadeloupe as a mask for Pacha Mama is another example. On the other hand, we find syncretism as a *mélange* not only of forms but also of beliefs, a merger in which *both religions*, Christian and native, have changed and a 'third religion' has developed (as in Kimbanguism in the Congo).

Another phenomenon is hybridity as migration *mélange*. A common observation is that second-generation immigrants, in the West and elsewhere, display mixed cultural patterns - for example, a separation between and, next, a mix of a home culture and language (matching the culture of origin) and an outdoor culture (matching the culture of residence), as in the combination 'Muslim in the daytime, disco in the evening'.

In postcolonial studies hybridity is a familiar and ambivalent trope. Homi Bhabha refers to hybrids as intercultural brokers in the interstices between nation and empire, producing counter-narratives from the nation's margins to the 'totalizing boundaries' of the

nation. At the same time, refusing nostalgic models of precolonial purity, hybrids, by way of mimicry, may conform to the 'hegemonized rewriting of the Eurocentre'. Hybridity, in this perspective, can be a condition tantamount to alienation, a state of homelessness. Smadar Lavie comments: 'This is a response-oriented model of hybridity. It lacks agency, by not empowering the hybrid. The result is a fragmented Otherness in the hybrid'. In the work of Gloria Anzaldúa and others, she recognizes, on the other hand, a community-oriented mode of hybridity, and notes that 'reworking the past exposes its hybridity, and to recognize and acknowledge this hybrid past in terms of the present empowers the community and gives it agency'.

An ironical case of hybridity as intercultural crossover is mentioned by Michael Bérubé, interviewing the African American literary critic Houston Baker, Jr: 'That reminds me of your article in *Technoculture*, where you write that when a bunch of Columbia-graduate white boys known as Third Bass attack Hammer for not being black enough or strong enough [...] that's the moment of hybridity'.

Taking in these lines of thought, we can construct a *continuum of hybridities*: on one end, an assimilationist hybridity that leans over towards the centre, adopts the canon and mimics the hegemony, and, at the other end, a destabilizing hybridity that blurs the canon, reverses the current, subverts the centre. Hybridities, then, may be differentiated according to the components in the *mélange*. On the one hand, an assimilationist hybridity in which the centre predominates - as in V.S. Naipaul, known for his trenchant observations such as there's no decent cup of coffee to be had in Trinidad. A posture which has given rise to the term Naipaulitis. And on the other hand, an hybridity that blurs (passive) or destabilizes (active) the canon and its categories. Perhaps this spectrum of hybridities can be summed up as ranging from Naipaul to Salman Rushdie, Edward Said, Gayatri Spivak. Still, what does it mean to destabilize the canon? It's worth reflecting on the politics of hybridity.

## Politics of Hybridity: towards Political Theory on a Global Scale

Relations of power and hegemony are inscribed and reproduced *within* hybridity for wherever we look

closely enough we find the traces of asymmetry in culture, place, descent. Hence hybridity raises the question of the *terms* of mixture, the conditions of mixing and *mélange*. At the same time it's important to note the ways in which hegemony is not merely reproduced but *refigured* in the process of hybridization. Generally, what is the bearing of hybridization in relation to political engagement?

At times, the anti-essentialist emphasis on hybrid identities comes dangerously close to dismissing all searches for communitarian origins as an archaeological excavation of an idealized, irretrievable past. Yet, on another level, while avoiding any nostalgia for a prelapsarian community, or for any unitary and transparent identity predating the 'fall', we must also ask whether it is possible to forge a collective resistance without inscribing a communal past.

Isn't there a close relationship between political mobilization and collective memory? Isn't the remembrance of deeds past, the commemoration of collective itineraries, victories and defeats - such as the Matanza for the FMLN in El Salvador, Katipunan for the NPA in the Philippines, Heroes Day for the ANC - fundamental to the symbolism of resistance and the moral economy of mobilization? Still, this line of argument involves several problems. While there may be a link, there is no necessary symmetry between communal past/collective resistance. What is the basis of bonding in collective action - past or future, memory or project? While communal symbolism may be important, collective symbolism and discourse merging a heterogeneous collectivity in a common project may be more important. Thus, while Heroes Day is significant to the ANC (16 December is the founding day of Umkhonto we Sizwe), the Freedom Charter, and more specifically, the project of non-racial democracy (non-sexism has been added later) has been of much greater importance. These projects are not of a 'communal' nature: part of their strength is precisely that they transcend communal boundaries. Generally, emancipations may be thought of in the plural, as a project or ensemble of projects that in itself is diverse, heterogeneous, multi-vocal. The argument linking communal past/collective resistance imposes a unity and transparency which in effect reduces the space for *critical* resistance, for plurality *within* the movement, diversity within the

process of emancipation. It privileges a communal view of collective action, a primordialist view of identity, and ignores or downplays the importance of miragroup differences and conflicts over group representation, demands and tactics, including reconstructions of the past. It argues as if the questions of whether demands should be for autonomy or inclusion, whether the group should be inward or outward looking, have already been settled, while in reality these are political dilemmas. The nexus between communal past/collective engagement is one strand in political mobilization, but so are the hybrid past/plural projects, and in actual everyday politics the point is how to negotiate these strands in round-table politics. This involves going beyond a past to a future orientation - for what is the point of collective action without a future? The lure of community, powerful and prevalent in left as well as right politics, has been questioned often enough. In contrast, hybridity when thought of as a politics may be subversive of essentialism and homogeneity, disruptive of static spatial and political categories of centre and periphery, high and low, class and ethnos, and in recognizing multiple identities, widen the space for critical engagement. Thus the nostalgia paradigm of community politics has been contrasted to the landscape of the city, along with a reading of 'politics as relations among strangers'.

What is the significance of this outlook in the context of global inequities and politics? Political theory on a global scale is relatively undeveloped. Traditionally political theory is concerned with the relations between sovereign and people, state and society. It's of little help to turn to the 'great political theorists' from Locke to Mill for they are all essentially concerned with the state-society framework. International relations theory extrapolates from this core preoccupation with concepts such as national interest and balance of power. Strictly speaking international relations theory, at any rate neo-realist theory, precludes global political theory. In the absence of a concept of 'world society', how can there be a notion of a world-wide social contract or global democracy? This frontier has opened up through concepts such as global civil society, referring to the transnational networks and activities of voluntary and non-governmental organizations: 'the growth of global civil society represents an ongoing project of civil society to reconstruct, re-imagine, or re-map world politics'. Global society and postinternational politics

are other relevant notions. A limitation to these reconceptualizations remains the absence of legal provisions that are globally binding rather than merely in inter-state relations.

The question remains as to what kind of conceptual tools we can develop to address questions such as the double standards prevailing in global politics: perennial issues such as Western countries practising democracy at home and imperialism abroad; the edifying use of terms such as self-determination and sovereignty while the United States are invading Panama or Grenada. The term 'imperialism' may no longer be adequate to address the present situation. It may be adequate in relation to US actions in Panama or Grenada, but less so to describe the Gulf War. Imperialism is the policy of establishing or maintaining an empire, and empire is the control exercised by a state over the domestic and foreign policy of another political society. This is not an adequate terminology to characterize the Gulf War episode. If we consider that major actors in today's global circumstance are the IMF and World Bank, transnational corporations and regional investment banks, it is easy to acknowledge their influence on the domestic policies of countries from Brazil to the Philippines, but the situation differs from imperialism in two ways: the actors are not states and the foreign policy of the countries involved is not necessarily affected. The casual use of terms such as recolonization or neocolonialism to describe the impact of IMF conditionalities on African countries remains just that, casual. The situation has changed also since the emergence of regional blocs which can potentially exercise joint foreign policy (for example, the European Community) or which within themselves contain two or more 'worlds' (for example, NAFTA, APEC). Both these situations differ from imperialism in the old sense. Current literature on international political economy shows a shift from 'imperialism' to 'globalization'. The latter maybe used with critical intent but is more often used in an open-ended sense. I've used the term 'critical globalism' as an approach to current configurations. According to Tomlinson,

the distribution of global power that we know as 'imperialism' [...] characterised the modern period up to, say, the 1960s. What replaces 'imperialism' is 'globalisation'. Globalisation may be distinguished

from imperialism in that it is a far less coherent or culturally directed process [...] The idea of 'globalisation' suggests interconnection and interdependency of all global areas which happens in a less purposeful way.

This is a particularly narrow interpretation in which globalization matches the epoch of late capitalism and flexible accumulation; still, what is interesting is the observation that the present phase of globalization is less coherent and less purposeful than imperialism. That does not mean the end of inequality and domination, although domination may be more dispersed, less orchestrated, more heterogeneous. To address global inequalities and develop global political theory a different kind of conceptualization is needed. We are not without points of reference but we lack a theory of global political action. Melucci has discussed the 'planetaryization' of collective action. Some of the implications of globalization for democracy have been examined by Held. As regards the basics of a global political consensus, the UN Declaration of Human Rights, and its subsequent amendments by the Movement of Non-Aligned Countries, may be a point of reference.

## Post-Hybridity?

Cultural hybridization refers to the mixing of Asian, African, American, European cultures: hybridization is the making of global culture as a global *mélange*. As a category hybridity serves a purpose on the basis of the assumption of *difference* between the categories, forms, beliefs that go into the mixture. Yet the very process of hybridization shows the difference to be relative and, with a slight shift of perspective, the relationship can also be described in terms of an affirmation of *similarity*. Thus, the Catholic saints can be taken as icons of Christianity, but can also be viewed as holdovers of pre-Christian paganism inscribed in the Christian canon. In that light, their use as masks for non-Christian gods is less quaint and rather intimates transcultural pagan affinities.

Ariane Mânouchkine's use of Kabuki style to stage a Shakespeare play leads to the question, which Shakespeare play? The play is *Henry IV*, which is set in the context of European high feudalism. In that light,

the use of Japanese feudal Samurai style to portray European feudalism makes a point about transcultural historical affinities.

'Mexican schoolgirls dressed in Greek togas dancing in the style of Isidora Duncan', mentioned before, reflects transnational bourgeois class affinities, mirroring themselves in classical European culture. Chinese tacos and Irish bagels reflect ethnic crossover in employment patterns in the American fast food sector. Asian rap refers to cross-cultural stylistic convergence in popular youth culture.

An episode that can serve to probe this more deeply is the influence of Japanese art on European painting. The impact of *Japonisme* is well known: it inspired impressionism which in turn set the stage for modernism. The colour woodcuts that made such a profound impression on Seurat, Manet, Van Gogh, Toulouse Lautrec, Whistler belonged to the Ukiyo school - a bourgeois genre that flourished in Japan between the seventeenth and nineteenth centuries, sponsored by the merchant class. Ukiyo-e typically depicted urban scenes of ephemeral character, such as streetlife, entertainments, theatre, or prostitution, and also landscapes. It was a popular art form which, unlike the high art of aristocracy, was readily available at reasonable prices in book stores (rather than cloistered in courts or monasteries) and therefore also accessible to Europeans. This episode, then, is not so much an exotic irruption in European culture, but rather reflects the fact that bourgeois sensibilities had found iconographic expression in Japan earlier than in Europe. In other words, Japanese popular art was modern before European art was. Thus what from one angle appears as hybridity to the point of exoticism, from another angle, again, reflects transcultural class affinities in sensibilities *vis à vis* urban life and nature. In other words, the other side of cultural hybridity is transcultural convergence.

What makes it difficult to discuss these issues is that two quite distinct concepts of *culture* are generally being used indiscriminately. The first concept of culture (culture 1) views culture as essentially territorial; it assumes that culture stems from a learning process that is, in the main, localized. This is culture in the sense of *a culture*, that is the culture of a society or social group. A notion that goes back to nineteenth-century romanticism and that has been elaborated in

twentieth-century anthropology, in particular cultural relativism - with the notion of cultures as a whole, a Gestalt, configuration. A related idea is the organic or 'tree' model of culture.

A wider understanding of culture (culture 2) views culture as a general human 'software', as in nature/culture arguments. This notion has been implicit in theories of evolution and diffusion, in which culture is viewed as, in the main, a *translocal* learning process. These understandings are not incompatible: culture 2 finds expression in culture 1, cultures are the vehicle of culture. But they do reflect different emphases in relation to historical processes of culture formation and hence generate markedly different assessments of cultural relations. Divergent meta-assumptions about culture underlie the varied vocabularies in which cultural relations are discussed.

#### *Assumptions about culture*

<i>Territorial culture</i>	<i>Translocal culture</i>
endogenous	exogenous
orthogenetic	heterogenetic
societies, nations, empires	diasporas, migrations
locales, regions	crossroads, borders, interstices
community-based	networks, brokers, strangers
organic, unitary	diffusion, heterogeneity
authenticity	translation
inward looking	outward looking
community linguistics	contact linguistics
race	half-caste, mixed-breed, métis
ethnicity	new ethnicity
identity	identification, new identity

Culture 2 or translocal culture is not without place (there is no culture without place), but it involves an *outward-looking* sense of place, whereas culture 1 is based on an *inward-looking* sense of place. Culture 2 involves what Doreen Massey calls 'a global sense of place': 'the specificity of place which derives from the fact that each place is the focus of a distinct *mixture* of wider and more local social relations'.

The general terminology of cultural pluralism, multi-cultural society, intercultural relations, etc. does not clarify whether it refers to culture 1 or culture 2. Thus, relations among cultures can be viewed in a static fashion (in which cultures retain their separateness in interaction) or a fluid fashion (in which cultures interpenetrate).

*Cultural relations*

<i>Static</i>	<i>Fluid</i>
plural society (Furnivall)	pluralism, melting pot
multiculturalism (static)	multiculturalism (fluid), interculturalism
global mosaic	cultural flow in space (Hannerz)
clash of civilizations	third cultures

Hybridization as a perspective belongs to **the** fluid end of relations between cultures: it's the mixing of cultures and not their separateness that is emphasized. At the same time, the underlying assumption about culture is that of culture/place. Cultural forms are called hybrid/syncretic/mixed/creolized because the elements in the mix derive from different cultural contexts. Thus Ulf Hannerz defines Creole cultures as follows: 'creole cultures like Creole languages are those which draw in some way on two or more historical sources, often originally widely different. They have had some time to develop and integrate, and to become elaborate and pervasive'. But, in this sense, would not every culture be a Creole culture? Can we identify any culture that is *not* **Creole** in the sense of drawing on one or more different historical sources? A scholar of music makes a similar point about world music: 'all music is essentially world music'.

A further question is: are cultural elements different merely because they originate from different cultures? More often what may be at issue, as argued above, is the *similarity* of cultural elements when viewed from the point of class, status group, life-style sensibilities or function. Hence, at some stage, towards the end of the story, the notion of cultural hybridity itself unravels or, at least, needs reworking.

To explore what this means in the context of globalization, we can contrast the vocabularies and connotations of globalization-as-homogenization and globalization-as-hybridization.

<i>Globalization/homogenization</i>	<i>Globalization/diversification</i>
cultural imperialism	cultural planetarization
cultural dependence	cultural interdependence
cultural hegemony	cultural interpénétration
autonomy	syncretism, synthesis, hybridity
modernization	modernizations
Westernization	global mélange
cultural synchronization	creolization, crossover
world civilization	global ecumene

What is common to some perspectives on both sides of the globalization/homogenization/heterogenization axis is a territorial view of culture. The territoriality of culture, however, itself is not constant over time. For some time we have entered a period of accelerated globalization and cultural mixing. This also involves an overall tendency towards the 'deterritorialization' of culture, or an overall shift in orientation from culture 1 to culture 2. Introverted cultures, which have been prominent over a long stretch of history and which overshadowed translocal culture, are gradually receding into the background, while translocal culture made up of diverse elements is coming into the foreground. This transition and the hybridization processes themselves unleash intense and dramatic nostalgia politics, of which ethnic upsurges, ethnicization of nations, and religious revivalism form part.

Hybridization refers not only to the crisscrossing of cultures (culture 1) but also and by the same token to a transition from the provenance of culture 1 to culture 2. Another aspect of this transition is that due to advancing information technology and biotechnology, different *modes* of hybridity emerge on the horizon: in the light of hybrid forms, such as cyborgs, virtual reality and electronic simulation, intercultural differences may begin to pale to relative insignificance - although of great local intensity. Biotechnology opens up the perspective of 'merged evolution', in the sense of the merger of the evolutionary streams of genetics, cultural evolution and information technology, and the near prospect of humans intervening in genetic evolution, through the matrix of cultural evolution and information technologies.

## Conclusion: towards a Global Sociology

Globalization/hybridization makes, first, an empirical case: that processes of globalization, past and present, can be adequately described as processes of hybridization. Secondly, it is a critical argument: against viewing globalization in terms of homogenization, or of modernization/Westernization, as empirically narrow and historically flat.

The career of sociology has been coterminous with the career of nation-state formation and nationalism,

and from this followed the constitution of the object of sociology as society and the equation of society with the nation. Culminating in structural functionalism and modernization theory, this career in the context of globalization is in for retooling. A global sociology is taking shape, around notions such as social networks (rather than 'societies'), border zones, boundary crossing and global society. In other words, a sociology conceived within the framework of nations/societies is making place for a post-inter/national sociology of hybrid formations, times and spaces.

Structural hybridization, or the increase in the range of organizational options, and cultural hybridization, or the doors of erstwhile imagined communities opening up, are signs of an age of boundary crossing. Not, surely, of the erasure of boundaries. Thus, state power remains extremely strategic, but it is no longer the only game in town. The tide of globalization reduces the room of manoeuvre for states, while international institutions, transnational transactions, regional co-operation, sub-national dynamics and non-governmental organizations expand in impact and scope.

In historical terms, this perspective maybe deepened by writing diaspora histories of global culture. Due to nationalism as the dominant paradigm since the nineteenth century, cultural achievements have been routinely claimed for 'nations' - that is, culture has been 'nationalized', territorialized. A different historical record can be constructed on the basis of the contributions to culture formation and diffusion by diasporas, migrations, strangers, brokers. A related project would be histories of the hybridization of metropolitan cultures, that is a counter-history to the narrative of imperial history. Such historical inquiries may show that hybridization has been taking place all along but over time has been concealed by religious, national, imperial and civilizational chauvinism. Moreover, they may deepen our understanding of the temporalities of hybridization: how certain junctures witness downturns or upswings of hybridization, slowdowns or speed-ups. At the same time it follows that, if we accept that cultures have been hybrid *all along*, hybridization is in effect a tautology: contemporary

accelerated globalization means the hybridization of hybrid cultures.

As such, the hybridization perspective remains meaningful only as a critique of essentialism. Essentialism will remain strategic as a mobilizational device as long as the units of nation, state, region, civilization, ethnicity remain strategic: and for just as long hybridization remains a relevant approach. Hybridity unsettles the introverted concept of culture which underlies romantic nationalism, racism, ethnicism, religious revivalism, civilizational chauvinism, and culturalist essentialism. Hybridization, then, is a perspective that is meaningful as a counterweight to the introverted notion of culture; at the same time, the very process of hybridization unsettles the introverted gaze, and accordingly, hybridization eventually ushers in post-hybridity, or trans-cultural cut and mix.

Hybridization is a factor in the reorganization of social spaces. Structural hybridization, or the emergence of new practices of social co-operation and competition, and cultural hybridization, or new translocal cultural expressions, are interdependent: new forms of co-operation require and evoke new cultural imaginaries. Hybridization is a contribution to a sociology of the in-between, a sociology from the interstices. This involves merging endogenous/exogenous understandings of culture. This parallels the attempt in international relations theory to overcome the dualism between the nation-state and international system perspectives. Other significant perspectives are Hannerz' macro-anthropology and his concern with mapping micro-macro linkages and contemporary work in geography and cultural studies.

In relation to the global human condition of inequality, the hybridization perspective releases reflection and engagement from the boundaries of nation, community, ethnicity, or class. Fixities have become fragments as the kaleidoscope of collective experience is in motion. It has been in motion all along and the fixities of nation, community, ethnicity and class have been grids superimposed upon experiences more complex and subtle than reflexivity and organization could accommodate.



## READING 50

## Glocalization: Time-Space and Homogeneity-Heterogeneity

**Roland Robertson**

[...]

The need to introduce the concept of glocalization firmly into social theory arises from the following considerations. Much of the talk about globalization has tended to assume that it is a process which overrides locality, including large-scale locality such as is exhibited in the various ethnic nationalisms which have seemingly arisen in various parts of the world in recent years. This interpretation neglects two things. First, it neglects the extent to which what is called local is in large degree constructed on a trans- or super-local basis. In other words, much of the promotion of locality is in fact done from above or outside. Much of what is often declared to be local is in fact the local expressed in terms of generalized recipes of locality. Even in cases where there is apparently no concrete recipe at work - as in the case of some of the more aggressive forms of contemporary nationalism - there is still, or so I would claim, a translocal factor at work. Here I am simply maintaining that the contemporary assertion of ethnicity and/or nationality is made within the global terms of identity and particularity.

Second, while there has been increasing interest in spatial considerations and expanding attention to the intimate links between temporal and spatial dimensions of human life, these considerations have made relatively little impact as yet on the discussion of globalization and related matters. In particular there has been little attempt to connect the discussion of time-and-space to the thorny issue of universalism-and-particularism. Interest in the theme of postmodernity has involved much attention to the supposed weaknesses of mainstream concern with 'universal time' and advancement of the claim that 'particularistic space' be given much greater attention; but in spite of a few serious efforts to resist the tendency, universalism has been persistently counterposed to particularism (in line with characterizations in the old debate about

societal modernization in the 1950s and 1960s). At this time the emphasis on space is frequently expressed as a diminution of temporal considerations.

[...]

The leading argument in this discussion is thus centred on the claim that the debate about global homogenization versus heterogenization should be transcended. It is not a question of *either* homogenization or heterogenization, but rather of the ways in which both of these two tendencies have become features of life across much of the late-twentieth-century world. In this perspective the problem becomes that of spelling out the ways in which homogenizing and heterogenizing tendencies are mutually implicative. This is in fact much more of an empirical problem than might at first be thought. In various areas of contemporary life - some of which are discussed in the following pages - there are ongoing, calculated attempts to combine homogeneity with heterogeneity and universalism with particularism.

In this respect we may well speak of the way in which academic disciplines have lagged behind 'real life'. At the same time, we need, of course, to provide analyses and interpretations of these features of 'reality' (recognizing that the distinction between theory and reality is extremely problematic and, I believe, ultimately untenable). I hope to show that outside academic/intellectual discourse there are many who take it for granted that the universal and particular can and *should* be combined. The question for them is: how and in what form should these be synthesized? It is not whether they *can* be interrelated. In order to comprehend the 'how' rather than the 'whether' we need to attend more directly to the question as to what is actually 'going on'. Asking that question does not, as some might well think, involve a disinterest in issues of a 'critical' nature concerning, for example, the interests served by strategies of what I here call glocalization;

not least because, as I will intermittently emphasize, strategies of glocalization are - at least at this historical moment and for the foreseeable future - themselves grounded in particularistic frames of reference. There is no viable and practical Archimedean point from which strategies of glocalization can be fully maintained. Nevertheless, we appear to live in a world in which the expectation of uniqueness has become increasingly institutionalized and globally widespread.

## Glocalization

According to *The Oxford Dictionary of New Words* the term 'glocal' and the process noun 'glocalization' are 'formed by telescoping *global* and *local* to make a blend'. Also according to the *Dictionary* that idea has been 'modelled on Japanese *dochakuka* (deriving from *dochaku* "living on one's own land"), originally the agricultural principle of adapting one's farming techniques to local conditions, but also adopted in Japanese business for *global localization*, a global outlook adapted to local conditions' (emphasis in original). More specifically, the terms 'glocal' and 'glocalization' became aspects of business jargon during the 1980s, but their major locus of origin was in fact Japan, a country which has for a very long time strongly cultivated the spatio-cultural significance of Japan itself and where the general issue of the relationship between the particular and the universal has historically received almost obsessive attention. By now it has become, again in the words of *The Oxford Dictionary of New Words*, 'one of the main marketing buzzwords of the beginning of the nineties'.

The idea of glocalization in its business sense is closely related to what in some contexts is called, in more straightforwardly economic terms, micro-marketing: the tailoring and advertising of goods and services on a global or near-global basis to increasingly differentiated local and particular markets. Almost needless to say, in the world of capitalistic production for increasingly global markets the adaptation to local and other particular conditions is not simply a case of business responses to existing global variety - to civilizational, regional, societal, ethnic, gender and still other types of differentiated consumers - as if such variety or heterogeneity existed simply 'in itself'. To a considerable extent micromarketing - or, in the more comprehensive

phrase, glocalization - involves *the construction* of increasingly differentiated consumers, the 'invention' of 'consumer traditions' (of which tourism, arguably the biggest 'industry' of the contemporary world, is undoubtedly the most clear-cut example). To put it very simply, diversity sells. From the consumer's point of view it can be a significant basis of cultural capital formation. This, it should be emphasized, is not its only function. The proliferation of, for example, 'ethnic' supermarkets in California and elsewhere does to a large extent cater not so much to difference for the sake of difference, but to the desire for the familiar and/or to nostalgic wishes. On the other hand, these too can also be bases of cultural capital formation.

It is not my purpose here to delve into the comparative history of capitalistic business practices. Thus the accuracy of the etymology concerning 'glocalization' provided by *The Oxford Dictionary of New Words* is not a crucial issue. Rather I want to use the general idea of glocalization to make a number of points about the global-local problematic. There is a widespread tendency to regard this problematic as straightforwardly involving a polarity, which assumes its most acute form in the claim that we live in a world of local assertions *against* globalizing trends, a world in which the very idea of locality is sometimes cast as a form of opposition or resistance to the hegemonically global (or one in which the assertion of 'locality' or *Gemeinschaft* is seen as the pitting of subaltern 'universals' against the 'hegemonic universal' of dominant cultures and/or classes). An interesting variant of this general view is to be found in the replication of the German culture-civilization distinction at the global level: the old notion of ('good') culture is pitted against the ('bad') notion of civilization. In this traditional German perspective local culture becomes, in effect, national culture, while civilization is given a distinctively global, world-wide colouring.

We have, in my judgement, to be much more subtle about the dynamics of the production and reproduction of difference and, in the broadest sense, locality. Speaking in reference to the local-cosmopolitan distinction, Hannerz has remarked that for locals diversity 'happens to be the principle which allows all locals to stick to their respective cultures'. At the same time, cosmopolitans largely depend on 'other people' carving out 'special niches' for their cultures. Thus 'there can



be no cosmopolitans without locals'. This point has some bearing on the particular nature of the intellectual interest in and the approach to the local-global issue. In relation to Hannerz's general argument, however, we should note that in the contemporary world, or at least in the West, the current counter-urbanization trend, much of which in the USA is producing 'fortress communities', proceeds in terms of the standardization of locality, rather than straightforwardly in terms of 'the principle of difference'.

[...]

Thus the notion of glocalization actually conveys much of what I myself have previously written about globalization. From my own analytic and interpretative standpoint the concept of globalization has involved the simultaneity and the interpénétration of what are conventionally called the global and the local, or - in more abstract vein - the universal and the particular. (Talking strictly of my own position in the current debate about and the discourse of globalization, it may even become necessary to substitute the term 'glocalization' for the contested term 'globalization' in order to make my argument more precise.) I certainly do not wish to fall victim, cognitive or otherwise, to a particular brand of current marketing terminology. Insofar as we regard the idea of glocalization as simply a capitalistic business term (of apparent Japanese origin) then I would of course reject it as, *inter alia*, not having sufficient analytic-interpretative leverage. On the other hand, we are surely coming to recognize that seemingly autonomous economic terms frequently have deep cultural roots. In the Japanese and other societal cases the cognitive and moral 'struggle' even to recognize the economic domain as relatively autonomous has never really been 'won'. In any case, we live in a world which increasingly acknowledges the quotidian conflation of the economic and the cultural. But we inherited from classical social theory, particularly in its German version in the decades from about 1880 to about 1920, a view that talk of 'culture' and 'cultivation' was distinctly at odds with 'materialism' and the rhetoric of economics and instrumental rationality.

My deliberations in this chapter on the local-global problematic hinge upon the view that contemporary conceptions of locality are largely produced in something like global terms, but this certainly does not

mean that all forms of locality are thus substantively homogenized (notwithstanding the standardization, for example, of relatively new suburban, fortress communities). An important thing to recognize in this connection is that there is an increasingly globe-wide discourse of locality, community, home and the like. One of the ways of considering the idea of *global culture* is in terms of its being constituted by the increasing interconnectedness of many local cultures both large and small, although I certainly do not myself think that global culture is entirely constituted by such interconnectedness. In any case we should be careful *not to equate the communicative and interactional connecting of such cultures* - including very asymmetrical forms of such communication and interaction, as well as 'third cultures' of mediation - *with the notion of homogenization of all cultures*.

I have in mind the rapid, recent development of a relatively autonomous discourse of 'intercultural communication'. This discourse is being promoted by a growing number of professionals, along the lines of an older genre of 'how to' literature. So it is not simply a question of social and cultural theorists talking about cultural difference and countervailing forces of homogenization. One of the 'proper objects' of study here is the phenomenon of 'experts' who specialize in the 'instrumentally rational' promotion of intercultural communication. These 'experts' have in fact a vested interest in the promotion and protection of variety and diversity. Their jobs and their profession depend upon the expansion and reproduction of heterogeneity. The same seems to apply to strong themes in modern American business practice.

We should also be more interested in the conditions for the production of cultural pluralism - as well as geographical pluralism. Let me also say that the idea of locality, indeed of globality, is very relative. In spatial terms a village community is of course local relative to a region of a society, while a society is local relative to a civilizational area, and so on. Relativity also arises in temporal terms. Contrasting the well-known pair consisting of locals and cosmopolitans, Hannerz has written that 'what was cosmopolitan in the early 1940s may be counted as a moderate form of localism by now'. I do not in the present context get explicitly involved in the problem of relativity (or relativism). But sensitivity to the problem does inform much of what I say.

There are certain conditions that are currently promoting the production of concern with the local-global problematic within the academy. King has addressed an important aspect of this. In talking specifically of the spatial compression dimension of globalization he remarks on the increasing numbers of 'protoprofessionals from so-called "Third World" societies' who are travelling to 'the core' for professional education. The educational sector of 'core' countries 'depends increasingly on this input of students from the global periphery'. It is the experience of 'flying round the world and needing schemata to make sense of what they see' on the one hand, and encountering students from all over the world in the classroom on the other, which forms an important experiential basis for academics of what King calls totalizing and global theories. I would maintain, however, that it is *interest in 'the local'* as much as the 'totally global' which is promoted in this way.

### The Local in the Global? The Global in the Local?

In one way or another the issue of the relationship between the 'local' and the 'global' has become increasingly salient in a wide variety of intellectual and practical contexts. In some respects this development hinges upon the increasing recognition of the significance of space, as opposed to time, in a number of fields of academic and practical endeavour. The general interest in the idea of postmodernity, whatever its limitations, is probably the most intellectually tangible manifestation of this. The most well known maxim - virtually a cliché - proclaimed in the diagnosis of 'the postmodern condition' is of course that 'grand narratives' have come to an end, and that we are now in a circumstance of proliferating and often competing narratives. In this perspective there are no longer any stable accounts of dominant change in the world. This view itself has developed, on the other hand, at precisely the same time that there has crystallized an increasing interest in the world as a whole as a single place. As the sense of temporal unidirectionality has faded so, on the other hand, has the sense of 'representational' space within which all kinds of narratives maybe inserted expanded. This of course has increasingly raised in recent years

the vital question as to whether the apparent collapse - and the 'deconstruction' - of the heretofore dominant social-evolutionist accounts of implicit or explicit world history are leading rapidly to a situation of chaos or one in which, to quote Giddens, 'an infinite number of purely idiosyncratic "histories" can be written'. Giddens claims in fact that we *can* make generalizations about 'definite episodes of historical transition'. However, since he also maintains that 'modernity' on a global scale has amounted to a rupture with virtually all prior forms of life he provides no guidance as to how history or histories might actually be done.

In numerous contemporary accounts, then, globalizing trends are regarded as in tension with 'local' assertions of identity and culture. Thus ideas such as the global *versus* the local, the global *versus* the 'tribal', the international *versus* the national, and the universal *versus* the particular are widely promoted. For some, these alleged oppositions are simply puzzles, while for others the second part of each opposition is seen as a reaction against the first. For still others they are contradictions. In the perspective of contradiction the tension between, for example, the universal and the particular may be seen either in the dynamic sense of being a relatively progressive source of overall change or as a modality which preserves an existing global system in its present state. We find both views in Wallerstein's argument that the relation between the universal and the particular is basically a product of expanding world-systemic capitalism. Only what Wallerstein calls anti-systemic movements - and then only those which effectively challenge its 'metaphysical presuppositions' - can move the world beyond the presuppositions of its present (capitalist) condition. In that light we may regard the contemporary proliferation of 'minority discourses' as being encouraged by the presentation of a 'world-system'. Indeed, there is much to suggest that adherents to minority discourses have, somewhat paradoxically, a special liking for Wallersteinian or other 'totalistic' forms of world-systems theory. But it must also be noted that many of the enthusiastic participants in the discourse of 'minorities' describe their intellectual practice in terms of the *singular*, minority discourse. This suggests that there is indeed a potentially *global* mode of writing and talking on behalf of, or at least about, minorities.

Barber argues that 'tribalism' and 'globalism' have become what he describes as the two axial principles of our time. In this he echoes a very widespread view of 'the new world (dis)order'. I chose to consider his position because it is succinctly stated and has been quite widely disseminated. Barber sees these two principles as inevitably in tension - a 'McWorld' of homogenizing globalization *versus* a 'Jihad world' of particularizing 'lebanonization'. (He might well now say 'balkanization'.) Barber is primarily interested in the bearing which each of these supposedly clashing principles have on the prospects for democracy. That is certainly a very important matter, but I am here only directly concerned with the global-local debate.

Like many others, Barber defines globalization as the opposite of localization. He argues that 'four imperatives make up the dynamic of McWorld: a market imperative, a resource imperative, an information-technology imperative, and an ecological imperative'. Each of these contributes to 'shrinking the world and diminishing the salience of national borders' and together they have 'achieved a considerable victory over factiousness and particularism, and not least over their most virulent traditional form - nationalism'. Remarking that 'the Enlightenment dream of a universal rational society has to a remarkable degree been realized', Barber emphasizes that that achievement has, however, been realized in commercialized, bureaucratized, homogenized and what he calls 'depoliticized' form. Moreover, he argues that it is a very incomplete achievement because it is 'in competition with forces of global breakdown, national dissolution, and centrifugal corruption'. While notions of localism, locality and locale do not figure explicitly in Barber's essay they certainly diffusely inform it.

There is no good reason, other than recently established convention in some quarters, to define globalization largely in terms of homogenization. Of course, anyone is at liberty to so define globalization, but I think that there is a great deal to be said against such a procedure. Indeed, while each of the imperatives of Barber's McWorld appear superficially to suggest homogenization, when one considers them more closely, they each have a local, diversifying aspect. I maintain also that it makes no good sense to define the global as if the global excludes the local. In somewhat technical terms, defining the global in such a way sug-

gests that the global lies beyond all localities, as having systemic properties over and beyond the attributes of units within a global system. This way of talking flows along the lines suggested by the macro-micro distinction, which has held much sway in the discipline of economics and has recently become a popular theme in sociology and other social sciences.

Without denying that the world-as-a-whole has some systemic properties beyond those of the 'units' within it, it must be emphasized, on the other hand, that such units themselves are to a large degree constructed in terms of extra-unit processes and actions, in terms of increasingly global dynamics. For example, nationally organized societies - and the 'local' aspirations for establishing yet more nationally organized societies - are not simply units within a global context or texts within a context or intertext. Both their existence, and particularly the form of their existence, is largely the result of extra-societal - more generally, extra-local - processes and actions. If we grant with Wallerstein and Greenfeld that 'the national' is a 'prototype of the particular' we must, on the other hand, also recognize that the nation-state - more generally, the national society - is in a crucial respect a *cultural idea* (as Greenfeld herself seems to acknowledge). Much of the apparatus of contemporary nations, of the national-state organization of societies, including *the form* of their particularities - the construction of their unique identities - is very similar across the entire world, in spite of much variation in levels of 'development'. This is, perhaps, the most tangible of contemporary sites of the interpénétration of particularism and universalism.

Before coming directly to the contemporary circumstance, it is necessary to say a few words about globalization in a longer, historical perspective. One can undoubtedly trace far back into human history developments involving the expansion of chains of connectedness across wide expanses of the earth. In that sense 'world formation' has been proceeding for many hundreds, indeed thousands, of years. At the same time, we can undoubtedly trace through human history periods during which the consciousness of the potential for world 'unity' was in one way or another particularly acute. One of the major tasks of students of globalization is, as I have said, to comprehend *the form* in which the present, seemingly rapid shifts

towards a highly interdependent world was structured. I have specifically argued that that form has been centred upon four main elements of the global-human condition: societies, individuals, the international system of societies, and humankind. It is around the changing relationships between, different emphases upon and often conflicting interpretations of these aspects of human life that the contemporary world as a whole has crystallized. So in my perspective the issue of what is to be included under the notion of the global is treated very comprehensively. The global is not in and of itself counterposed to the local. Rather, what is often referred to as the local is essentially included within the global.

In this respect globalization, defined in its most general sense as the compression of the world as a whole, involves the linking of localities. But it also involves the 'invention' of locality, in the same general sense as the idea of the invention of tradition, as well as its 'imagination'. There is indeed currently something like an 'ideology of home' which has in fact come into being partly in response to the constant repetition and global diffusion of the claim that we now live in a condition of homelessness or rootlessness; as if in prior periods of history the vast majority of people lived in 'secure' and homogenized locales. Two things, among others, must be said in objection to such ideas. First, the form of globalization has involved considerable emphasis, at least until now, on the cultural homogenization of nationally constituted societies; but, on the other hand, prior to that emphasis, which began to develop at the end of the eighteenth century, what McNeill calls polyethnicity was normal. Second, the phenomenological diagnosis of the generalized homelessness of modern man and woman has been developed as if 'the same people are behaving and interpreting at the same time in the same broad social process'; whereas there is in fact much to suggest that it is increasingly global expectations concerning the relationship between individual and society that have produced both routinized and 'existential' selves. On top of that, the very ability to identify 'home', directly or indirectly, is contingent upon the (contested) construction and organization of interlaced categories of space and time.

But it is not my purpose here to go over this ground again, but rather to emphasize the significance of certain periods prior to the second half of the twentieth

century when the possibilities for a single world seemed at the time to be considerable, but also problematic. Developing research along such lines will undoubtedly emphasize a variety of areas of the world and different periods. But as far as relatively recent times are concerned, I would draw attention to two arguments, both of which draw attention to rapid extension of communication across the world as a whole and thematize the central issue of changing conceptions of time-and-space. Johnson has in his book, *The Birth of the Modern*, argued that 'world society' - or 'international society in its totality' - largely crystallized in the period 1815-30. Here the emphasis is upon the crucial significance of the Congress of Vienna which was assembled following Bonaparte's first abdication in 1814. According to Johnson, the peace settlement in Vienna, following what was in effect the first world war, was 'reinforced by the powerful currents of romanticism sweeping through the world'. Thus was established 'an international order which, in most respects, endured for a century'. Regardless of its particular ideological bent, Johnson's book is important because he does attempt not merely to cover all continents of the world but also to range freely over many aspects of life generally, not just world politics or international relations. He raises significant issues concerning the development of consciousness of the world as a whole, which was largely made possible by the industrial and communicative revolution on the one hand, and the Enlightenment on the other.

Second (and, regardless of the issue of the periodization of globalization, more important), Kern has drawn attention to the crucial period of 1880-1918, in a way that is particularly relevant to the present set of issues. In his study of the *Culture of Time and Space* Kern's most basic point is that in the last two decades of the nineteenth century and the first twenty years or so of the twentieth century very consequential shifts took place with respect to both our sense of space and time. There occurred, through international negotiations and technological innovations, a standardization of time-space which was inevitably both universal and particular: world time organized in terms of particularistic space, in a sense the co-ordination of objectiveness and subjectiveness. In other words, homogenization went hand in hand with heterogenization. They made each other possible. It was in this period

that 'the world' became locked into a particular *form* of a strong shift to unicity. It was during this time that the four major 'components' of globalization which I have previously specified were given formidable concreteness. Moreover, it was in the late nineteenth century that there occurred a big spurt in the organized attempts to link localities on an international or ecumenical basis.

An immediate precursor of such was the beginning of international exhibitions in the mid nineteenth century, involving the internationally organized display of particular national 'glories' and achievements. The last two decades of the century witnessed many more such international or cross-cultural ventures, among them the beginnings of the modern religious ecumenical movement, which at one and the same time celebrated difference and searched for commonality within the framework of an emergent culture for 'doing' the relationship between the particular and the, certainly not uncontested, universal. An interesting example of the latter is provided by the International Youth Hostel movement, which spread quite rapidly and not only in the northern hemisphere. This movement attempted on an organized international, or global, basis to promote the cultivation of communal, 'back to nature' values. Thus at one and the same time particularity was valorized but this was done on an increasingly globe-wide, pan-local basis.

The present century has seen a remarkable proliferation with respect to the 'international' organization and promotion of locality. A very pertinent example is provided by the current attempts to organize globally the promotion of the rights and identities of native, or indigenous, peoples. This was a strong feature, for example, of the Global Forum in Brazil in 1992, which, so to say, surrounded the official United Nations 'Earth Summit'. Another is the attempt by the World Health Organization to promote 'world health' by the reactivation and, if need be, the invention of 'indigenous' local medicine. It should be stressed that these are only a few examples taken from a multifaceted trend.

### derealization and the Cultural Imperialism Thesis

Some of the issues which I have been raising are considered from a very different angle in Appiah's work

on the viability of Pan-Africanism. Appiah's primary theme is 'the question of how we are to think about Africa's contemporary cultures in the light of the two main external determinants of her recent history - European and Afro-New World conceptions of Africa - and of her own endogenous cultural traditions'. His contention is that the 'ideological decolonization' which he seeks to effect can only be made possible by what he calls finding a 'negotiable middle way' between endogenous 'tradition' and 'Western' ideas, both of the latter designations being placed within quotation marks by Appiah himself. He objects strongly to what he calls the racial and racist thrusts of much of the Pan-African idea, pointing out that insofar as Pan-Africanism makes assumptions about the racial unity of all Africans, then this derives in large part from the experience and memory of non-African ideas about Africa and Africans which were prevalent in Europe and the USA during the latter part of the nineteenth century. Speaking specifically of the idea of the 'decolonization' of African literature, Appiah insists, I think correctly, that in much of the talk about decolonization we find what Appiah himself calls (again within quotation marks) a 'reverse discourse':

The pose of repudiation actually presupposes the cultural institutions of the West and the ideological matrix in which they, in turn, are imbricated. Railing against the cultural hegemony of the West, the nativists are of its party without knowing it [...] [D]efiance is determined less by 'indigenous' notions of resistance than by the dictates of the West's own Herderian legacy - its highly elaborated ideologies of national autonomy, of language and literature as their cultural substrate. Native nostalgia, in short is largely fueled by that Western sentimentalism so familiar after Rousseau; few things, then, are less native than nativism in its current form.

Appiah's statement facilitates the explication of a particularly important point. It helps to demonstrate that much of the conception of contemporary locality and indigeneity is itself historically contingent upon *encounters* between one civilizational region and another. Within such interactions, many of them historically imperialistic, has developed a sense of particularistic locality. But the latter is in large part a consequence of the increasingly global 'institutionalization' of the

expectation and construction of local particularism. Not merely is variety continuously produced and reproduced in the contemporary world, that variety is *largely an aspect of the very dynamics which a considerable number of commentators interpret as homogenization*. So in this light we are again required to come up with a more subtle interpretation than is usually offered in the general debate about locality and globality.

Some important aspects of the local-global issue are manifested in the general and growing debate about and the discourse of cultural imperialism. There is of course a quite popular intellectual view which would have it that the entire world is being swamped by Western - more specifically, American - culture. This view has undoubtedly exacerbated recent French political complaints about American cultural imperialism, particularly within the context of GATT negotiations. There are, on the other hand, more probing discussions of and research on this matter. For starters, it should be emphasized that the virtually overwhelming evidence is that even 'cultural messages' which emanate directly from 'the USA' are *differentially* received and interpreted; that 'local' groups 'absorb' communication from the 'centre' in a great variety of ways. Second, we have to realize that the major alleged producers of 'global culture' - such as those in Atlanta (CNN) and Los Angeles (Hollywood) - increasingly tailor their products to a differentiated global market (which they partly construct). For example, Hollywood attempts to employ mixed, 'multinational' casts of actors and a variety of 'local' settings when it is particularly concerned, as it increasingly is, to get a global audience. Third, there is much to suggest that seemingly 'national' symbolic resources are in fact increasingly available for differentiated global interpretation and consumption. For example, in a recent discussion of the staging of Shakespeare's plays, Billington notes that in recent years Shakespeare has been subject to wide-ranging cultural interpretation and staging. Shakespeare no longer belongs to England. Shakespeare has assumed a universalistic significance; and we have to distinguish in this respect between Shakespeare as representing Englishness and Shakespeare as of 'local-cum-global' relevance. Fourth, clearly many have seriously underestimated the flow of ideas and practices from the so-called Third World to the seemingly dominant societies and regions of the world.

Much of global 'mass culture' is in fact impregnated with ideas, styles and genres concerning religion, music, art, cooking, and so on. In fact the whole question of what will 'fly' globally and what will not is a very important question in the present global situation. We know of course that the question of what 'flies' is in part contingent upon issues of power; but we would be very ill-advised to think of this simply as a matter of the hegemonic extension of Western modernity. As Tomlinson has argued, 'local cultures' are, in Sartre's phrase, *condemned to freedom*. And their global participation has been greatly (and politically) underestimated. At this time 'freedom' is manifested particularly in terms of the social construction of identity-and-tradition, by the appropriation of cultural traditions. Although, as I have emphasized, this reflexiveness is typically undertaken along relatively standardized global-cultural lines. (For example, in 1982 the UN fully recognized the existence of indigenous peoples. In so doing it effectively established *criteria* in terms of which indigenous groups could and should identify themselves and be recognized formally. There are national parallels to this, in the sense that some societies have legal criteria for ethnic groups and cultural traditions.)

Then there is the question of diversity at the local level. This issue has been raised in a particularly salient way by Balibar, who talks of *world spaces*. The latter are places in which the world-as-a-whole is potentially inserted. The general idea of world-space suggests that we should consider the local as a 'micro' manifestation of the global - in opposition, *inter alia*, to the implication that the local indicates enclaves of cultural, ethnic, or racial homogeneity. Where, in other words, is *home* in the late-twentieth century? Balibar's analysis - which is centred on contemporary Europe - suggests that in the present situation of global complexity, the idea of home has to be divorced analytically from the idea of locality. There may well be groups and categories which equate the two, but that doesn't entitle them or their representatives to project their perspective onto humanity as a whole. In fact there is much to suggest that the senses of home and locality are contingent upon alienation from home and/or locale. How else could one have (reflexive) consciousness of such? We talk of the mixing of cultures, of polyethnicity, but we also often underestimate the significance of what Lila Abu-Lughod calls 'halfies'. As Geertz has said, 'like

nostalgia, diversity is not what it used to be'. One of the most significant aspects of contemporary diversity is indeed the complication it raises for conventional notions of culture. We must be careful not to remain in thrall to the old and rather well established view that cultures are organically binding and sharply bounded. In fact Lila Abu-Lughod opposes the very idea of culture because it seems to her to deny the importance of 'halfies', those who combine in themselves as individuals a number of cultural, ethnic and genderal features. This issue is closely related to the frequently addressed theme of global hybridization, even more closely to the idea of creolization.

### Conclusion: Sameness and Difference

My emphasis upon the significance of the concept of glocalization has arisen mainly from what I perceive to be major weaknesses in much of the employment of the term 'globalization'. In particular, I have tried to transcend the tendency to cast the idea of globalization as inevitably in tension with the idea of localization. I have instead maintained that globalization - in the broadest sense, the compression of the world - has involved and increasingly involves the creation and the incorporation of locality, processes which themselves largely shape, in turn, the compression of the world as a whole. Even though we are, for various reasons, likely to continue to use the concept of globalization, it might well be preferable to replace it for certain purposes with the concept of glocalization. The latter concept has the definite advantage of making the concern with space as important as the focus upon temporal issues. At the same time emphasis upon the global condition - that is, upon globality - further constrains us to make our analysis and interpretation of the contemporary world both spatial and temporal, geographical as well as historical.

Systematic incorporation of the concept of glocalization into the current debate about globalization is of assistance with respect to the issue of what I have called form. The form of globalization has specifically to do with the way in which the compression of the world is, in the broadest sense, structured. This means that the issue of the form of globalization is related to the ideologically laden notion of world order.

However, I want to emphasize strongly that insofar as this is indeed the case, my own effort here has been directed only at making sense of two *seemingly* opposing trends: homogenization and heterogenization. These simultaneous trends are, in the last instance, complementary and interpenetrative; even though they certainly can and do collide in concrete situations. Moreover, glocalization can be - in fact, is - used strategically, as in the strategies of glocalization employed by contemporary TV enterprises seeking global markets (MTV, then CNN, and now others). Thus we should realize that in arguing that the current form of globalization involves what is best described as glocalization I fully acknowledge that there are many different modes of practical glocalization. Thus, even though much of what I said in this chapter has been hinged upon the Japanese conception of glocalization, I have in fact generalized that concept so as, in principle, to encompass the world as a whole. In this latter perspective the Japanese notion of glocalization appears as a *particular version* of a very general phenomenon.

An important issue which arises from my overall discussion has to do with the ways in which, since the era of the nation-state began in the late eighteenth century, the nation-state itself has been a major agency for the production of diversity and hybridization. Again, it happens to be the case that Japan provides the most well-known example of what Westney calls cross-societal emulation, most clearly during the early Meiji period. I would, however, prefer the term, selective incorporation in order to describe the very widespread tendency for nation-states to 'copy' ideas and practices from other societies - to engage, in varying degrees of systematicity, in projects of importation and hybridization. So, even though I have emphasized that the cultural idea of the nation-state is a 'global fact', we also should recognize that nation-states have, particularly since the late nineteenth century, been engaged in selective learning from other societies, each nation-state thus incorporating a different mixture of 'alien' ideas.

There is still another factor in this brief consideration of 'hybridized national cultures'. This is the phenomenon of cultural nationalism. Yet again, this concept has emerged in particular reference to Japan. On the basis of a discussion of *nihonjinron* (the discourse on and of Japanese uniqueness), Yoshino argues

that *nihonjinron* has, in varying degrees, been a common practice. Specifically, modern nations have tended to promote discourses concerning their own unique difference, a practice much encouraged in and by the great globalizing thrusts of the late nineteenth and early twentieth centuries. In this respect what is sometimes these days called strategic essentialism - mainly in reference to liberation movements of various kinds - is much older than some may think. It is in fact an extension and generalization of a long drawn-out process.

Finally, in returning to the issue of form, I would argue that no matter how much we may speak of global disorder, uncertainty and the like, generalizations and theorizations of such are inevitable. We should not entirely conflate the empirical issues with the interpretative-analytical ones. Speaking in the latter vein we can conclude that the form of globalization is currently being reflexively reshaped in such a way as to increasingly make projects of glocalization the constitutive features of contemporary globalization.



# Critiquing Creolization, Hybridity, and Glocalization

In the preceding chapter we offered some of the key works on several central concepts in the cultural aspects of globalization - creolization, hybridity, and glocalization. These ideas, like all ideas in the field of globalization, have elicited a variety of critiques and led to a number of debates.

We begin with an excerpt from an essay by Jan Nederveen Pieterse, the leading exponent of the concept of hybridity, on what he calls "the anti-hybridity backlash." While this is too strong an expression, and his enumeration of the criticisms of hybridity is more about a defense of the concept, it nonetheless gives us a handy overview of those criticisms. They are that:

- Hybridity is meaningful only as a critique of essentialism.
- It is doubtful that colonialist times were really so essentialist.
- Hybridity is dependent on essentialism rather than combating it.
- It is a trivial concept.
- It is only hybrid self-identification that is important.
- All the talk of hybridity is a function of the decline of Western hegemony.
- Cosmopolitans like the idea of hybridity; it helps in their quest for hegemony.
- Intellectuals celebrate border-crossing, but real border-crossers fear the border.

Keith Nurse looks at carnival as a hybrid phenomenon. He looks at carnival in one of its "homes" in Trinidad, as well as overseas in places like Britain. However, rather than the normal focus on flows from the core (e.g. Britain) to the periphery (Trinidad), he looks at "colonization in reverse," the "extraordinary process of periphery-induced creolization in the cosmopolis." While the carnival in Trinidad is a hybrid in form and influence, this is at least as much the case in carnival overseas:

- Masks from Jamaica and the Bahamas, not used in the Trinidad carnival, are evident in many overseas carnivals which are more pan-Caribbean in character.
- Carnavalesque traditions from other immigrant communities have been integrated including those from South America (Brazilian samba dancers), Africa and Asia.
- Local whites have become participants.
- Carnivals overseas have become "multicultural or poly-ethnic festivals."<sup>2</sup>
- Overseas carnivals have, over time, become more contained and controlled as they have become larger and more commercial.

- Other carnivals, especially in Europe, have come to be affected ("colonized") by carnival.
- Conflict has arisen between ethnic groups (Trinidadians vs Jamaicans) over, for example, the preferred music (reggae vs calypso).

Nurse concludes that Trinidad carnival needs to be seen as both the "*localization of global influences*" and the "*globalization of local impulses*."<sup>10</sup> In terms of the former, the Trinidad carnival is the "historical outcome of the hybridization of multiple ethnicities and cultures," while in terms of the latter the carnivals have come "to embrace, if not 'colonize,' the wider community in the respective host societies."<sup>11</sup> Overall, Nurse concludes: "The Trinidad carnival and its overseas offspring is a popular globalized celebration of hybridity and cultural identity, a contested space and practice, a ritual of resistance which facilitates the centring of the periphery."<sup>12</sup>

Kraidy examines hybrid practices among Maronite youth in Lebanon. He finds that they form hybrid identities largely out of the consumption of US and Lebanese television programs. While these were accepted, they dismissed Egyptian soap operas and Latin American *telenovelas* because of their poor quality. Hybrid identities were formed out of both that which was accepted and that which was rejected. Identities were both Western and Arab, but also different from both. Kraidy studied his subjects using "native ethnography" which itself requires a hybrid ability to deal with different cultural systems. Using this methodology, Kraidy is able to show that "hybridity is not a negation of identity, but its quotidian, vicarious, and inevitable condition."<sup>13</sup>

This research shows the importance not only of the local but also of the West, of its popular culture, and of cultural imperialism. Rather than looking at the conflict between the global and the local, Kraidy prefers the term "glocalization" which "takes into account the local, national, regional, and global contexts of intercultural communicative processes."<sup>14</sup> In this context, identity can be seen "as a process which is simultaneously assimilationist and subversive, restrictive and liberating."<sup>15</sup>

Kraidy's conclusion on the utility of the concept of glocalization feeds nicely into Thornton's work on the glocal, as well as the limitations of the concept of

glocalization. Thornton gets at a key weakness in the idea of glocalization in that it "may operate at the expense of more 'revolting' but ultimately more resistant strains of difference... may too easily resolve the critical tension between global and local values."<sup>16</sup> Thus, Thornton critiques the concept of glocalization, especially as it was articulated by Robertson, as having "no teeth" and as not being able to consider "dissonant rumblings."<sup>17</sup> Thornton also sees Robertson's notion of glocalization as "an inoculation against further resistance" and as serving "capitalist globalization by naturalizing it."<sup>18</sup>

Ritzer expands on this critique of the glocal by arguing that it needs to be complemented by the idea of the "grobal" and more generally by "grobalization" (as a complement to glocalization), defined as "the imperialistic ambitions of nations, corporations, organizations, and other entities and their desire - indeed their need - to impose themselves on various geographic areas."<sup>19</sup> This obviously carries with it negative implications, and when employed in combination with glocalization gives globalization both a positive and a negative orientation. Thus, we need to look at the relationship between grobalization and glocalization.

Further nuances are given to globalization theory when we add the something/nothing dimension. Something is that which is indigenously conceived, indigenously controlled, and rich in distinctive content, while nothing is that which is centrally conceived, centrally controlled, and lacking in distinctive content. Something is often, but *not* always, positive, while nothing is often, but *not* always, negative. Putting the two sets of concepts together, the most negative is the grobalization of nothing, especially because it poses a threat to the glocalization of something. A critical impulse is also added when we recognize that the glocalization of nothing is also a largely negative process. Rounding out the theoretical alternatives, the grobalization of something is largely positive in nature. Taken together, all of this gives globalization theory far greater balance in terms of its ability, unlike glocalization theory, to deal with both the positive and the negative aspects of globalization.

Finally, Ritzer's ideas have themselves come under the critical gaze of Douglas Kellner. The heart of his critique lies in Ritzer's focus on consumption and Kellner's argument that the theoretical approach used by Ritzer must include production as well. That

is, production is being globalized and the ideas of grobalization/glocalization and something/nothing can be applied usefully to it as well.

Kellner also critiques Ritzer for a number of the examples he offers of nothing. Kellner argues that brands, logos, audio guides, and soaps should not be considered as examples of nothing, but rather are something because people (including Kellner in some cases) value them. While this is true, it involves slipping into a conventional usage of the terms "something" (and

"nothing") rather than adhering to Ritzer's definition. By that definition, all of the examples cited by Kellner *are* nothing - centrally conceived, controlled, lacking in distinctive content.

Kellner recognizes the central tension made clear in Ritzer's work in both globalization theory and in the globalization process itself. However he sees a need for more concrete goals and actions and he sees far more evidence of the local than Ritzer does in his discussion of the "death of the local."

## NOTES

- 1 Louise Bennett, and Orlando Patterson, cited in Keith Nurse, "Globalization and Trinidad Carnival: Diaspora, Hybridity and Identity in Global Culture." *Cultural Studies* 13,4,1999: 663.
- 2 Ibid., 675.
- 3 Ibid., 683, italics in original.
- 4 Ibid., 683.
- 5 Ibid., 685.
- 6 Marwan M. Kraidy, "The Global, the Local, and the Hybrid: a Native Ethnography of Glocalization." *Critical Studies in Mass Communications* 16,1999:471.
- 7 Ibid., 472.
- 8 Ibid., 473.
- 9 William H. Thornton, "Mapping the 'Glocal' Village: The Political Limits of 'Glocalization.'" *Continuum: Journal of Media and Cultural Studies* 14, 1,2000:81.
- 10 Ibid., 81.
- 11 Ibid., 82.
- 12 George Ritzer, "Rethinking Globalization: Glocalization/Grobalization and Something/Nothing." *Sociological Theory* 21, 3, 2003:194.


 READING 51

## Hybridity, So What? The Anti-Hybridity Backlash and the Riddles of Recognition

Jan Nederveen Pieterse

Criticisms of particular versions of hybridity arguments and quirks in hybridity thinking are familiar. The most conspicuous shortcoming is that hybridity skips over questions of power and inequality: 'hybridity is not parity.' Some arguments make no distinction between different levels: 'The triumph of the hybrid is in fact a triumph of neo-liberal multiculturalism, a part of the triumph of global capitalism.' These wholesale repudiations of hybridity thinking belong in a different category: this is the anti-hybridity backlash, which this article takes on. In the discussion below most arguments against hybridity thinking have been

taken from Friedman as representative of a wider view. A precis of anti-hybridity arguments and rejoinders is in Table 1.

### Hybridity Is Meaningful Only as a Critique of Essentialism

There is plenty of essentialism to go round. Boundary fetishism has long been, and in many circles continues to be, the norm. After the nation, one of the latest forms of boundary fetishism is 'ethnicity'. Another reification is the 'local'. Friedman cites the statement

Table 1 Arguments for and against hybridity

<i>Contra hybridity</i>	<i>Pro hybridity</i>
Hybridity is meaningful only as a critique of essentialism.	There is plenty of essentialism around.
Were colonial times really so essentialist?	Enough for hybrids to be despised.
Hybridity is a dependent notion.	So are boundaries.
Asserting that all cultures and languages are mixed is trivial.	Claims of purity have long been dominant.
Hybridity matters to the extent that it is a self-identification.	Hybrid self-identification is hindered by classification boundaries.
Hybridity talk is a function of the decline of Western hegemony.	It also destabilizes other hegemonies.
Hybridity talk is carried by a new cultural class of cosmopolitans.	Would this qualify an old cultural class of boundary police?
'The lumpenproletariat real border-crossers live in constant fear of the border.'	Crossborder knowledge is survival knowledge.
'Hybridity is not parity.'	Boundaries don't usually help either.

•above and then concludes that 'hybridization is a political and normative discourse.' Indeed, but so of course is essentialism and boundary fetishism. 'In a world of multiplying diasporas, one of the things that is not happening is that boundaries are disappearing.' That, on the other hand, is much too sweeping a statement to be meaningful. On the whole, cross-boundary and cross-border activities have been on the increase, as a wide body of work in international relations and international political economy testifies, where the erosion of boundaries is one of the most common accounts of contemporary times and globalization.

### Were Colonial Times Really So Essentialist?

This is a question raised by Young. Here we can distinguish multiple levels: actual social relations, in which there was plenty of border-crossing, and discourse, which is differentiated between mainstream and marginal discourses. Discourse and representation were also complex and multilayered, witness for instance the *mélange* of motifs in Orientalism. While history, then, is a history of ambivalence, attraction and repulsion, double takes and zigzag moves, nevertheless the 19th and early 20th-century colonial world was steeped in a Eurocentric pathos of difference, *dédain*, distinction. All the numerous countermoves in the interstices of history do not annul the *overall* pathos of the White Man's Burden and the *mission civilisatrice*, nor its consequences.

But the imperial frontiers are not only geographical frontiers, where the 'civilized' and the 'barbarians' confront and contact one another; they are also frontiers of status and ethnicity which run through imperialized societies, as in the form of the colonial 'colour bar'. Here colonizers and colonized are segregated and meet, here slave masters and slaves face one another and here, where imperial posturing is at its most pompous and hatred is most intense, the imperial house of cards folds and paradox takes over. For this frontier is also the locus of a *genetic dialectic*, a dialectic which, in the midst of the most strenuous contradictions, gives rise to that strangest of cultural and genetic syntheses - the *mulatto*, *mestizo*, half-caste. The *mestizo* is the personification of the dialectics of empire and

emancipation. No wonder that in the age of empire the *mestizo* was dreaded as a monster, an infertile hybrid, an impossibility: subversive of the foundations of empire and race. The *mestizo* is the living testimony of an attraction that is being repressed on both sides of the frontier. The *mestizo* is proof that East and West *did* meet and that there is humanity on either side.

### Hybridity Is a Dependent Notion

'In the struggle against the racism of purity, hybridity invokes the dependent, not converse, notion of the mongrel. Instead of combating essentialism, it merely hybridizes it.' The mongrel, half-caste, mixed race, *metis*, *mestizo* was a taboo figure in the colonial world. When so much pathos was invested in boundaries, boundary crossing involved dangerous liaisons. In an era of thinking in biological terms, boundaries were biologized ('race'), and by extension so was boundary crossing. Status, class, race, nation were all thought of as *biological* entities in the lineage from Comte de Boulainvilliers and Gobineau to Houston Stewart Chamberlain and Hider.

By the turn of the century, genetics had gone through a paradigm shift from a dominant view that gene mixing was weakening and debilitating (decadence) to the view in Mendelian genetics that gene mixing is invigorating and that combining diverse strains creates '*hybrid vigour*'. This principle still guides plant-breeding companies now. Social and cultural hybridity thinking takes this further and revalorizes the half-castes. The gradual emergence of hybrid awareness (in 19th-century novels, psychoanalysis, modernism, bricolage) and its articulation in the late 20th century can be sociologically situated in the rapid succession of waning aristocracy (as represented in the theme of *decadence*), bourgeois hegemony and its supersession and reworking from the second half of the 20th century.

Hybridity as a point of view is meaningless *without* the prior assumption of difference, purity, fixed boundaries. Meaningless not in the sense that it would be inaccurate or untrue as a description, but that, without an existing regard for boundaries, it would not be a point worth making. Without reference to a prior cult of purity and boundaries, a pathos of hierarchy and gradient of difference, the point of hybridity would be moot.

## Asserting That All Cultures and Languages are Mixed Is Trivial

Trivial? When since time immemorial the dominant idea has been that of pure origins, pure lineages? As in perspectives on language, nation, race, culture, status, class, gender. The hieratic view was preoccupied with divine or sacred origins. The patriarchal view posited strong gender boundaries. The aristocratic view cultivated blue blood. The philological view saw language as the repository of the genius of peoples, as with Herder and the subsequent 'Aryan' thesis. The racial view involved a hierarchy of races. The Westphalian system locked sovereignty within territorial borders. Next came the nation and chauvinism. All these views share a preoccupation with pure origins, strong boundaries, firm borders. The contemporary acknowledgement of mixture in origins and lineages indicates a sea change in subjectivities and consciousness that correlates, of course, with sea changes in social structures and practices. It indicates a different ethos that in time will translate into different institutions. To regard this as trivial is to misread history profoundly.

## Hybridity Matters to the Extent That It Is Self-Identification

Hybridity only exists as a social phenomenon when it is identified as such by those involved in social interaction. This implies that where people do not so identify, the fact of cultural mixture is without social significance [...] hybridity is in the eyes of the beholder, or more precisely in the practice of the beholder.

Hybrid self-identification *is* in fact common: obvious instances are second-generation immigrants and indeed hyphenated identities. Tiger Woods, the champion golfer, describes himself as 'Cablinasian': 'a blend of Caucasian, black, Indian and Asian.' Donald Yee, who is part black, part Asian and part Native American, can sympathize. 'When Mr Yee fills out racial questionnaires, he frequently checks "multiracial". If that is not an option, he goes with either black or Asian. "Nothing bothers me", he said. "It is just that it doesn't capture all of me".'

Creolization in the Caribbean, *mestizaje* in Latin America and fusion in Asia are common self-definitions.

In some countries national identity is overtly hybrid. Zanzibar is a classic instance. Mexico and Brazil identify themselves as hybrid cultures. Nepal is a *mélange* of Tibetan, Chinese and Indian culture of the Gangetic plains and the same applies to Bhutan. Singapore's identity is often referred to as Anglo-Chinese.

Even so, the view that, in relation to hybridity, only self-identification matters presents several problems. (1) The obvious problem is how to monitor hybrid self-identification since most systems of classification and instruments of measurement do not permit multiple or in-between identification. In the United States, 'Until 1967 states were constitutionally permitted to ban mixed-race marriages. More than half the states had anti-miscegenation statutes in 1945; 19 still had them in 1966.' The US census is a case in point. The 2000 census is the first that, after much resistance and amid ample controversy, permits multiple self-identification, i.e. as being white as well as African American, Hispanic, etc. (2) What about the in-betweens? The point of hybridity thinking is that the in-betweens have been numerous all along and because of structural changes have been growing in number. (3) Only the eye of the beholder counts? Going native as epistemological principle? Because most people in the Middle Ages thought the earth is flat, it was flat? Because between 1840 and 1950 many people were racist, there are races? Or, there were as long as most people thought so? Jews were bad when most Germans under National Socialism thought so? *Vox populi, vox dei* - since when? This is unacceptable in principle and untenable in practice.

## Hybridity Talk Is a Function of the Decline of Western Hegemony

This is true in that the world of Eurocentric colonialism, imperialism and racism is past. It is only partially true because hybridity talk can refer just as much to the passing of other centrism and hegemonies, such as China the middle kingdom, Japan and the myth of the pure Japanese race, Brahmins in India, Sinhala Buddhists in Sri Lanka and their claim to 'Aryan' origins, Israel the Jewish state, Kemalist Turkism centred on Anatolia, Greekness among the Greeks. For all hegemonies, the claim to purity has served as part of a claim to power. This applies to all status boundaries,

not just those of nation, ethnicity or race. The Church clamped down on heresies; the aristocracy and then the bourgeoisie despised mesalliance. Status requires boundaries and with boundaries come boundary police.

### Hybridity Talk Is Carried by a New Cultural Class of Cosmopolitans Who Seek to Establish Hegemony

Hybridity represents 'a new "elite" gaze', 'a new cosmopolitan elite'. Here innuendo comes in. *Ad hominem* reasoning, casting aspersions on the motives of the advocates of an idea, rather than debating the idea, is not the most elevated mode of debate. Then, should we discuss the motives of those who talk homogeneity? Of those who talk of boundaries allegedly on behalf of the working class and 'redneck' virtues? Of those who create a false opposition between working-class locals and cosmopolitan airheads? According to Friedman, 'Cosmopolitans are a product of modernity, individuals whose shared experience is based on a certain loss of rootedness [...] Cosmopolitans identify with the urban, with the "modern" [...] They are the sworn enemies of national and ethnic identities.'

Aversion to cosmopolitanism and the decadence of city life was part of Hitler's outlook and the Nazi ideology of blood and soil. With it came the Nazi idealization of the German peasant and, on the other hand, anti-Semitism. According to a German source in 1935: 'Dangers threaten the nation when it migrates to the cities. It withers away in a few generations, because it lacks the vital connection with the earth. The German must be rooted in the soil, if he wants to remain alive.'

It is odd to find this combination of elements restated. For one thing, it is an ideological and not an analytical discourse. Brief rejoinders are as follows. (1) The specific discourse of cosmopolitanism does not really belong in this context; there is no necessary relationship. But if it is brought in, one would rather say that humanity is a cosmopolitan species. Adaptability to a variety of ecological settings is inherent in the species. (2) Also if this view is not accepted, cosmopolitanism still pre-dates modernity and goes back to the intercivilizational travel of itinerant craftsmen, traders and pilgrims. (3) The stereotype that is implicitly invoked here echoes another stereotype, that of the wandering Jew. (4) Why or by which yardstick would or should

'rootedness' be the norm? Have nomadism and itineracy not also a long record? (5) Why should affinity with the urban (if it would apply at all) necessarily involve animosity to national and ethnic identities? The Romantics thought otherwise. Cities have been central to national as well as regional identities. (6) According to Friedman, 'Modernist identity as an ideal type is anti-ethnic, anti-cultural and anti-religious.' 'Anti-cultural' in this context simply does not make sense. Apparently this take on modernism excludes Herder and the Romantics and assumes a single ideal-type modernity.

### While Intellectuals May Celebrate Border-Crossing, the Lumpenproletariat Real Border-Crossers Live in Constant Fear of the Border

Experiences with borders and boundaries are too complex and diverse to be captured under simple headings. Even where boundaries are strong and fences high, knowing what is on either side is survival knowledge. This is part of the political economy of mobility. Geographical mobility is an alternative key to social mobility. In negotiating borders, hybrid bicultural knowledge and cultural shape-shifting acquire survival value. 'Passing' in different milieus is a survival technique. This applies to the large and growing transborder informal sector in which migrant grassroots entrepreneurs turn borders to their advantage.

Friedman sees it otherwise.

But for whom, one might ask, is such cultural transmigration a reality? In the works of the post-colonial border-crossers, it is always the poet, the artist, the intellectual, who sustains the displacement and objectifies it in the printed word. But who reads the poetry, and what are the other kinds of identification occurring in the lower reaches of social reality?

(Elsewhere: 'This author, just as all hybrid ideologues, takes refuge in literature.') This is deeply at odds with common experience. Thus, research in English and German major cities finds that it is precisely lower-class youngsters, second-generation immigrants, who now develop new, mixed lifestyles. Friedman recognizes this among Turks in Berlin but then neutralizes this finding by arguing that 'the internal dynamics of identification

and world-definition aim at coherence.' Why not? Hybridity is an argument against homogeneity, not against coherence. The point is precisely that homogeneity is not a requirement for coherence.

When Friedman does acknowledge hybridity he shifts the goalposts. 'Now this combination of cultural elements might be called hybridization, but it would tell us nothing about the processes involved.' The processes involved indeed may vary widely. And probably there is something like a stereotyping of hybridity - of world music stamp.

Friedman's argument against hybridity is inconsistent, contradictory and at times far-fetched, so it is not worth pursuing far. Friedman argues that all cultures are hybrid but that boundaries are not disappearing: these two statements alone are difficult to put together. He argues that hybridity talk is trivial unless it is self-identification, but if hybridity is part of self-identification it is overruled by coherence, and we should examine the processes involved. However, if all cultures are hybrid all along, then the problem is not hybridity but boundaries: how is it that boundaries are historically and socially so significant? How come that while boundaries continuously change shape in the currents and tides of history, boundary fetishism remains, even among social scientists? If hybridity is real but boundaries are prominent, how *can* hybridity be a self-identification: in a world of

boundaries, what room and legitimacy are there for boundary-crossing identities, politically, culturally?

How to situate the anti-hybridity argument? At one level it is another instalment of the critique of 'post-modernism', which in these times recurs with different emphases every 10 years or so. In the present wave, the polemical emphasis is 'Marxism versus cultural studies', which is obviously a broad-stroke target. At another level the argument reflects unease with multiculturalism. When these two lines coincide we get the novel combination of redneck Marxism. In this view multiculturalism is a fad that detracts from, well, class struggle. A positive reading is that this refocuses the attention on political economy, class, social justice and hard politics, which is surely a point worth making in relation to Tinkberbell postmodernism. At the same time, this is an exercise in symbolic politics, unfolding on a narrow canvas, for it mainly concerns positioning within academia. Would this explain why so much is missing from the debate? Among the fundamental considerations that are missing in the anti-hybridity backlash is the historical depth of hybridity viewed in the *longue durée*. More important still is the circumstance that boundaries and borders can be issues of life and death; and the failure to recognize and acknowledge hybridity is then a political point that maybe measured in lives.

[...]

## READING 52

# The Global, the Local, and the Hybrid: A Native Ethnography of Glocalization

**Marwan M. Kraidy**

[...]

## Enacting Hybrid Identities: Consumption, Mimicry, and Nomadism

### Hybridity as consumption

After Baudrillard defined consumption as "an active mode of relationships [...] a mode of systematic

activity and global response upon which the entirety of our cultural system is founded," thinkers like Bourdieu, de Certeau, and the active audience formation gave consumption its *lettres de noblesse* as the prime meaning-making everyday life activity. Oddly, interlocutors began with literary examples to explain how they gravitated towards hybrid television and musical genres. They revealed a predilection for consuming ostensibly hybrid publications. Citing Milan Kundera and Tahar Ben Jalloun, Fuad said that he "love[d] and identified



with border-crossing writers," living "between two or more worlds" and "perpetually looking for an identity of their own." Antoun, Maha, Adib and Peter also mentioned Lebanese-French author Amin Maalouf and the anti-colonial *nigritude* formation in Africa as favorite writers.

Some claimed admiring Rushdie as a typical "in-between" (Fuad) writer. Because of the controversy caused by Rushdie's *Satanic Verses* and the outrage of Muslim clerics throughout the Arab and Muslim worlds, a symbolic alliance with the West via Rushdie's books ostensibly serves to differentiate the Maronites from their Muslim neighbors. However, some interlocutors criticized the *Satanic Verses* for its offending content to Muslims while at the same time praising Rushdie's other books, thus assuming an "in-between" position, once again symptomatic of hybridity. On yet another level, the fact that interlocutors claimed that they had access to Rushdie's books, banned in Lebanon since the publication of *Satanic Verses*, reflects another tactic of cultural poaching through the acquisition and consumption of prohibited material.

The Lebanese television industry has historically shunned local dramatic productions and favored less costly Egyptian, French, and American imports. The few locally produced television dramas focused on village life or historical events. *The Storm Blows Twice*, a 1996-7 Lebanese dramatic series, marked a break with that tradition in its daring treatment of contemporary social issues. The series depicted a society caught between tradition and modernity, with characters, including women, struggling to keep a balance between family and career, conservative social norms, and individual freedoms. Religious restrictions are questioned, social taboos broken, and controversial issues tackled in the program. Characters explicitly discussed premarital sex and divorced women were positively depicted pursuing successful careers. This is unusual in conservative Arab societies. Young Maronites especially appreciated that *The Storm Blows Twice* broke social taboos in a daring but not offensive manner. In doing so, interlocutors said, characters in the *Storm Blows Twice* picked the best from tradition and modernity but did not completely embrace either of the two. Young Maronites closely identified with the daily negotiation of the two worldviews.

The enactment of hybridity is strongly manifest in my interlocutors' infatuation with the music of Fairuz and the Rahbanis, who are one of Lebanon's most famous cultural exports, enjoying a nearly mythical status in Lebanon and the Arab world, and an appreciation in Europe and North America. Fairuz and the Rahbanis' monumental oeuvre blended Lebanese folk melodies with modern music. Ziad, the son of Fairuz and Assi Rahbani, introduced jazz to Lebanese music. Revealing hybridity's dual assimilationist and subversive thrusts, Peter describes Ziad's music as "very homogenous" and yet "pluralistic" but "not fragmented," stressing that the "harmonious mélange" of Rahbani's "Oriental jazz" was "the greatest music ever." Whereas Elham described the music as a "unique mixture of [...] conflicting cultural legacies," like Hebdige's cut'n'mix Caribbean musics, Fuad and Antoun agreed with Peter that Ziad's music was "influenced by so many musical forms and currents, but [...] [was] different from all of them." In Fuad's words:

You cannot discern different structural musical elements in his music. You cannot say this part is jazz, this other Arabic. It is a unique and innovative blending. Just like his father was influenced by classical music but never let it dominate his music, Ziad is very subtle in mixing differences. Others have been trying to blend Western and Eastern music, but the result is artificial. It has no genius and no creativity.

Thus the resonance of Stuart Hall's rhetorical question: "Are there any musics left that have not heard some other music?"

The assertion predominant in interlocutors' narratives that Fairuz and Ziad Rahbani were "typically Lebanese," and Elham's description of their music as "more Lebanese than the cedar," underscores how important hybrid texts were to young Maronites. Since the cedar is the quintessential symbol of Lebanon, such a hierarchical reversal posits Fairuz and the Rahbanis as the paramount cultural text, indeed the only cultural matrice that all young Maronites I spoke with identified with unconditionally. It also posited Lebanon itself as a hybrid national space. This preference for hybrid cultural products reveals the importance of "cultural proximity" in audience tastes and choices.

### Hybridity as mimicry

Early in my fieldwork, I noticed that many young Maronites mimicked snapshots of Western lifestyles. My interlocutors validated my observations and made several unsolicited remarks about mass media's perceived role in the phenomenon of imitation. Antoun claimed that young Maronites liked to live "the European way, or the American way," in his own words, "maybe because of all [those] programs on television." As an example, Antoun invoked the "torn jeans fashion" which he imputed to the influence of *Music Television (MTV)*. Using the same example of torn jeans, Peter spoke of a "tremendous phenomenon of imitation of everything Western, particularly from the United States." Claiming that fads took "phenomenal proportions" among young Maronites, he argued that "things [were] swallowed rapidly, snatched up, as if [young people were] waiting for something new to swallow in order to fill an unbearable void" (emphasis mine). Invoking "this urge to imitate," Serge told me how sentences from *Beverly Hills 90210* became "leitmotifs, repeated over and over again: the word 'man,' for instance. Also 'hi guys,' 'I've had it' and others." Serge concluded that *90210* had become a cult series in Lebanon because "young people really [identified] with that bright picture of happy shiny boys and girls."

Interlocutors, in a somewhat self-criticizing tone, stated that the phenomenon of imitation of Western fashion and lifestyles among young Maronites was mostly on the superficial level of appearances rather than mentalities and actions. In other words, it is a phenomenon of simulation. Baudrillard established an interesting connection between dissimulation and simulation. "[T]o dissimulate," he wrote, "is to feign not to have what one has," while "to simulate is to feign to have what one has not." According to Baudrillard, simulation means concealment of the non-existence of something; in other words, it is the display of a simulacrum, a copy with no original. Interlocutors' adoption of simulative strategies reflected a perceived lack of cultural identity wherein simulated action masks the absence of such an identity. Hence, mimicking Western popular culture served to symbolically fill a void. Elham explained, first in Arabic: "*We have a fragmented identity lost between two or three languages,*

*between different world views. This leads to a crisis. An identity crisis"* (emphasis mine). She proceeded in French: "*Nous sommes à cheval entre deux cultures [we are straddling two cultures]. We do not really have any identity; the stronger your feeling of not having an identity, the more you want to pretend to have one"* (emphasis mine).

Young Maronites thus constructed their identity by using hybridizing acts of mimicry and simulation. Simulation, because "it is simulacrum and because it undergoes a metamorphosis into signs and is invented on the basis of signs," serves to hide that a void exists and to project the impression that the void does not exist. As such, simulation helps young Maronites to navigate a cultural realm whose matrices irrevocably slip into hybridity. Baudrillard claimed that resorting to simulation is a manifestation of deterritorialization which is "no longer an exile at all [...] [but rather] a deprivation of meaning and territory." Nomadic tactics in my interlocutors' everyday life underscored that deprivation of meaning and territory.

### Hybridity as nomadism

Media audiences have been theorized as nomadic communities of "impossible subjects," inhabiting no physical space, only discursive positions. In Grossberg's words, audiences are "located within varying multiple discourses which are never entirely outside of the media discourses themselves." In order to understand how young Maronites weave their hybrid identities, we need to articulate their media consumption with a variety of social, political, and cultural factors - local and global. More precisely, we need to look at the quotidian tactics young Maronites mobilize to make sense of these manifold factors. Mouffe embraces Derrida's notion of the "constitutive outside" which sees every identity as "irremediably destabilized by its exterior" and argues that identity is relational. From this perspective, the relationality of Maronite identity with its "Western" and "Arab" dialogical counterpoints is manifest in nomadic identity postures. In this context, Peter expressed his reluctance to identify himself as an Arab when he is among Westerners because of his weariness of being associated with Western stereotypes of Arabs. Antoun strongly expressed this context-bound nomadism when he said:

Sometimes yes, I am an Arab, but only sometimes. It depends. If a Christian asks me "are you Arab?" I will say "yes." If a Muslim asks me the same question, my answer will be "no." Why? Because if you are a Christian in an Arab country, you lose your rights and freedom.

This sweeping statement underscores the insecurity felt by a member of a minority whose apprehensions are expressed differently depending on the context. The multitude of competing identities and worldviews living cheek-by-jowl in Lebanon imposes on young Maronites nomadic tactics of identity construction and display. Thus young Maronites are *cultural chameleons*, nomads who blend with the different settings they cross.

Etymologically, the term "nomad" stems from the Greek "nomos," meaning "an occupied space without limits," and the Greek "nemo," which means "to pasture." Thus, a "nomad" is someone who lives in an open space without restrictions. Furthermore, "pasture" connotes a temporary sojourn in a particular location which the nomad leaves after having used what it had to offer. The term nomad does not necessarily imply physical movement from one place to the other. In *Nomadology: The War Machine*, Deleuze and Guattari explicate differences between nomads and migrants:

The nomad is not at all the same as the migrant; for the migrant goes principally from one point to another, even if the second point is uncertain, unforeseen and not very well localized. But the nomad only goes from point to point as a consequence and as a factual necessity: in principle, points for him are relays along a trajectory.

Conflating Maronite and Lebanese identities, Fuad suggested that following nomadic identity construction strategies reflected the fact that Maronite Lebanese "*roam [.] in search of several identities*" (emphasis mine). Fuad lamented how slippery and blurred Lebanese, and especially Maronite, identity was. Of it he said:

It is impossible to paint a portrait and point to it and say "this is the Lebanese." It is the Lebbedeh [traditional head dress] and the Sherwel [traditional pants] now, jeans and T-shirt some other time, and (smiling) maybe the [Indian] sari at some other occasion.

Fuad appeared to suggest that nomadic itineraries of self-definition were triggered by an absence of identity, resulting in a perpetual, circuitous, and never satisfied, search for an identity to adopt. This constant change of territory following peripatetic trajectories reflects the continuous evacuation of meaning inherent in the construction of hybrid cultural identities.

## Conclusion: Glocalization, Hybridity, Hegemony

Departing from theoretical formulations of international interactions converging on hybridity, this paper explored the intersection of global and local media and cultural spheres in terms of the hybrid cultural identities enacted by young Maronites in Lebanon. I focused on the quotidian practices by which young middle-class Maronites develop and maintain a cultural identity located on the faultline between Western and Arab worldviews. In consuming media and popular culture, young Maronites use tactics of consumption, mimicry, and nomadism to weave the hybrid fabric of their cultural identities. In doing so, they identify with key elements from the cultural capital made available by a plethora of media. These constitutive elements were mainly US and Lebanese television programs, with the exception of the music and songs of Fairuz and Ziad Rahbani who emerged as favorite cultural texts. On the other hand, other programs such as Egyptian soap operas and Latin American *telenovelas* were harshly dismissed for their perceived poor dramatic and production qualities. By setting their own rules of inclusion and exclusion, young Maronite audience members used favorite and unpopular programs as dialogical counterpoints between which symbolic codes and cultural discourses were harnessed to construct, preserve, and defend hybrid identities. These identities were articulated as being part of both Western and Arab discourses but simultaneously different from both.

Responding to Appadurai's call for "ethnographic cosmopolitanism," I designed and used the method of native ethnography. A branch of critical ethnography, native ethnography occupies an intermediary position on the border between different worldviews. Because of their hybrid ability to negotiate a variety of traditions and contexts, native ethnographers are uniquely

positioned to understand and conciliate these different cultural systems. As such, this study is an "ethnography of the particular," concerned with the explication of ways in which extralocal events and processes are articulated locally by people making do in their everyday life. As an enunciative modality, native ethnography demonstrates that hybridity is not a negation of identity, but its quotidian, vicarious, and inevitable condition. Native ethnography can thus be a significant contributor to the true internationalization of media and cultural studies.

The empirical data generated in this study in the form of personal narratives suggests entangled articulations of global and local discourses. However, we need to retain an important lesson from the literature on cultural imperialism, for despite its perceived unsubtlety, this perspective has unraveled inequities and power imbalances in international communication. The fact that "the West" was one of two overriding cultural worldviews revealed by young Maronites is witness to the ubiquity of Western popular culture. Besides, the hegemonic overtones that colored some young Maronites' perspective on "the Arabs" merit further empirical investigation and theoretical contemplation in addition to class and gender issues. Nevertheless, instead of looking at power in unifying terms of two distinct poles (the global and the local) locked in an unequal relationship in which the former dominates the latter, we need to trace, map, and study what Grossberg referred to as the "messy reality" of power in society. Rather than perceiving global/local interaction in terms of oppression and resistance, we should focus on power differences as they are manifested in everyday life "modalities of action" and "formalities of practices." If we are to understand local/global encounters, the discussion should focus on axiological *and* ontological grounds, adding "how" questions to "why" and "in whose interest" questions. We need to recognize with Murdock that "although [global] arenas circumscribe options for [local] action, they do not dictate them. There is always a repertoire of choices." More empirical cross-cultural research is needed to tackle these local options and to ground the underlying threads of and to better grasp the experiential manifestations of cultural hybridity.

Furthermore, we should perhaps adopt terms that better reflect global/local encounters than the now cliché "globalization." The term "*glocalization*" obtained

by telescoping "globalization" and "localization" is a more heuristic concept that takes into account the local, national, regional, and global contexts of intercultural communicative processes. The term has already been used in marketing, sociology, and geography. The communication discipline, more specifically international and intercultural communication research, could benefit from conceptual inroads made in other fields especially when these inroads carry a reinvigorating interdisciplinary potential. It is with this potential in mind that I propose a conceptualization of hybridity as *glocalization*, at the intersection of globalization and localization.

A deeper understanding of global/local interfaces can be achieved if empirical investigation departs from the following theoretical stances. First, we need to commit to the recognition that cultural hybridity is the rule rather than the exception in that what we commonly refer to as "local" and "global" have been long hybridized. Although historians have for years offered competing theories about the origins of the Maronites, young Maronites are more concerned with understanding and preserving their hybrid identities than eager to seek untraceable and mythical origins. This offers additional evidence to Stuart Hall and others' argument that intercultural contacts and their manifestations testify that "it is hybridity all the way down." Therefore, hybridity needs to be understood as a tautology rather than as a causation, hence the reading of globalization itself as hybridization.

Second, we need to acknowledge that hybridity is not a mere summation of differences whereby eclectic symbolic elements cohabit. Rather, hybridity is the dialogical re-inscription of various codes and discourses in a spatio-temporal zone of signification. As such, conceptualizing hybridity entails re-formulating intercultural and international communication beyond buoyant models of resistance and inauspicious patterns of domination. The articulation of hybridity with hegemony is a step towards exiting the material/symbolic, political economy/cultural studies impasse. Such a leap would entail moving beyond an understanding of local/global interactions in strictly dialectical terms where the mingling of a variety of foreign cultural elements allegedly neutralizes differences. We need to theoretically establish and empirically investigate the quotidian tactics of hybridity as a knotty articulation

of the dialectical and the dialogical. Articulating the poetics of meaning construction and the politics of consent formation, such a perspective looks at hybridity as an assertion of differences coupled with an enactment of identity, as a process which is simul-

taneously assimilationist and subversive, restrictive and liberating. In this endeavor, it may be helpful to remember Trinh Minh Ha's remark that "no matter how desperate our attempts to mend, categories will always leak."



## READING 53

# Globalization and Trinidad Carnival: Diaspora, Hybridity and Identity in Global Culture

Keith Nurse

In the current debate about globalization and the growth of a global culture the main tendency is to focus on the recent acceleration in the flow of technology, people and resources in a North to South or centre to periphery direction. In this sense much of the literature on globalization is really a depoliticized interpretation of the long-standing process of Westernization and imperialism, terms that have become very unfashionable in these so-called postmodern times. Alternatively, the article is premised on the view that 'culturally, the periphery is greatly influenced by the society of the center, but the reverse is also the case'. Therefore, the aim of the study is to examine the counter-flow, the periphery-to-centre cultural flows, or what Patterson calls the 'extraordinary process of periphery-induced creolization in the cosmopolis'. In this respect it is a case study of 'globalization in reverse', a take on what Jamaican poet Louise Bennett calls 'colonization in reverse'.

The argument here is that the Trinidad carnival and its overseas or diasporic offspring are both products of and responses to the processes of globalization as well as 'intercultural and transnational formations' that relate to the concept of a Black Atlantic. Carnival is theorized as a hybrid site for the ritual negotiation of cultural identity and practice between and among various social groups. Carnival employs an 'esthetic of resistance' that confronts and subverts hegemonic modes of representation and thus acts as a counter-hegemonic tradition for the contestations and conflicts

embodied in constructions of class, nation, 'race', gender, sexuality and ethnicity.

## The Overseas Caribbean Carnivals

It is estimated that there are over sixty overseas Caribbean carnivals in North America and Europe. No other carnival can claim to have spawned so many offspring. These are festivals that are patterned on the Trinidad carnival or borrow heavily from it in that they incorporate the artistic forms (pan, mas and calypso) and the Afro-creole celebratory traditions (street parade/theatre) of the Trinidad carnival. Organized by the diasporic Caribbean communities, the overseas carnivals have come to symbolize the quest for 'psychic, if not physical return' to an imagined ancestral past and the search for a 'pan-Caribbean unity, a demonstration of the fragile but persistent belief that "All o' we is one"'. In the UK alone, there are as many as thirty carnivals that fall into this category. They are held during the summer months rather than in the pre-Lenten or Shrovetide period associated with the Christian calendar. The main parade routes are generally through the city centre or within the confines of the immigrant community - the former is predominant, especially with the larger carnivals.

Like its parent, the overseas carnival is hybrid in form and influence. The Jonkonnu masks of Jamaica and the Bahamas, not reflected in the Trinidad carnival,

are clearly evident in many of these carnivals, thereby making them pan-Caribbean in scope. The carnivals have over time incorporated carnivalesque traditions from other immigrant communities: South Americans (e.g. Brazilians), Africans and Asians. For instance, it is not uncharacteristic to see Brazilian samba drummers and dancers parading through the streets of London, Toronto or New York during Notting Hill, Caribana or Labour Day. The white population in the respective locations have also become participants, largely as spectators, but increasingly as festival managers, masqueraders and pan players. Another development is that the art-forms and the celebratory traditions of the overseas Caribbean carnivals have been borrowed, appropriated or integrated into European carnivals to enhance them. Indeed, in some instances, the European carnivals have been totally transformed. Examples of this are the Barrow-in-Furness and Luton carnivals where there is a long tradition of British carnival. One also finds a similar trend taking place in carnivals in France, Germany, the Netherlands, Switzerland and Sweden, as they draw inspiration from the success of the Notting Hill carnival.

The first overseas Caribbean carnival began in the 1920s in Harlem, New York. This festival was later to become the Labour Day celebrations in 1947, the name that it goes by today. The major overseas Caribbean carnivals, for example, Notting Hill and Caribana, became institutionalized during the mid- to late 1960s at the peak in Caribbean migration. Nunley and Bettleheim relate the timing to the rise in nationalism in the Caribbean with the independence movement of the 1950s and 1960s. The emergence of the carnivals can also be related to the rise of black power consciousness. The growth in the number and size of the overseas Caribbean carnivals came in two waves. The first involved the consolidation of the early carnivals during the 1960s until the mid 1970s. From the mid 1970s, two parallel developments took place: the early carnivals expanded in size by broadening the appeal of the festival, for example, playing reggae music; and, through demonstration effect, a number of smaller carnivals emerged as satellites to the larger, older ones.

The carnivals have developed to be a means to promote cultural identity and sociopolitical integration within the Caribbean diasporic community as well as with the host society. The diversity in participation

suggests that the overseas Caribbean carnivals have become multicultural or poly-ethnic festivals. For instance, Manning argues that the overseas Caribbean carnivals provide:

a kind of social therapy that overcomes the separation and isolation imposed by the diaspora and restores to West Indian immigrants both a sense of community with each other and sense of connection to the culture that they claim as a birthright. Politically, however, there is more to these carnivals than cultural nostalgia. They are also a means through which West Indians seek and symbolize integration into the metropolitan society, by coming to terms with the opportunities, as well as the constraints, that surround them.

Manning's explanation of the significance of carnivals to the Caribbean diaspora is supported by the observations of Dabydeen:

For those of us resident in Britain, the Notting Hill carnival is our living link with this ancestral history, our chief means of keeping in touch with the ghosts of 'back home'. In a society which constantly threatens or diminishes black efforts, carnival has become an occasion for self-assertion, for striking back - not with bricks and bottles but by beating pan, by conjuring music from steel, itself a symbol of the way we can convert steely oppression into celebration. We take over the drab streets and infuse them with our colours. The memory of the hardship of the cold winter gone, and that to come, is eclipsed in the heat of music. We regroup our scattered black communities from Birmingham, Manchester, Glasgow and all over the kingdom to one spot in London: a coming together of proud celebration.

Dabydeen goes on to illustrate that the carnivals are an integrative force in an otherwise segregated social milieu:

We also pull in crowds of native whites, Europeans, Japanese, Arabs, to witness and participate in our entertainment, bringing alien peoples together in a swamp or community of festivity. Carnival breaks down barriers of colour, race, nationality, age, gender. And the police who would normally arrest us for doing those things (making noise, exhibitionism, drinking, or simply being black) are made to smile and

be ever so courteous, giving direction, telling you the time, crossing old people over to the other side, undertaking all manner of unusual tasks. They fear that bricks and bottles would fly if they behaved as normal. Thus the sight of smiling policemen is absorbed into the general masquerade.

From another perspective it is argued that the overseas carnivals reflect rather than contest institutionalized social hierarchies. In each of the major overseas carnivals the festival has been represented in ways which fit into the colonialist discourse of race, gender, nation and empire. The festival has suffered from racial and sexual stigmas and stereotypes in the media which are based on constructions of 'otherness' and 'blackness'. This situation became heightened as the carnivals became larger and therefore more threatening to the prevailing order. In the early phase, from the mid-1960s to the mid-1970s, the carnivals were viewed as exotic, received little if any press and were essentially tolerated by the state authorities. From the mid-1970s, as attendance at the festivals enlarged, the carnivals became more menacing and policing escalated, resulting in a backlash from the immigrant Caribbean community. Violent clashes between the British police and the Notting Hill carnival came to the fore in the mid- to late 1970s. Similar confrontations occurred at the other major overseas carnivals in New York and Toronto. Through a gendered lens 'black' male participants in the festivals have been portrayed as 'dangerous' and 'criminal'. Female participants, on the other hand, are viewed as 'erotic' and 'promiscuous'.

These modes of representation have come in tandem with heightened surveillance mechanisms from the state and the police. In the case of London, the expenditure by the state on the policing of the festival is several times larger than its contribution to the staging of the festival. The politics of cultural representation has negatively affected the viability of the overseas carnivals. The adverse publicity and racialized stigmas of violence, crime and disorder has allowed for the blockage of investments from the public and private sectors in spite of the fact that the carnivals have proved to be violence-free relative to other large public events or festivals. In the case of the UK, for instance, official figures show that Notting Hill, which attracts two million people, has fewer reported incidents of crime than the Glastonbury rock festival which attracts

60,000 people. Yet the general perception is that Notting Hill is more violence-prone.

Under increased surveillance the carnivals became more contained and controlled during the 1980s. The perspective of governments, business leaders and the media began changing when it was recognized that the carnivals were major tourist attractions and generated significant sums in visitor expenditures. For example, the publication of a 1990 visitor survey of Caribana, which showed that the festival generated Cnd\$96 million from 500,000 attendees, resulted in the Provincial Minister of Tourism and Recreation visiting Trinidad in 1995 to see how the parent festival operated. Provincial funding for the festival increased accordingly. In 1995, for the first time, London's Notting Hill carnival was sponsored by a large multinational corporation. The Coca-Cola company, under its product Lilt, a 'tropical' beverage, paid the organizers £150,000 for the festival to be called the 'Lilt Notting Hill Carnival' and for exclusive rights to advertise along the masquerade route and to sell its soft drinks. That same year the BBC produced and televised a programme on the thirty-year history of the Notting Hill carnival. By the mid 1990s, as one Canadian analyst puts it, the carnivals were reduced to a few journalistic essentials: 'the policing and control of the crowd, the potential for violence, the weather, island images, the size of the crowd, the city economy and, most recently, the great potential benefit for the provincial tourist industry'. These developments created concern among some analysts. For example, Amkpa argues that:

strategies for incorporating and neutralizing the political efficacies of carnivals by black communities are already at work. Transnational corporations are beginning to sponsor some of the festivals and are contributing to creating a mass commercialized audience under the guise of bogus multiculturalisms.

Another analyst saw the increasing role of the state in these terms:

The funding bodies appear to treat it as a social policy as part of the race relations syndrome: a neutralised form of exotica to entertain the tourists, providing images of Black women dancing with policemen, or failing this, footage for the media to construct distortions and mis(sed)representations. Moreover,

this view also sees that, if not for the problems it causes the police, courts, local authorities, and auditors, Carnival could be another enterprising venture.

In this respect one can argue that the sociopolitical and cultural conflicts, based on race, class, gender, ethnicity, nation and empire that are embedded in the Trinidad carnival were transplanted to the metropolitan context. In many ways the overseas carnivals, like the Trinidad parent, have become trapped between the negative imagery of stigmas and stereotypes, the co-optive strategies of capitalist and state organizations and the desires of the carnivalists for official funding and validation.

[...]

## Trinidad Carnival and Globalization Theory

The foregoing analysis of the historical and global significance of Trinidad carnival presents some challenges to globalization theory. It suggests that the globalization of Trinidad carnival needs to be viewed as a dual process: the first relates to the *localization of global influences* and the second involves the *globalization of local impulses*. Drawing from the case of Trinidad carnival one can therefore argue that the formation of carnival in Trinidad is based upon the localization of global influences. The Trinidad carnival is the historical outcome of the hybridization of multiple ethnicities and cultures brought together under the rubric of colonial and capitalist expansion. New identities are forged and negotiated in the process. On the other hand, the exportation of carnival to overseas diasporic communities refers to the globalization of the local. The overseas Caribbean carnivals have grown in scale and scope beyond the confines of the immigrant population to embrace, if not 'colonize', the wider community in the respective host societies. This is what is referred to as 'globalization in reverse'. In sum, the overseas carnivals have become a basis for pan-Caribbean identity, a mechanism for social integration into metropolitan society and a ritual act of transnational, transcultural, transgressive politics.

Another observation is that historically, core societies are the ones most involved in the globalization of their local culture. For example, in most developed economies

cultural industry exports are seen as part of foreign economic policy. They recognize that perpetuating or transplanting one's culture is a critical factor in influencing international public opinion, attitude and value judgement. Peripheral societies are those that are more subject to importing cultural influences as opposed to exporting them. It is also the case that when peripheral societies export their culture they often lack the organizational capability and the political and economic leverage to control or maximize the commercial returns. This is in marked contrast to the capabilities of core societies where there is not only an ability to maximize on exports but also to co-opt imported cultures. What it comes down to is who is globalizing whom. In this business there are 'globalizers' and 'globalizees', those who are the producers and those who are just consumers of global culture. In this regard, it is far too premature to argue, as Appadurai has suggested, that centre periphery theories lack explanatory capability when it comes to transformations in the global cultural economy.

From this perspective one can argue that Trinidad, like other peripheral countries, has been on the receiving end of globalization except in the case of its carnival. This is to say that in an evaluation of globalization an appreciation for the resultant political hierarchies and asymmetries must be evident and caution should be employed so as not to construct new mythologies of change that depoliticize the systemic properties of the capitalist world system. In this regard, it is critical that the relevant historical period is conceptualized. The case of the Trinidad carnival suggests that the growth of historical capitalism in the past five hundred years is pivotal to understanding the causal relations and social forces that shaped and have evolved from the festival, both locally and globally, both in the recent past and the *longue durée*.

Another critical methodological issue is the conceptualization of space. Because of the heavy reliance on statecentric and nationalist analyses in the social sciences a wide array of activities and structures have escaped mainstream thought. The argument here is that the world has not changed as much as some make out, rather, it is that our awareness of change has been sharpened by the inadequacy of conventional thought. For example, one of the major contributions of post-colonial theory has been to introduce diaspora as a unit of analysis. This approach is particularly applicable to the case of Trinidad carnival, given the dual processes



of globalization identified. The Trinidad carnival and its overseas offspring fits into Gilroy's concept of a Black Atlantic where 'double consciousness' and transnationalism are focal processes in the Caribbean's experience with globalization.

The study of the Trinidad carnival and its overseas offspring illustrates that globalization presents opportunities for some reversal in hegemonic trends. However, the case study shows that globalization is not a benign process and that there are limited possibilities for transformation, given the strictures and rigidities in the global political economy. The limitations are systemic in nature in that they relate to large-scale, long-term processes such as colonialist discourse and imperialism. In peripheral societies the political and economic elite are generally insecure and view the social protest in popular culture with much trepidation. They are therefore loath to acknowledge, far more invest in, the globalizing potential of the local popular culture. They are more likely to denigrate and marginalize it, and failing that, to co-opt it. Consequently, the tendency is for

local capabilities not to be fully maximized at home. This suggests that the future contribution of Trinidad carnival to global culture may begin to move outside the control of the parent carnival and the home territory if a localized global strategy is not developed.

Historically, the carnivalesque spirit of festivity, laughter and irreverence feeds off the enduring celebration of birth, death and renewal and the eternal search for freedom from the strictures of official culture. From this perspective the Trinidad carnival confronts and unmasks sociohierarchical inequalities and hegemonic discourses at home and in the diaspora. Aesthetic and symbolic rituals operate as the basis for critiquing the unequal distribution of power and resources and a mode of resistance to colonialist and neocolonialist cultural representations and signifying practices. The Trinidad carnival and its overseas offspring is a popular globalized celebration of hybridity and cultural identity, a contested space and practice, a ritual of resistance which facilitates the centring of the periphery.



## READING 54

# Mapping the "Glocal" Village: The Political Limits of "Glocalization"

**William H. Thornton**

[•••]

'Glocalization' - a word that tellingly has its roots in Japanese commercial strategy - erases the dividing line between universalism and particularism, modernity and tradition. The resulting hybrid demythologizes locality as an independent sphere of values and undermines the classic Tonniesian antithesis of benign culture versus malign civilization. It operates, for example, in micro-marketing strategies that 'invent' (g)local traditions as needed - needed for the simple reason that diversity sells [...] In the case of Massey's 'global sense of place', this predilection for locational invention is flowing over into academic discourse, and particularly into cultural studies.

The danger is that this 'glocal' invention of difference may operate at the expense of more 'revolting' but ultimately more resistant strains of difference. Glocal

theory, that is, may too easily resolve the critical tension between global and local values, thus abetting global commercial interests. For many on the Left, most notably David Harvey and Fredric Jameson, postmodernism is quite simply a solvent for global capitalism. From this perspective modernism arose out of an incomplete modernization and remained at least partially at odds with capitalistic 'logic'. Postmodernism, by contrast, issues from the triumphant completion of modernization and has no use for 'Pazian' resistance.

This study shares the wariness of Harvey and Jameson toward International Postmodernism, yet is equally wary of any Marxist solution to the problem. So too it is wary of some geocultural correctives, which replace the global anti-globalism of the Left with a hybrid (g)localism that, on closer examination, has no teeth.

Robertson, more than anyone, has made a signal contribution to the new cultural studies by countering the reductionist logic that allows Immanuel Wallerstein to treat religion, for example, as a pure epiphenomenon. One senses, however, a nascent rift between Robertson's anti-reductionism and Featherstone's. The latter contains, as will be shown, an agonistic current that saves it from the tension-dissolving synthesis of the 'glocal'. Robertson's optimism towards glocalization invites comparison with the global imperative he locates at the core of Elias's civilizational project. This obscures the significance of reactive cultural forms such as Pazian localism and/or Huntingtongesque (cultural or civilizational) regionalism, as well as reactive readings of culture in general. These dissonant rumblings simply do not register with Robertson.

[...]

Since Robertson rejects this pejorative view of the global, he has no need of the reactive concept of culture that would contest glocalization. Whether we are dealing with the retreatist localism of modernism or the resurgent localism of postmodernism, Robertson's 'glocal' amounts to an inoculation against further resistance. However inadvertently, this version of the glocal serves capitalist globalization by naturalizing it, rendering it acceptable by rendering it numbingly familiar. This puts the wolf in sheep's clothing, albeit a designer brand.

Robertson is well aware that his thesis runs counter to reactive views of culture such as that of Anthony Giddens, which he correctly sees as part of the global/local duality that 'glocalization' would expel. Vincent Leitch ties such reaction to the fact that every global,

virtualizing force is met by a stubborn alterity, such that the postmodern condition involves a dialectical intensification of both globalism and localism. Featherstone expands that dialectic to the plane of nation-states, while Huntington carries it all the way to the level of civilizational clash.

Try as he will, Robertson cannot escape the pull of this global/local duality, unless of course he gives up on resistance altogether. We have seen that he allows for the 'glocal' construction of diversity, if only as a tourist attraction. Can there be any doubt that a big part of that attraction is its place in an action-reaction dialectic? The category of (g)locality lives on in the global imaginary as the locus of all we feel to be missing in our social lives. It springs to life from the same horror vacui that Michel Maffesoli sees as the dialectical source of tribalism in mass society. It thrives, that is, in inverse proportion to the nostalgia that gives it life.

In a recent essay on glocalization, Robertson himself cites nostalgia as a prime source of cultural formation, and in a prior essay he underscores the continuing force of nostalgic resistance to globalization. Obviously his difference with Giddens is not founded on an empirical rejection of nostalgia as an element in the global/local dialectic. It derives, rather, from his normative judgment that the proper role of the theorist is 'positive'. By that he means 'analytic and critical' as opposed to the nostalgic negativity that he locates in Giddens. This preference rests on the assumption that negativity inherently voids critical analysis; yet negativity is sometimes (as was the case with Frankfurt School negative dialectics) the best available medium of social critique.

[...]



## READING 55

# Rethinking Globalization: Glocalization/Grobalization and Something/Nothing

**George Ritzer**

This essay seeks to offer a unique theoretical perspective by reflecting on and integrating some well-known ideas in sociology (and the social sciences) on globalization

and a body of thinking, virtually unknown in sociology, on the concept of nothing (and, implicitly, something). The substantive focus will be on consumption, and all

of the examples will be drawn from it. However, the implications of this analysis extend far beyond that realm, or even the economy more generally.

It is beyond the scope of this discussion to deal fully with globalization, but two centrally important processes - glocalization and globalization - will be of focal concern. Glocalization (and related ideas such as hybridity and creolization) gets to the heart of what many - perhaps most - contemporary globalization theorists think about the nature of transnational processes. *Glocalization* can be defined as the interpenetration of the global and the local, resulting in unique outcomes in different geographic areas. This view emphasizes global heterogeneity and tends to reject the idea that forces emanating from the West in general and the United States in particular are leading to economic, political, institutional, and - most importantly - cultural homogeneity.

One of the reasons for the popularity of theories of glocalization is that they stand in stark contrast to the much hated and maligned *modernization theory* that had such a wide following in sociology and the social sciences for many years. Some of the defining characteristics of this theory were its orientation to issues of central concern in the West, the preeminence it accorded to developments there, and the idea that the rest of the world had little choice but to become increasingly like it (more democratic, more capitalistic, more consumption-oriented, and so on). While there were good reasons to question and to reject modernization theory and to develop the notion of glocalization, there are elements of that theory that remain relevant to thinking about globalization today.

In fact, some of those associated with globalization theory have adhered to and further developed perspectives that, while rejecting most of modernization theory, retain an emphasis on the role of Westernization and Americanization in global processes. Such concerns point to the need for a concept - *globalization* - coined here for the first time as a much-needed companion to the notion of glocalization. While it does *not* deny the importance of glocalization and, in fact, complements it, globalization focuses on the imperialistic ambitions of nations, corporations, organizations, and other entities and their desire - indeed, their need - to impose themselves on various geographic

areas. Their main interest is in seeing their power, influence, and (in some cases) profits *grow* (hence the term "globalization") throughout the world. It will be argued that globalization tends to be associated with the proliferation of nothing, while glocalization tends to be tied more to something and therefore stands opposed, at least partially (and along with the local itself), to the spread of nothing. Globalization as a whole is not unidirectional, because these two processes coexist under that broad heading and because they are, at least to some degree, in conflict in terms of their implications for the spread of nothingness around the world.

Having already begun to use the concepts of nothing and something, we need to define them as they will be used here. Actually, it is the concept of nothing that is of central interest here (as well as to earlier scholars); the idea of something enters the discussion mainly because nothing is meaningless without a sense of something. However, nothing is a notoriously obscure concept: "Nothing is an awe-inspiring yet essentially undigested concept, highly esteemed by writers of a mystical or existentialist tendency, but by most others regarded with anxiety, nausea, or panic."

While the idea of nothing was of concern to ancient (Parmenides and Zeno) and medieval philosophers (St Augustine) and to early scientists (Galileo and Pascal) who were interested in the physical vacuum, the best-known early work was done by Shakespeare, most notably in *Much Ado About Nothing*. Of more direct interest is the work of some of the leading philosophers of the last several centuries, including Immanuel Kant, Georg Hegel, Martin Heidegger, and Jean-Paul Sartre. However, this is neither a work in philosophy nor the place to offer a detailed exposition of the recondite thoughts of these thinkers. Overall, the following generalizations can be offered about the contributions of the philosophical literature on nothing. First, it confirms a widespread and enduring interest in the topic, at least outside of sociology. Second, it fails to create a sense of nothing (and something) that applies well to and is usable in this analysis. Third, especially in the work of Kant and, later, Simmel, it leads us in the direction of thinking about form and content as central to conceptualizing nothing/something. Finally, it suggests issues such as loss as related to any consideration of nothing and its spread.

## Conceptualizing Nothing (and Something)

*Nothing* is defined here as *a social form that is generally centrally conceived, controlled, and comparatively devoid of distinctive substantive content*. This leads to a definition of *something* as *a social form that is generally indigenously conceived, controlled, and comparatively rich in distinctive substantive content*. This definition of nothing's companion term makes it clear that neither nothing nor something exists independently of the other: *each makes sense only when paired with and contrasted to the other*. While presented as a dichotomy, this implies a *continuum* from something to nothing, and that is precisely the way the concepts will be employed here - as the two poles of that continuum.

A major and far more specific source of the interest here in nothing - especially conceptually - is the work in social geography by anthropologist Marc Auge on the concept of nonplaces (see also Morse on "nonspaces"; Relph). To Auge, nonplaces are "the real measure of our time." This can be generalized to say that nothing is, in many ways, the true measure of our time! The present work extends the idea of nonplaces to nonthings, nonpeople, and nonservices and, following the logic used above, none of these make sense without their polar opposites - places, things, people, and services. In addition, they need to be seen as the poles of four subtypes that are subsumed under the broader heading of the something/nothing continuum. Figure 1 offers an overview of the overarching something/nothing continuum and these four subtypes, as well as an example of each.

Following the definition of nothing, it can be argued that a credit card is nothing (or at least lies toward that end of the something/nothing continuum) because

it is centrally conceived and controlled by the credit card company and there is little to distinguish one credit card (except a few numbers and a name) from any other (they all do just about the same things). Extending this logic, a contemporary credit card company, especially its telephone center, is a nonplace, the highly programmed and scripted individuals who answer the phones are nonpeople, and the often automated functions can be thought of as nonservices. Those entities that are to be found at the something end of each continuum are locally conceived and controlled forms that are rich in distinctive substance. Thus, a traditional line of credit negotiated by local bankers and personal clients is a thing; a place is the community bank to which people can go and deal with bank employees in person and obtain from them individualized services.

## Nothing/Something and Grobalization/Glocalization

We turn now to a discussion of the relationship between grobalization/glocalization and something/nothing. Figure 2 offers the four basic possibilities that emerge when we cross-cut the grobalization/glocalization and something/nothing continua (along with representative examples of places/nonplaces, things/nonthings, people/nonpeople, and services/nonservices for each of the four possibilities and quadrants). It should be noted that while this yields four "ideal types," there are no hard and fast lines between them. This is reflected in the use of both dotted lines and multidirectional arrows in Figure 2.

Quadrants one and four in Figure 2 are of greatest importance, at least for the purposes of this analysis.

SOMETHING	NOTHING
Place (community bank).....	..Nonplace (credit card company)
Thing (personal loan).....	Nothing (credit card loan)
Person (personal banker).....	Nonperson (telemarketer)
Service (individualized assistance) ..	Nonservice (automated, dial-up aid)

Figure 1 The four major subtypes of something/nothing (with examples) presented as subcontinua under the broad something/nothing continuum

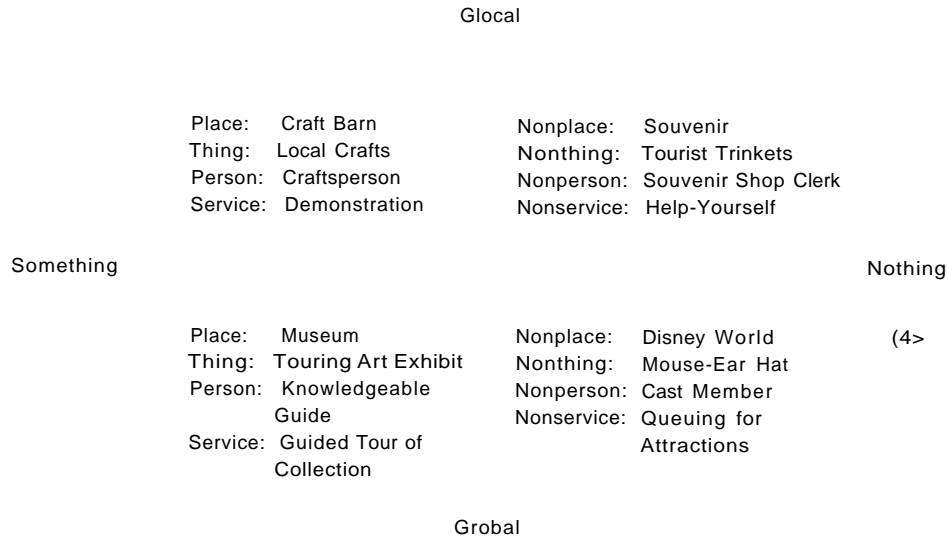


Figure 2 The relationship between glocal-grobal and something-nothing with exemplary (non-)places, (non-)things, (non-)persons, and (non-)services

They represent a key point of tension and conflict in the world today. Clearly, there is great pressure to globalize nothing, and often all that stands in its way in terms of achieving global hegemony is the glocalization of something. We will return to this conflict and its implications below.

While the other two quadrants (two and three) are clearly residual in nature and of secondary importance, it is necessary to recognize that there is, at least to some degree, a glocalization of nothing (quadrant two) and a globalization of something (quadrant three). Whatever tensions may exist between them are of far less significance than that between the globalization of nothing and the glocalization of something. However, a discussion of the glocalization of nothing and the globalization of something makes it clear that globalization is not an unmitigated source of nothing (it can involve something) and that glocalization is not to be seen solely as a source of something (it can involve nothing).

The close and centrally important relationship between (1) globalization and nothing and (2) glocalization and something leads to the view that there is an *elective affinity* between the two elements of each of these pairs. The idea of elective affinity, derived from the historical comparative sociology of Max Weber, is meant to imply that there is *not* a necessary, law-like

causal relationship between these elements. That is, neither in the case of globalization and nothing nor that of glocalization and something does one of these elements "cause" the other to come into existence. Rather, the development and diffusion of one tends to go hand in hand with the other. Another way of putting this is that globalization/nothing and glocalization/something tend to mutually favor one another; they are inclined to combine with one another. Thus, it is far easier to globalize nothing than something: the development of globalization creates a favorable ground for the development and spread of nothing (and nothing is easily globalized). Similarly, it is far easier to glocalize something than nothing: the development of glocalization creates a favorable ground for the development and proliferation of something (and something is easily glocalized).

However, the situation is more complex than this, since we can also see support for the argument that globalization can, at times, involve something (e.g., art exhibits that move among art galleries throughout the world; Italian exports of food such as Parmigiano-Reggiano and Culatello ham; touring symphony orchestras and rock bands that perform in venues throughout the world) and that glocalization can sometimes involve nothing (e.g., the production of

local souvenirs and trinkets for tourists from around the world). However, we would *not* argue that there is an elective affinity between globalization and something and between globalization and nothing. The existence of examples of the globalization of something and the globalization of nothing makes it clear why we need to think in terms of elective affinities and not law-like relationships.

## The Globalization of Something

Some types of something have been globalized to a considerable degree. For example, gourmet foods, handmade crafts, custom-made clothes, and Rolling Stones concerts are now much more available throughout the world, and more likely to move transnationally, than ever in history. In a very specific example in the arts, a touring series of "Silk Road" concerts recently brought together Persian artists and music, an American symphony orchestra, and Rimsky-Korsakov's (Russian) "Scheherazade."

Returning to Figure 2, we have used as examples of the globalization of something touring art exhibitions (thing) of the works of Vincent van Gogh, the museums throughout the world in which such exhibitions occur (place), the knowledgeable guides who show visitors the highlights of the exhibition (person), and the detailed information and insights they are able to impart in response to questions from gallery visitors (service).

In spite of the existence of examples like these, why is there comparatively little affinity between globalization and something? First, there is simply far less demand throughout the world for most forms of something, at least in comparison to the demand for nothing. One reason for this is that the distinctiveness of something tends to appeal to far more limited tastes than nothing, be it gourmet foods, handmade crafts, or Rolling Stones or Silk Road concerts. Second, the complexity of something, especially the fact that it is likely to have many different elements, means that it is more likely that it will have at least some characteristics that will be off-putting for or will even offend large numbers of people in many different cultures. For example, a Russian audience at a Silk Road concert might be bothered by the juxtaposition of Persian music with that of Rimsky-Korsakov. Third, the various forms of

something are usually more expensive - frequently much more expensive - than competing forms of nothing (gourmet food is much more costly than fast food). Higher cost means, of course, that far fewer people can afford something. As a result, the global demand for expensive forms of something is minuscule in comparison to that for the inexpensive varieties of nothing. Fourth, because the prices are high and the demand is comparatively low, far less can be spent on the advertising and marketing of something, which serves to keep demand low. Fifth, something is far more difficult to mass-manufacture and, in some cases (Silk Road concerts, van Gogh exhibitions), impossible to produce in this way. Sixth, since the demand for something is less price-sensitive than nothing (the relatively small number of people who can afford it are willing, and often able, to pay almost any price), there is less need to mass-manufacture it (assuming it could be produced in this way) in order to lower prices. Seventh, the costs of shipping (insurance, careful packing and packaging, special transports) of something (gourmet foods, the van Gogh paintings) are usually very high, adding to the price and thereby reducing the demand.

It could also be argued that the fact that the globalization of something (compared to nothing) occurs to a lesser degree helps to distinguish something from nothing. Because it is relatively scarce, something retains its status and its distinction from nothing. If something came to be mass-produced and globalized, it is likely that it would move toward the nothing end of the continuum. This raises the intriguing question of what comes first - nothing, or globalization and the associated mass production. That is, does a phenomenon start out as nothing? Or is it transformed into nothing by mass production and globalization? We will return to this issue below.

## The Globalization of Nothing

The example of the globalization of nothing in Figure 2 is a trip to one of Disney's worlds. Any of Disney's worlds is a nonplace, awash with a wide range of nonthings (such as mouse-ear hats), staffed largely by nonpeople (the "cast members," in costume or out), who offer nonservices (what is offered is often dictated

by rules, regulations, and the scripts followed by employees).

The main reasons for the strong elective affinity between globalization and nothing are basically the inverse of the reasons for the lack of such affinity between globalization and something. Above all, there is a far greater demand throughout the world for nothing than something. This is the case because nothing tends to be less expensive than something (although this is not always true), with the result that more people can afford the former than the latter. Large numbers of people are also far more likely to want the various forms of nothing, because their comparative simplicity and lack of distinctiveness appeals to a wide range of tastes. In addition, as pointed out earlier, that which is nothing - largely devoid of distinctive content - is far less likely to bother or offend those in other cultures. Finally, because of the far greater potential sales, much more money can be - and is - devoted to the advertising and marketing of nothing, thereby creating a still greater demand for it than for something.

Given the great demand, it is far easier to mass-produce and mass-distribute the empty forms of nothing than the substantively rich forms of something. Indeed, many forms of something lend themselves best to limited, if not one-of-a-kind, production. A skilled potter may produce a few dozen pieces of pottery and an artist a painting or two in, perhaps, a week, a month, or even (a) year(s). While these craft and artworks may, over time, move from owner to owner in various parts of the world, this traffic barely registers in the total of global trade and commerce. Of course, there are the rare masterpieces that may bring millions of dollars, but in the main these are small-ticket items. In contrast, thousands, even many millions, and sometimes billions of varieties of nothing are mass-produced and sold throughout the globe. Thus, the global sale of Coca-Cola, Whoppers, Benetton sweaters, Gucci bags, and even Rolex watches is a far greater factor in globalization than is the international sale of pieces of high art or of tickets to the Rolling Stones' most recent world tour. Furthermore, the various forms of nothing can range in cost from a dollar or two to thousands, even tens of thousands of dollars. The cumulative total is enormous and infinitely greater than the global trade in something.

Furthermore, the economics of the marketplace demands that the massive amount of nothing that is produced be marketed and sold on a global basis. For one thing, the economies of scale mean that the more that is produced and sold, the lower the price. This means that, almost inevitably, American producers of nothing (and they are, by far, the world leaders in this) must become dissatisfied with the American market, no matter how vast it is, and aggressively pursue a world market for their consumer products. The greater the global market, the lower the price that can be charged. This, in turn, means that even greater numbers of nothing can be sold and farther reaches of the globe in less-developed countries can be reached. Another economic factor stems from the demand of the stock market that corporations that produce and sell nothing (indeed, all corporations) increase sales and profits from one year to the next. Those corporations that simply meet the previous year's profitability or experience a decline are likely to be punished in the stock market and see their stock prices fall, sometimes precipitously. In order to increase profits continually, the corporation is forced, as Marx understood long ago, to continue to search out new markets. One way of doing that is constantly to expand globally. In contrast, since something is less likely to be produced by corporations - certainly by the large corporations listed in the stock market - there is far less pressure to expand the market for it. In any case, as we saw above, given the limited number of these things that can be produced by artisans, skilled chefs, artists, and so on, there are profound limits on such expansion. This, in turn, brings us back to the pricing issue and relates to the price advantage that nothing ordinarily has over something. As a general rule, the various types of nothing cost far less than something. The result, obviously, is that nothing can be marketed globally far more aggressively than something.

Also, nothing has an advantage in terms of transportation around the world. These are things that generally can be easily and efficiently packaged and moved, often over vast areas. Lunchables, for example, are compact, prepackaged lunch foods, largely for schoolchildren, that require no refrigeration and have a long shelf life. Furthermore, because the unit cost of such items is low, it is of no great consequence if they go awry, are lost, or are stolen. In contrast, it is more difficult and expensive to package something - say, a

piece of handmade pottery or an antique vase - and losing such things or having them stolen or broken is a disaster. As a result, it is far more expensive to insure something than nothing, and this difference is another reason for the cost advantage that nothing has over something. It is these sorts of things that serve to greatly limit the global trade in items that can be included under the heading of something.

It is important to remember that while most of our examples in this section are nonthings, it is the case that nonplaces (franchises), nonpeople (counterpeople in fast-food chains), and nonservices (automatic teller machines - ATMs) are also being globalized.

While the globalization of nothing dominates in the arena of consumption as it is generally defined, we find domains - medicine, science, pharmaceuticals, biotechnology, education, and others - in which the globalization of something is of far greater importance. While these areas have experienced their share of the globalization of nothing, they are also characterized by a high degree of the globalization of something. For example, the worldwide scientific community benefits from the almost instantaneous distribution of important scientific findings, often, these days, via new journals on the Internet. Thus, our focus on the globalization of nothing should not blind us to the existence and importance - especially in areas such as these - of the globalization of something.

## The Glocalization of Nothing

Just as there has historically been a tendency to romanticize and glorify the local, there has been a similar trend in recent years among globalization theorists to overestimate the glocal. It is seen by many as not only the alternative to the evils of globalizaton, but also a key source of much that is worthwhile in the world today. Theorists often privilege the glocal something over the global nothing (as well as over the glocal nothing, which rarely appears in their analyses). For example, Jonathan Friedman associates cultural pluralism with "a dehegemonizing, dehomogenizing world incapable of a formerly enforced politics of assimilation or cultural hierarchy." Later, he links the "decline of hegemony" to "a liberation of the world arena to the free play of already extant but suppressed

projects and potential new projects." Then there are the essays in James Watson's *McDonald's in East Asia*, which, in the main, focus on glocal adaptations (and generally downplay global impositions) and tend to describe them in positive terms.

While most globalization theorists are not postmodernists, the wide-scale acceptance of various postmodern ideas (and rejection of many modern positions) has helped lead to positive attitudes toward glocalization among many globalization theorists. Friedman is one who explicitly links "cultural pluralism" and the "postmodernization of the world." The postmodern perspective is linked to glocalization theory in a number of ways. For example, the work of de Certeau and others on the power of the agent in the face of larger powers (such as globalizaton) fits with the view that indigenous actors can create unique phenomena out of the interaction of the global and the local. De Certeau talks of actors as "unrecognized producers, poets of their own affairs, trailblazers in the jungles of functionalist rationality." A similar focus on the local community gives it the power to create unique glocal realities. More generally, a postmodern perspective is tied to hybridity, which, in turn, is "subversive" of such modern perspectives as essentialism and homogeneity.

While there are good reasons for the interest in and preference for glocalization among globalization theorists, such interest is clearly overdone. For one thing, globalizaton (especially of nothing) is far more prevalent and powerful than glocalization (especially of something). For another, glocalization itself is a significant source of nothing.

One of the best examples of the glocalization of nothing is to be found in the realm of tourism, especially where the global tourist meets the local manufacturer and retailer (where they still exist) in the production and sale of glocal goods and services (this is illustrated in quadrant two of Figure 2). There are certainly instances - perhaps even many of them - in which tourism stimulates the production of something: well-made, high-quality craft products made for discerning tourists; meals lovingly prepared by local chefs using traditional recipes and the best of local ingredients. However, far more often - and increasingly, as time goes by - global tourism leads to the glocalization of nothing. Souvenir shops are likely to be bursting at the seams with trinkets reflecting a bit of



the local culture. Such souvenirs are increasingly likely to be mass-manufactured - perhaps using components from other parts of the world - in local factories. If demand grows great enough and the possibilities of profitability high enough, low-priced souvenirs may be manufactured by the thousands or millions elsewhere in the world and then shipped back to the local area to be sold to tourists (who may not notice, or care about, the "made in China" label embossed on their souvenir replicas of the Eiffel Tower). The clerks in these souvenir shops are likely to act like nonpeople, and tourists are highly likely to serve themselves. Similarly, large numbers of meals slapped together by semiskilled chefs to suggest vaguely local cooking are far more likely than authentic meals that are true to the region, or that truly integrate local elements. Such meals are likely to be offered in "touristy" restaurants that are close to the nonplace end of the continuum and to be served by nonpeople who offer little in the way of service.

Another major example involves the production of native shows - often involving traditional costumes, dances, and music - for global tourists. While these could be something, there is a very strong tendency for them to be transformed into nothing to satisfy global tour operators and their clientele. Hence these shows are examples of the glocalization of nothing, because they become centrally conceived and controlled empty forms. They are often watered down, if not eviscerated, with esoteric or possibly offensive elements removed. The performances are designed to please the throngs of tourists and to put off as few of them as possible. They take place with great frequency, and interchangeable performers often seem as if they are going through the motions in a desultory fashion. For their part, this is about all the global tourists want in their rush (and that of the tour operator) to see a performance, to eat an ersatz local meal, and then to move on to the next stop on the tour. Thus, in the area of tourism - in souvenirs, performances, and meals - we are far more likely to see the glocalization of nothing than of something.

## The Glocalization of Something

The example of the glocalization of something in Figure 2 (quadrant 1) is in the realm of indigenous crafts such as pottery or weaving. Such craft products

are things, and they are likely to be displayed and sold in places such as craft barns. The craftsperson who makes and demonstrates his or her wares is a person, and customers are apt to be offered a great deal of service.

Such glocal products are likely to remain something, although there are certainly innumerable examples of glocal forms of something that have been transformed into glocal - and in some cases global - forms of nothing (see below for a discussion of Kokopelli figures and matryoshka dolls). In fact, there is often a kind of progression here, from glocal something to glocal nothing as demand grows, and then to global nothing if some entrepreneur believes that there might be a global market for such products. However, some glocal forms of something are able to resist this process.

Glocal forms of something tend to remain as such for various reasons. For one thing, they tend to be costly, at least in comparison to mass-manufactured competitors. High price tends to keep demand down locally, let alone globally. Second, glocal forms of something are loaded with distinctive content. Among other things, this means that they are harder and more expensive to produce and that consumers, especially in other cultures, find them harder to understand and appreciate. Furthermore, their idiosyncratic and complex character make it more likely that those in other cultures will find something about them they do not like or even find offensive. Third, unlike larger manufacturers of nothing, those who create glocal forms of something are not pushed to expand their business and increase profits to satisfy stockholders and the stock market. While craftspeople are not immune to the desire to earn more money, the pressure to do so is more internal than external, and it is not nearly as great or inexorable. In any case, the desire to earn more money is tempered by the fact that the production of each craft product is time-consuming and only so many of them can be produced in a given time. Further, craft products are even less likely to lend themselves to mass marketing and advertising than they are to mass manufacture.

## Which Comes First: Nothing, or Its Globalization?

At this point, we need to deal with a difficult issue: is it possible to determine which comes first - nothing

or its globalization? The key components of the definition of nothing - central conception and control, lack of distinctive content - tend to lead us to associate nothing with the modern era of mass production. After all, the system of mass production is characterized by centralized conception and control, and it is uniquely able to turn out large numbers of products lacking in distinctive content. While there undoubtedly were isolated examples of nothing prior to the Industrial Revolution, it is hard to find many that fit our basic definition of nothing.

Thus, as a general rule, nothing requires the prior existence of mass production. However, that which emanates from mass-production systems need not necessarily be distributed and sold globally. Nevertheless, as we have discussed, there are great pressures on those who mass-produce nothing to market it globally. Thus, there is now a very close relationship between mass production and globalization; the view here is that *both* precede nothing and are prerequisites to it.

Take, for example, such historic examples of something in the realm of folk art as Kokopellis from the southwestern United States and matryoshka dolls from Russia. At their points of origin long ago in local cultures, these were clearly hand-made products that one would have had to put close to the something end of the continuum. For example, the Kokopelli, usually depicted as an arch-backed flute player, can be traced back to at least 800 AD and to rock art in the mountains and deserts of the southwestern United States. Such rock art is clearly something. But in recent years, Kokopellis have become popular among tourists to the area and have come to be produced in huge numbers in innumerable forms (figurines, lamps, keychains, light-switch covers, Christmas ornaments, and so on), with increasingly less attention to the craftsmanship involved in producing them. Indeed, they are increasingly likely to be mass-produced in large factories. Furthermore, offending elements are removed in order not to put off potential consumers anywhere in the world. For example, the exposed genitals that usually accompanied the arched back and the flute have been removed. More recently, Kokopellis have moved out of their locales of origin in the Southwest and come to be sold globally. In order for them to be marketed globally at a low price, much of the distinctive character

and craftsmanship involved in producing the Kokopelli is removed. That is, the globalization of Kokopellis has moved them even closer to the nothing end of the continuum.

A similar scenario has occurred in the case of the matryoshka doll (from five to as many as 30 dolls of increasingly small size nested within one another), although its roots in Russian culture are not nearly as deep (little more than a century) as that of the Kokopelli in the culture of the southwestern United States. Originally hand-made and hand-painted by skilled craftspeople and made from seasoned birch (or lime), the traditional matryoshka doll was (and is) rich in detail. With the fall of communism and the Soviet Union, Russia has grown as a tourist destination, and the matryoshka doll has become a popular souvenir. In order to supply the increasing demand of tourists, and even to distribute matryoshka dolls around the world, they are now far more likely to be machine-made: automatically painted; made of poor quality, unseasoned wood; and greatly reduced in detail. In many cases, the matryoshka doll has been reduced to the lowest level of schlock and kitsch in order to enhance sales. For example, the traditional designs depicting precommunist nobles and merchants have been supplemented with caricatures of global celebrities such as Bill Clinton, Mikhail Gorbachev, and - post-September 11 - Osama bin Laden. Such mass-produced and mass-distributed matryoshka dolls bear little resemblance to the folk art that is at their root. The mass production and globalization of these dolls has transformed that which was something into nothing. Many other products have followed that course, and still more will do so in the future.

While we have focused here on nonthings that were things at one time, much the same argument can be made about places, people, and services. That is, they, too, have come to be mass-manufactured and globalized, especially in the realm of consumption. This is most obvious in virtually all franchises for which settings are much the same throughout the world (using many mass-manufactured components), people are trained and scripted to work in much the same way, and the same "services" are offered in much the same way. They all have been centrally conceived, are centrally controlled, and are lacking in distinctive content.

## Grobalization and Loss

Grobalization has brought with it a proliferation of nothing around the world. While it carries with it many advantages (as does the grobalization of something), it has also led to a loss, as local (and glocal) forms of something are progressively threatened and replaced by grobalized (and glocalized) forms of nothing.

This reality and sense of loss are far greater in much of the rest of the world than they are in the United States. As the center and source of much nothingness, the United States has also progressed furthest in the direction of nothing and away from something. Thus, Americans are long accustomed to nothing and have fewer and fewer forms of something with which to compare it. Each new form of or advance in nothing barely creates a ripple in American society.

However, the situation is different in much of the rest of the world. Myriad forms of something remain well entrenched and actively supported. The various forms of nothing - often, at least initially, imports from the United States - are quickly and easily perceived as nothing, since alternative forms of something, and the standards they provide, are alive and well. Certainly, large numbers of people in these countries demand and flock to nothing in its various forms, but many others are critical of it and on guard against it. The various forms of something thriving in these countries give supporters places, things, people, and services to rally around in the face of the onslaught of nothing. Thus, it is not surprising that the Slow Food Movement, oriented to the defense of "slow food" against the incursion of fast food, began in Italy (in fact, the origin of this movement was a battle to prevent McDonald's from opening a restaurant at the foot of the Spanish Steps in Rome) and has its greatest support throughout Europe.

### The Increase in Nothing! The Decline in Something?

A basic idea - even a grand narrative - in this essay is the idea that there is a long-term trend in the social world in general, and in the realm of consumption in particular, in the direction of nothing. More specifically, there is an historic movement from something to

nothing. Recall that this is simply an argument about the increase in forms that are centrally conceived and controlled and are largely devoid of distinctive content. In other words, we have witnessed a long-term trend *from* a world in which indigenously conceived and controlled forms laden with distinctive content predominated *to one* where centrally conceived and controlled forms largely lacking in distinctive content are increasingly predominant.

There is no question that there has been an increase in nothing and a relative decline in something, but many forms of something have not experienced a decline in any absolute sense. In fact, in many cases, forms of something have increased; they have simply not increased at anything like the pace of the increase in nothing. For example, while the number of fast-food restaurants (nonplaces) has increased astronomically since the founding of the McDonald's chain in 1955, the number of independent gourmet and ethnic restaurants (places) has also increased, although at not nearly the pace of fast-food restaurants. This helps to account for the fact that a city such as Washington, DC (to take an example I know well) has, over the last half century, witnessed a massive increase in fast-food restaurants *at the same time* that there has been a substantial expansion of gourmet and ethnic restaurants. In fact, it could be argued that there is a dialectic here - that the absolute increase in nothing sometimes serves to spur at least some increase in something. That is, as people are increasingly surrounded by nothing, at least some are driven to search out or create something. However, the grand narrative presented here is more about the relative ascendancy of nothing and the relative decline in something than about absolute change.

Nonetheless, at least some forms of something (e.g., local groceries, cafeterias) have suffered absolute declines and may have disappeared or be on the verge of disappearance. It could be argued that all of these have been victims of what Joseph Schumpeter called "creative destruction." That is, while they have largely disappeared, in their place have arisen successors such as the fast-food restaurant, the supermarket, and the "dinner-house" (e.g., the Cheesecake Factory). While there is no question that extensive destruction of older forms has occurred, and that considerable creativity has gone into the new forms, one must question Schumpeter's one-sidedly positive view of this process.

Perhaps some things - even some measure of creativity - have been lost with the passing of these older forms. It may be that the destruction has not always been so creative.

However, no overall value judgment needs to be made here; forms laden with content are not inherently better than those devoid of content, or vice versa. In fact, there were and are many forms rich in content that are among the most heinous of the world's creations. We could think, for example, of the pogroms that were so common in Russia, Poland, and elsewhere. These were largely locally conceived and controlled and were awash in distinctive content (anti-Semitism, nationalism, and so on). Conversely, forms largely devoid of content are not necessarily harmful. For example, the bureaucracy, as Weber pointed out, is a form (and ideal type) that is largely lacking in content. As such, it is able to operate in a way that other, more content-laden forms of organization - those associated with traditional and charismatic forms of organization - could not. That is, it was set up to be impartial - to *not* (at least theoretically) discriminate against anyone.

There is very strong support for the argument, especially in the realm of consumption, that we are in the midst of a long-term trend away from something and in the direction of nothing. By the way, this implies a forecast for the future: we will see further increases in nothing and further erosions of something in the years to come.

## The Economics of Nothing

Several points can be made about the economics of nothing. First, it is clear that, in general, there is an inverse relationship between income and nothing. That is, those with money can still afford to acquire various forms of something, whereas those with little money are largely restricted to nothing. Thus, only the affluent can afford expensive bottles of complex wine, or gourmet French meals with truffles. Those with little means are largely restricted to Coca-Cola, Lunchables, microwave meals, and McDonald's fries.

Second, there is an economic floor to this: those below a certain income level cannot even afford much of that which is categorized here as nothing. Thus, there are those near or below the poverty line in

America who often cannot afford a meal at McDonald's or a six-pack of Coca-Cola. More importantly, there are many more people in the less-developed parts of the world who do not have access to and cannot afford such forms of nothing. Interestingly, extreme poverty relegates people to something - homemade meals and home brews made from whatever is available. However, in this case it is hard to make the argument for something. These forms of something are often meager, and those who are restricted to them would love to have access to that which has been defined here, as well as by many people throughout the world, as nothing.

Third, thinking of society as a whole, some minimum level of affluence and prosperity must be reached before it can afford nothing. That is, there are few ATMs, fast-food restaurants, and Victoria's Secret boutiques in the truly impoverished nations of the world. There simply is not enough income and wealth for people to be able to afford nothing; people in these societies are, ironically, doomed - at least for the time being - to something. Thus, they are more oriented to barter, preparing food at home from scratch, and making their own nightgowns. It is not that they would not readily trade their something for the forms of nothing described above, but that they are unable to do so. It seems clear that as soon as the level of wealth in such a country reaches some minimal level, the various forms of nothing will be welcomed and, for their part, the companies that produce them will enter eagerly.

Fourth, even the wealthiest of people often consume nothing. For one thing, as has been pointed out previously, nothing is not restricted to inexpensive (non)places, (non)things, (non)people, and (non)services. Some forms of nothing - a Four Seasons hotel room, a Dolce and Gabbana frock, the salesperson at Gucci, and the service of a waiter at a Morton's steakhouse - are very costly, but they still qualify as nothing as that term is used here: relatively empty forms that are centrally conceived and controlled. The consumption of these very expensive forms of nothing is obviously restricted to the uppermost reaches of the economic ladder.

Fifth, the wealthy are drawn to many of the same low-priced forms of nothing that cater to the mass of the population, even those who would be considered poor or very close to it. A credit card knows no income barriers - at least at the high end of the spectrum - and

the same is true of ATMs. The wealthy, especially wealthy teenagers, are just as likely to be attracted to fast-food restaurants as are those from virtually every other income group.

There is no simple relationship between wealth and nothingness.

## Globalization versus Glocalization

Returning to the issue with which we began this discussion, one of the key contributions here is the argument that the/a key dynamic under the broad heading of globalization is the conflict between globalization and glocalization. This is a very different view than *any* of the conventional perspectives on global conflict. For example, I think a large number of observers have tended to see the defining conflict, where one is seen to exist, as that between globalization and the local. However, the perspective offered here differs from that perspective on several crucial points.

First, globalization does not represent one side in the central conflict. It is far too broad a concept, encompassing as it does all transnational processes. It needs further refinement to be useful in this context, such as the distinction between globalization and glocalization. When that differentiation is made, it is clear that the broad process of globalization already encompasses important conflicting processes. Since globalization contains the key poles in the conflict, it therefore is not, and cannot be, one position in that conflict.

Second, the other side of the traditional view of that conflict - the local - is relegated to secondary importance in this conceptualization. That is, to the degree that the local continues to exist, it is seen as increasingly insigni-

ficant and a marginal player in the dynamics of globalization. Little of the local remains that has been untouched by the global. Thus, much of what we often think of as the local is, in reality, the glocal. As the global increasingly penetrates the local, less and less of the latter will remain free of global influences. That which does will be relegated to the peripheries and interstices of the local community. The bulk of that which remains is much better described as glocal than local. In community after community, the real struggle is between the more purely global versus the glocal. One absolutely crucial implication of this is that *it is increasingly difficult to find anything in the world untouched by globalization*. Ironically, then, the hope for those opposed to globalization, especially the globalization of nothing, seems to lie in an alternative form of globalization - glocalization. This is hardly a stirring hope as far as most opponents of globalization are concerned, but it is the most realistic and viable one available. The implication is that those who wish to oppose globalization, and specifically globalization, must support and align themselves with the other major form of globalization - glocalization.

Yet glocalization does represent some measure of hope. For one thing, it is the last outpost of most lingering (if already adulterated by globalization) forms of the local. That is, important vestiges of the local remain in the glocal. For another, the interaction of the global and the local produces unique phenomena that are not reducible to either the global or the local. If the local alone is no longer the source that it once was of uniqueness, at least some of the slack has been picked up by the glocal. It is even conceivable that the glocal and the interaction among various localities are - or at least can be - a significant source of uniqueness and innovation.

MPF READING 56

## Dialectics of Something and Nothing: Critical Reflections on Ritzer's Globalization Analysis

Douglas Kellner

George Ritzer's *The Globalization of Nothing* provides aspects of globalization neglected in many standard works. Ritzer produces a wide range of categories, a highly original take on globalization that illuminates

some original, to delineate how globalization produces massification, homogenization, and standardization of consumer products and practices. Thus, his recent book is a worthy successor to *The McDonaldization of Society*, *Expressing America*, and *Enchanting a Disenchanted World: Revolutionizing the Means of Consumption* as well as his other recent work on McDonaldization.

In addition, Ritzer's *The Globalization of Nothing* articulates the dialectic between the global and the local, between its empty forms, or nothing in his terminology, and its specific forms of something, of particularity and difference. His recent studies of globalization have many of the virtues of his earlier books in providing a wealth of sociological insight and analysis to a popular audience. The text particularly illuminates and helps develop Ritzer's earlier concepts of McDonaldization, Americanization, and delineation of the new means of consumption, and it adds a wide range of important insights into globalization, whilst providing useful categories and distinctions to describe globalization itself.

In these comments, first, I want to critically engage with an issue that Ritzer might have addressed, that in my view would have substantially strengthened his conceptual optic. Then, I will make some comments on things I like and find important in the book, and will signal some disagreements.

## Globalization and Nothing: the Missing Dialectic

Ritzer sets out his definition of the globalization of nothing as "generally centrally conceived and controlled social forms that are comparatively devoid of distinctive content," such as the form of Mills corporation shopping malls, airports, chain hotels, credit cards, and of course McDonald's and fast-food restaurants. He presents a dialectic of something and nothing in a continuum of social forms with "something" presented as "a social form that is generally indigenously conceived, controlled, and comparatively rich in distinctive substantive content; a form that is to a large degree substantively unique." Both presuppose each other and make "sense only when paired with, and contrasted to, the other."

The dialectic of something and nothing is fleshed out with a series of conceptual contrasts between places and non-places, things and non-things, persons and

non-persons, and services and non-services, encompassing, as examples, credit card companies, tele-marketing, fast food production, and global branding (I will provide further examples and explication as I proceed). He also develops a set of other categories like "glocalization" (building on Roland Robertson), through which global and local forces hybridize, and "grobalization" through which global processes absorb and in some cases destroy local artifacts, customs, and culture.

Ritzer says he will offend fans of many "somethings," such as products or forms of consumption that he critically analyzes, but I am not in the least offended by this critique, and would be happy to see Ritzer and others develop the analysis of nothing and the destruction of something(s) further. Indeed, this brings me to my central critique of Ritzer's book.

In the Preface, Ritzer states "My focal interest in these pages is in the globalization of nothing within the realm of consumption," and here I wish that Ritzer had embraced the dialectic of production and consumption and critically engaged both, as he does to some extent in his analysis of McDonaldization, which is both a form of production and consumption. Ritzer does have a short section at the end of chapter 1 on "the production of nothing" where he mentions that he will not engage with the "developing" world; whose inhabitants often cannot afford, or do not have access to the nothings of globalization; and also, will not engage with global production, such as Nike shoe factories, that have received a lot of attention and criticism. Ritzer says that there has been a "productivist bias" in social theory and that he wants to compensate for what he sees as a one-sidedness in this direction. But, while there was perhaps once a problem of a production bias in fields of social theory and consumption studies that needs correction, I would assert that production and consumption are so tightly and importantly linked that one needs a dialectic of production and consumption to adequately grasp the general processes of globalization.

In fact, within cultural studies and a lot of social theory, there has been a booming field of consumption studies, of which Ritzer is an important part, so I am not sure that we need to worry about a productivist bias in social theory and cultural studies, but should rather worry about the production deficit (this has been one of my worries and themes in cultural studies for some years now and is reappearing here in the

context of the sociology of consumption). But, I would also argue that it is imperative to analyze the dialectic of production and consumption which is absolutely central to grasping, and engaging with globalization in order to conceptualize its key dynamics - as important, I would argue and perhaps more so, than the dialectic of something and nothing that Ritzer takes on (in fact, I will argue that they go together).

To make this point, let me take an example from Ritzer's earlier study of McDonald's, surely a sociological classic of our time. One key insight of this text was the analysis of McDonaldization as a mode of production and consumption. McDonald's provides an entire business model (the franchise) and a model of fast-food production and consumption marked by the features of efficiency, speed, predictability, calculability, and rationalization. This model spread to many other fields of production and consumption, as Ritzer points out. Indeed, it is McDonaldization as a dialectic of production and consumption, that makes the corporation so paradigmatic for corporate globalization.

Now, extending Ritzer's argument of the dialectic of production and consumption to the sphere of labor, I would argue that the spread, diffusion, and the impact of the forms of production described as postFordism, McDonaldization, technocapitalism, or the networked society, range from the global spread of assembly-line labor described by Harry Braverman and other, mostly, Marxists as contributing to a deskilling of labor to the forms of labor described by Dan Schiller and other critics of digital capitalism. It is true, however, that there are a couple of mentions of production in Ritzer's book, such as a passage on page 177, where Ritzer notes that his analyses of the globalization of nothing:

Certainly applies as well to consumption's other face - production. We literally could not have the globalization of, for example, non-things without the existence of systems that produce massive numbers of the non-things that are to be sold and distributed worldwide. But even production, or the production-consumption nexus, is too narrow a domain for examining the globalization of nothing. Nothing spreads globally within politics, or the church, or the criminal justice system, for myriad reasons, many of them specific to each of those domains, that have nothing to do with production or consumption.

Far from it being for me to deny the relative autonomy of politics, the legal system, or culture, but all of these things are centrally related to production and, increasingly, to consumption. There is also another phenomenon of immense importance that Ritzer's analysis suggests, but does not critically engage with, and that is the replacement of human labor power by machines. In terms of one of Ritzer's sets of categorical distinctions involving non-places, non-things, non-persons, and non-services (encompassing as examples credit card companies, telemarketing, and computerized services of various sorts), this proliferation of nullities, to use Ritzer's terms, involves a rather substantial global restructuring of labor, which both eliminates a lot of jobs and creates a wealth of "Mcjobs" that could serve as paradigms of contemporary alienated labor (consider telemarketing, or all the clerical work that credit cards, airline reservations, sales of many sorts and the like involve). Now, as Marx argued in the *Grundrisse*, replacement of human labor power by technology can be progressive, but as we have seen, it can also be disastrous for certain categories of labor, in the sense that it eliminates more creative, unionized and well-paid and secure jobs and creates more deadening, alienating, lower-paid and insecure ones.

This is an immense world-historical phenomenon that lies at the heart of current concerns about globalization, and I think that Ritzer's dialectic of something and nothing could have interestingly illuminated and critically engaged this phenomenon. There is one passage where Ritzer mentions that Marx's analysis of alienation, while not especially useful in talking about consumption (although some might contest this), "is probably more relevant than ever to the less-developed world where much of the kind of production-oriented work analyzed by Marx is increasingly done." I would agree with this, but would suggest that alienated labor is also wide-spread in the kind of domains that Ritzer is analyzing, such as telemarketing, computerized services, and most clerical and other office work needed to sustain global production.

Parenthetically, I might mention that the film *One Hour Photo* that Ritzer uses to illustrate the empty forms of consumption is about empty forms of production and labor as much as consumption and that the Robin Williams character illustrates the dehumanizing and alienating effects that doing nothing, i.e.

laboring in a completely prescribed, impersonalized, and uncreative way, can have distorting effects on the personality. Yet, the film can also be read as suggesting that, even in the most dehumanizing matrixes of production and consumption, there are attempts to create human relationships and creative work - that is something.

As a hopelessly Hegelian dialectician, I appreciate the dialectic of nothing and something in Ritzer's book, as well as the dialectic of glocalization and globalization, but would have liked to see him engage more with the dialectic of production and consumption. I would note, also, that there is one important passage and concept thrown out, but not developed, where Ritzer mentions the "double affliction" of those workers in extremely low paying jobs who are not able to afford the very products that they are producing. Both afflictions are heart wrenching, but I fear that they are a widespread global phenomenon, whose development and documentation could provide a sharp critical edge to how we view globalization.

I suspect part of Ritzer's answer would be his statement:

It is worth remembering that it was not too long ago that the United States was the world leader in production. In many ways, consumption has replaced production as the focus of the American economy and it has become the nation's prime export to the rest of the world. It is interesting to ponder the implications of what it means to have gone from the world leader in the production of steel to, say, the world leader in the exportation of fast-food restaurants and the shopping mall.

I would agree with Ritzer that to some extent consumption has replaced production as the US's prime export, but I think that, globally, production is as important as consumption. As postFordist theory makes clear, production is increasingly moving from one place to another and, to some extent, this process embodies Ritzer's analysis, in that the forms of production are increasingly similar, whether sneakers, for instance, are produced in Los Angeles, Indonesia, Vietnam, or China.

In general, I would agree with Marx's model in the *Grundrisse*, that there is a circuit of capital that involves

production, exchange, distribution, and consumption, and while one could debate whether production is or is not the primary moment in this circuit, as Marx claims, I think it is clear that, taking globalization as a whole, the dialectic of production and consumption, and circuits of capital are crucial to the process (i.e. that there is no consumption without production and that they are linked in circuits including exchange and distribution, much of which Ritzer engages with, so he might as well take on production as well to complete the circuit).

Another criticism of Ritzer's McDonald's analysis that could be leveled against *The Globalization of Nothing* is that he does not have enough on creative consumption, or the ways that something and nothing produce hybrids, or local variants of global products, or forms like McDonald's. Hybridization has been taken as a key form of the construction of local cultures within globalization that postmodernists, and others including Stuart Hall and the studies of McDonald's in *Golden Arches East*, positively valorize as a cultural synthesis of local and global, and traditional and modern. While hybridizations have been exaggerated and many of the celebrations of hybridization, or local inflection of global phenomena, such as the *Golden Arches East* studies cited above, overlook the elements of cultural imperialism (if I may use an old-fashioned term), of destruction of the traditional, and of loss, as Ritzer repeatedly stresses, nonetheless, more global forms can always be inflected globally and creative hybrids can be produced of the global and the local.

Yet, Ritzer focuses on the form of consumption and nothing, and downplays creative use and active audience appropriation of commodities, cultural forms, or globalized phenomena of various sorts. British cultural studies highlights the active audience as constitutive of the popular and, while this emphasis can overplay subjectivity and the power of the consumer, I think highlights a potential production of difference, meaning and creative practice (i.e. something) that Ritzer does not adequately address. He might, thus, add a dialectic of nothing and something to the activity of the consumer in the process of consumption, in which one class or pole of consumers is ideal-type characterized as largely passive and consumes in a standardized way, whereby another class or pole can consume in highly creative and idiosyncratic ways that can transform



nothing into something (to use Ritzer's dialectic). Ritzer does have a section on "Making something out of nothing" in his internet chapter and he valorizes the slow food movement in a concluding chapter, but I think he needs more on active and creative uses of consumption, or globalized technology like the internet.

Both Andrew Feenberg and I, in developing theories of technology, stress how technologies can be reconstructed in ways that people can make something out of nothing, to use Ritzer's terminology; that is, use technology for their own self-valorization, projects, and purposes, and not just those of capital or whoever produces the technology. For example, people use traditional medicines, or natural child-bearing, instead of the standardized forms of corporate medicine, and have constructed the internet as a decommodified realm of communication, cultural dissemination, and political organization, often going beyond the purposes of the creators of the technology.

Further, whereas I find many of Ritzer's concepts and distinctions in the book valuable, like his analysis "Meet the nullities," where he analyzes the forms of non-place, non-things, non-persons, and non-services of corporate globalization, I have a conceptual problem with his analysis of non-things where he writes:

Our bodies are covered by an array of non-things and even when we go to bed at night, we are likely to be surrounded by non-things (Sealy Posturepedic mattresses, Martha Stewart sheets and pillow cases, Chanel perfumes or colognes, and so on).

While many consumer brands are nullities, and so in Ritzer's vocabulary are arguably "no things," many brands are important things to many people. Reducing so many consumer brands to nullities downplays the importance of logos and branding that Naomi Klein and others claim is at the very heart of globalization. While Ritzer provides a powerful critique of current modes of branding, I am just not convinced that some of the brands Ritzer cites in his text are "nothings." Such a concept of brands neglects the kind of sign value and system of difference in consumption stressed by Baudrillard, and worked out more concretely by sociologists like Robert Goldman and Stephen Papson. Now, some of the brands like Visa and MasterCard that Ritzer engages with are paradigms of brands that

are pure forms, where there is little if any material difference in the way the cards work, but some people strongly identify with brands of airlines, autos, clothing lines, and other commodities. Admittedly, the distinction is often hard to make regarding whether brands are something or nothing: while arguably a Gucci bag can be seen as a nothing, as Ritzer claims, in which pure form dominates, there are genuine differences in some fashion houses and clothing lines that have passionate detractors and fans. Certainly, as pirating and simulation of original products indicates, replication is big business, but the fact that many products are run off indicates precisely that they are "something" with commodity sign-value.

And although there may be some pure models of strip malls, or even mega malls and other sites of consumption, that appear as "nothing" (i.e. not distinctive, interesting, locally-inflected, and so on), it is precisely the differences that make some malls stand out, like the Grove and Fairfax Farmer's Market in Los Angeles, or Edmonton Mall in Canada. Likewise, when Ritzer cites the Ford Edsel as an example of nothing in the appendix, this just seems wrong: Edsel is symbolic of something different, a product line that flopped in a spectacular way (as did Classic Coke).

Another problem with Ritzer's categorization is that he appears sometimes to be too loose with his application of nothing or, at least, one could raise questions whether certain phenomena are something or nothing. I would question, for example, Ritzer's citing of the use of audio guides in museums as an example of nothing:

An interesting example of the trend toward nothingness is the increasing use of audio guides and rented tape players at such shows and at museums more generally.

While it is true that more and more museums are using similar types of audio guides to accompany their art shows, they are uneven in quality, but more important, facilitate qualitatively different aesthetic experiences and uses. I personally avoided these audio guides at first, as I thought that they distracted from the aesthetic experience. I found, however, that some were very informative and could, if used properly, enhance the overall experience of the art show. Some, indeed, strike me as quite something. For instance, the audio guide

that accompanied the 2003 Kandinsky-Schonberg show at the Jewish Museum in New York, not only had very informative and intelligent commentary, but large sections of music by Schonberg and others, so that one could enjoy Schonberg's music while looking at his paintings, or just take a break, close one's eyes, and imagine one was at a concert.

Another place where one could contest Ritzer's overly loose use of "nothing" is his claim that "the media are, themselves [...] purveyors of nothing (for example, the 'soaps,' *CNN Headline News*, sitcoms)." Whereas there are rather empty forms of global news and entertainment (reality TV, headline news, and maybe at least some US sitcoms), other forms like "soaps" are arguably quite varied, diverse, local, and thus, presumably, something. I have been to telenovela panels at conferences, and read papers on the topic, that insist on the major differences between Latin American telenovelas and American soaps, and the differences between programs of this genre in, say, Mexico, Argentina, Cuba, and Brazil, and even within these countries (aficionados can discourse for great length on varieties of Brazilian telenovela, and one friend loaned me tapes of a Cuban soap opera that was a quite interesting political drama, using certain formats of American soaps but producing something significantly different, and thus I would conclude, something).

Parenthetically, I might note that Ritzer uses nothing, nothingness, nullity, and such cognates interchangeably and while I have learned to live with, and even appreciate, "the globalization of nothing" and find the "nullities" concept amusing and illuminating, I cringe a bit when I read "nothingness," no doubt because of my early immersion in Sartre and Heidegger and association of nothingness with anxiety, death, and disturbing forms of non-being. Hence, I would question Ritzer as to whether there is a difference between nothing and nothingness in his categorizations, and why he uses the latter term when it carries a lot of conceptual baggage from existential philosophy. In other words, "nothing" is an empty enough concept to serve Ritzer's purposes, but "nothingness" is to me branded heavily in terms of Heidegger's and Sartre's existential philosophy, and does not readily serve as a cognate for Ritzer's nothing.

Consequently, while Ritzer is using a flexible model of ideal types ranging from something to nothing, I think there is room for contestations of at least some

of his presentations of nothing, and hope at least that more varied and diverse somethings might proliferate in a global economy, as opposed to the undeniable proliferation of nothing, the globalization of the local, and general tendencies toward standardization, exchangeability, massification, that it is the virtue of Ritzer's analysis to warn us about.

## Globalization and the Contemporary Moment

Indeed, Ritzer is telling a very dramatic story that comes most alive, for me at least, in the titanic battle between the glocalization of something and globalization of something and nothing that takes place in the middle of his book. He concludes chapter 5 by stating:

Thus, we live in an era in which a variety of its basic characteristics have led to a tremendous expansion in the globalization of nothing. Furthermore, current trends lead to the view that the future will bring with it an even greater proliferation of nothing throughout the globe.

This is a rather ominous prospect concerning the growing hegemony of the "globalization of nothing," of pure forms or models of production and consumption that could obliterate the local, singularity, heterogeneity, and difference. Of course, there are countervailing tendencies that varieties of postmodern theory and Roland Robertson extol, but I think Ritzer provides an important cautionary warning that major trends of globalization are destroying individuality and particularity, and producing standardization and homogeneity.

To some extent this is a familiar story, told by various neo-Marxists, Weberians and other critics of modernity, but it is salutary to rehear the story as a warning against too enthusiastic globophilic embraces of a globalization that is producing, according to its postmodern champions, bountiful heterogeneity, hybridity, and difference. Ritzer claims, near the end of the book, that his major conceptual contribution to this story, and to theorizing globalization, is his account of the growing conflict between glocalization and globalization. This optic helps balance tendencies

to celebrate and overrate the local and catches the fact that the anti-corporate globalization movement that wants to protect the local and the human from corporate domination, or glocalization in Ritzer's vocabulary, is itself global in nature and thus represents a form of glocalization.

But, I think more concrete goals need to be attached and defended via the anti-corporate globalization movement (that is not any longer, strictly speaking, anti-globalization *tout court*, but anti-corporate or anti-capitalist globalization). In particular, the anti-corporate globalization (or social justice movement) is not just for preserving the local over global appropriation and control, but also for specific goals like human rights, labor rights, the rights of specific groups, like women, gays, the otherly-abled, or animals, as well as for goals like environmental preservation, safe food, democratization, and social justice. These goals are at least somewhat universal in many conceptualizations, so there is something of a synthesis of the global and local in the anti-corporate globalization movement. Hence in my view, these universal values and goals are valuable somethings, and the anti-corporate and social justice movement is important for defending important universal values, preserving local sites, cultures, and values, and providing innovative alternatives and political strategies and practices (though as Ritzer warns, they may erode into nothings if they merely repeat the same slogans and actions time after time).

I am not sure that one can quite as easily or cavalierly dismiss the local as Ritzer does, suggesting it has largely disappeared and cannot be resuscitated, as you cannot have glocals without locals and there are still many places, cuisines, products, peoples, cultures, and the like that have not yet been largely glocalized (or so I would imagine, though here Ritzer may be right in the long term). For instance, the day before a panel on Ritzer's book at the Eastern Sociology Association conference in New York in February 2004, I took a walk down Lexington Avenue and encountered on one block the stores "Good Old Things," "Fine Antiques," and other specialty shops. The next block had Indian vegetarian restaurants next to one that read "Non-Vegetarian Indian" and even "Kosher Vegetarian Indian," as well as a variety of other foreign restaurants. I passed the Armory that had the famous 1913 modern art exposition and was having an antiques fair

that weekend. At Union Square there was a market that was selling fresh bison meat, ostrich burgers, and freshly brewed hot apple cider that I tasted. Beyond the Square, the Strand bookstore still exists along with a few other surviving used bookstores in the neighborhood. And best of all, I found on the way back that the Grammercy Cinema was now the home of the MOMA Cinematique and was showing, for a six dollar a day pass, films by major Iranian and Korean directors, as well as a pair of Godard classics.

So, while somethings and the local are clearly under attack through corporate globalization (and one could give a detailed analysis of the glocalization of New York starting with the Disneyfication of 42nd Street and corporatization of Times Square), nonetheless, there are some locales still existent and they should be treasured, defended, and supported.

Shifting the register, I would also quibble about Ritzer's interpretation of the 9/11 attacks and, more broadly, why a certain breed of fundamentalist terrorism is anti-US. Ritzer rightly calls attention to a growing anti-Americanism and growing hostility to the globalization, to use his term, of American culture, values, politics, and the military, but he does not mention George W. Bush, and I would argue that much of the skyrocketing anti-Americanism evident in the PEW polls, that Ritzer cites as evidence of growing anti-Americanism, is a specific reaction to the Bush administration's militarist unilateralism, nationalistic chauvinism, and just plain arrogance.

While the 9/11 and other Jihadist attacks might have happened no matter who was president, and while many parts of the world resent American globalization, as Ritzer suggests, I think these resentments and reaction have been greatly intensified, perhaps dangerously so, by the Bush administration. Another caveat, in presenting Ben Barber's *Jihad vs McWorld*, Ritzer saliently presents McWorld as an example of globalization, or nothing, but wrongly, in my view, presents Jihad as something. There is little so formulaic as bin Laden's anti-west ravings, and I suggest that terrorism has been extremely formulaic and repetitive (look at suicide bombings in Israel or Iraq), much more so than the anti-corporate globalization movement that Ritzer claims is repeating empty forms of internet connections and protest, rather than creating new and original forms of protest (only partly true, in my opinion, but

a salutary warning to be creative, innovative, and surprising in constructing forms of global protest and oppositional politics). Finally, in regard to Jihad, I would argue that the Islamic schools, or *madrassa*, are as formulaic as the textbooks and McSchools that Ritzer rightly complains about.

And so in conclusion, I find George Ritzer's *The Globalization of Nothing* highly provocative, useful in its dialectic of something and nothing and glocalization vs globalization in terms of theorizing globalization. As noted, I would have liked to see more of a dialectic of production and consumption, which I

think would have enriched the project. Someone still needs to rewrite Marx's account of capitalism and the alienation of labor, in terms of global and hi-tech production and labor and new forms of culture and consumption. Nick Dyer-Witheford in *CyberMarx* has begun this enterprise, and those wishing to continue this thematic could well use many of Ritzer's categories applied to production and labour. Hence, whereas Ritzer's text is useful for illuminating aspects of consumption and globalization, the dialectic of production and consumption on local, national, and global scales still needs to be taken up.

# McDonaldization

McDonaldization is the major example used by Nederveen Pieterse to illustrate the cultural convergence paradigm. Indeed, as we will see in this chapter, much of the debate surrounding the "McDonaldization thesis" deals with the issue of whether the model that is associated with the creation of the McDonald's chain in 1955 is accepted and practiced uniformly throughout the world.

We begin with "An Introduction to McDonaldization" from the fifth edition of *The McDonaldization of Society*. The basic definition of McDonaldization makes clear the fact that it is seen as a global phenomenon. That is, McDonaldization is defined as "the process by which the principles of the fast-food restaurant are coming to dominate more and more sectors of American society *as well as the rest of the world*." It is the latter, italicized, phrase that makes it clear that McDonaldization is a global phenomenon. It is a global phenomenon in several obvious senses: McDonald's and other McDonaldized chains (both inside and outside the fast-food industry) have proliferated around the globe, other nations have developed their own McDonaldized chains, and now other nations are exporting their McDonaldized chains to the US. McDonald's, itself, has become a global icon that at least some consider more iconic than the US itself, or at least its ambassadors and embassies. However, we should bear in mind that

McDonaldization is not restricted to McDonald's, the fast-food industry, and even food. Rather it is seen as a wide-ranging process affecting many sectors of society (e.g. religion, education, and criminal justice).

The key to McDonaldization, as is made clear in the above definition, is its dimensions: efficiency, calculability, predictability, control, and, paradoxically, the irrationality of the seemingly highly rational process of McDonaldization. The key point is that the heart of McDonaldization is these principles and the system or structure that they represent and create. The issue from the point of view of globalization is the degree to which these principles and systems/structures have been globalized. As we will see, the critics of McDonaldization from the point of view of globalization tend to focus on things like the differences in the food in McDonald's in different parts of the world. While this is an issue, it does not get to the heart of whether McDonaldization has been globalized or whether it has tended to lead to at least some degree of homogeneity throughout the world. The central issue is whether McDonald's, and other McDonaldized systems, wherever they are in the world, adhere to the basic principles outlined above; whether they are based on the same system or structure.

Malcolm Waters contends that Ritzer argues that globalization must be seen as homogenization.

However, Ritzer does not equate McDonaldization with globalization; globalization is clearly a much broader process of which McDonaldization is but one component. Waters's second point is much more interesting and provocative. He recognizes that while McDonaldization may have homogenizing effects, it also can be used by local communities throughout the world in ways that are unanticipated by the forces that push it. That is, McDonaldization may be used in ways that further heterogeneity rather than homogeneity.

James Watson draws a number of conclusions that tend to support Waters's position on, and the critique of, McDonaldization as being inextricably linked to homogenization. Although Watson recognizes that McDonaldization has led to small and influential changes in East Asia that have made it and its dietary patterns more like those in the West, his most general conclusion is that "East Asian consumers have quietly, and in some cases stubbornly, transformed their neighborhood McDonald's into local institutions."<sup>2</sup> This represents not only a lack of global homogeneity, but resistance to it.

One of Watson's most interesting contentions is that East Asian cities are being reinvented so rapidly that it is hard even to differentiate between what is local and what is global. That is, the global is adopted and adapted so rapidly that it becomes part of the local. Thus, many Japanese children are likely to think that Ronald McDonald is Japanese.

Watson also does not see McDonald's as a typical transnational corporation with headquarters in the first world. Rather, to him, McDonald's is more like "a federation of semiautonomous enterprises" with the result that local McDonald's are empowered to go their separate ways, at least to some degree. Thus, locals have accepted some of McDonald's "standard operating procedures," but they have also modified or rejected others. McDonald's undergoes a process of localization whereby the locals, especially young people, no longer see it as a "foreign" entity.

While Watson takes the process of localization as a positive development, it can also be seen as more worrisome from the perspective of those who are concerned about the growing McDonaldization of the world. If McDonaldization remains a "foreign" presence, it is easy to identify and oppose, at least by those concerned about it. However, if it worms its

way into the local culture and comes to be perceived as a local phenomenon, it becomes virtually impossible to identify and to oppose.

Bryan Turner surveys the ways in which McDonald's has modified itself in order to fit into various regions of the world: Russia, Australia, Asia, and the Middle East. He demonstrates the global power and reach of McDonald's and McDonaldization. He, like most other critics, focuses on the food - *not* the principles - and concludes that McDonald's has made major modifications in its menu in many locales. He sees this as compromising the basic McDonald's model - burgers and fries - at least as far as food is concerned. Turner's limited perspective is shaped by his view that: "At the end of the day, McDonald's simply is a burger joint."<sup>3</sup> This, of course, stands in contrast to the view in *The McDonaldization of Society* that in spawning McDonaldization, McDonald's is far more than a burger joint. Rather it is a framework with a basic set of principles that has served as a model for the creation and orchestration of a wide range of social structures and social institutions in the United States and throughout the world.

Bryman understands that McDonaldization is really about systems for accomplishing various tasks and achieving various goals. In fact, such systems define not only McDonaldization but also Disneyization. The key is the basic principles of McDonaldization (and Disneyization) that lie at the base of these systems. And those principles remain essentially the same whatever products and/or services are being proffered and wherever in the world they are on offer. This perspective reduces the import of the critiques offered by analysts like Waters, Watson, and especially Turner because their focus is largely limited to the foods and the ways in which they are adapted to different cultures.

Uri Ram understands this fact and demonstrates it in a case study of McDonald's in Israel. Although McDonald's has been successful there, it has not destroyed the local falafel industry. Rather, one part of the falafel business has been McDonaldized, while another has been "gourmetized." Depicted is a complex mix of the global and the local rather than one winning out over the other. Ram puts this in the context of the debate between one-way (e.g. McDonaldization, although now that process is multidirectional and not just running from the US to

the rest of the world) and two-way (e.g. Appadurai's "landscapes") models of globalization. Ram responds creatively that *both* approaches are correct but on different levels. Structurally, he sees a one-way model as predominant, but symbolically it is a two-way street. So, much of the falafel industry in Israel has been transformed structurally into an industrial standardized system - a McDonaldized system. Symbolically, a two-way system is operant, with the falafel and the McDonald's hamburger coexisting and mutually

affecting one another. Thus, although Israel is characterized by considerable structural uniformity, symbolically Israel remains internally differentiated as well as different from other societies, including the US. However, Ram seems to betray this perspective by arguing that Israeli differences have only "managed to linger on." Such phrasing seems to indicate that even to Ram, symbolic differences, like structural differences, may disappear, leading to increasing McDonaldization in both realms.

## NOTES

- 1 George Ritzer, *The McDonaldization of Society*, 5th edn. Thousand Oaks, CA: Pine Forge, 2008, 1, italics added.
- 2 James L. Watson, "Transnationalism, Localization, and Fast Foods in East Asia." In James L. Watson, ed., *Golden Arches East: McDonald's in East Asia*. Stanford, CA: Stanford University Press, 1997, 6.
- 3 Bryan S. Turner, "McDonaldization: Linearity and Liquidity in Consumer Cultures." *American Behavioral Scientist* 47, 2, 2003: 151. What is most surprising about this assertion is that Turner, a Weberian scholar, should know better. Such an assertion is akin to critiquing Weber's work by saying that "a bureaucracy is simply an organization." Bureaucracy plays the same paradigmatic role in Weber's work as McDonald's does in Ritzer's.
- 4 Arjun Appadurai, *Modernity at Large: Cultural Dimensions of Globalization*. Minneapolis: University of Minnesota Press, 1996.



## READING 57

## An Introduction to McDonaldization

George Ritzer

McDonald's has been a resounding success in the international arena. Over half of McDonald's restaurants are outside the United States (in the mid 1980s, only 25% of McDonald's were outside the United States). The majority (233) of the 280 new restaurants opened in 2006 were overseas (in the United States, the number of restaurants increased by only 47). Well over half of the revenue for McDonald's comes from its overseas operations. McDonald's restaurants are now found in 118 nations around the world, serving 50 million customers a day. The leader by far, as of the beginning of 2007, is Japan with 3,828 restaurants, followed by Canada with over 1,375 and Germany with over 1,200. There are currently 780 McDonald's restaurants in China (but Yum! Brands operates over 2,000 KFCs - the Chinese greatly prefer chicken to beef - and 300 Pizza Huts in China). McDonald's will add 100 new restaurants a year in China with a goal of 1,000 restaurants by the opening of the 2008 Beijing Olympics (but KFC will add 400 a year!). As of 2006, there were 155 McDonald's in Russia, and the company plans to open many more restaurants in the former Soviet Union and in the vast new territory in eastern Europe that has been laid bare to the invasion of fast-food restaurants. Although there have been recent setbacks for McDonald's in Great Britain, that nation remains the "fast-food capital of Europe," and Israel is described as "McDonaldized," with its shopping malls populated by "Ace Hardware, Toys 'R' Us, Office Depot, and TCBY."

Many highly McDonaldized firms outside the fast-food industry have also had success globally. Although most of Blockbuster's 9,000-plus sites are in the United States, about 2,000 of them are found in 24 other countries. Wal-Mart is the world's largest retailer with 1.8 million employees and over \$312 billion in sales. There are almost 4,000 of its stores in the United States (as of 2006). It opened its first international store

(in Mexico) in 1991; it now has more than 2,700 units in Puerto Rico, Canada, Mexico, Argentina, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Brazil, China, Korea, Japan, Germany, and the United Kingdom. In any given week, more than 175 million customers visit Wal-Mart stores worldwide.

Other nations have developed their own variants on the McDonald's chain. Canada has a chain of coffee shops called Tim Hortons (merged with Wendy's in 1995), with 2,711 outlets (336 in the United States). It is Canada's largest food service provider with nearly twice as many outlets as McDonald's in that country. The chain has 62% of the coffee business (Starbucks is a distant second with just 7% of that business). Paris, a city whose love for fine cuisine might lead you to think it would prove immune to fast food, has a large number of fast-food *croissanteries*; the revered French bread has also been McDonaldized. India has a chain of fast-food restaurants, Nirula's, that sells mutton burgers (about 80% of Indians are Hindus, who eat no beef) as well as local Indian cuisine. Mos Burger is a Japanese chain with over 1,600 restaurants that, in addition to the usual fare, sell Teriyaki chicken burgers, rice burgers, and "Oshiruko with brown rice cake." Perhaps the most unlikely spot for an indigenous fast-food restaurant, war-ravaged Beirut of 1984, witnessed the opening of Juicy Burger, with a rainbow instead of golden arches and J. B. the Clown standing in for Ronald McDonald. Its owners hoped it would become the "McDonald's of the Arab world." In the immediate wake of the 2003 invasion of Iraq, clones of McDonald's (sporting names like "MaDonal" and "Matbax") opened in that country complete with hamburgers, french fries, and even golden arches.

And now McDonaldization is coming full circle. Other countries with their own McDonaldized institutions have begun to export them to the United States. The Body Shop, an ecologically sensitive British cosmetics chain, had, as of 2006, over 2,100 shops in



55 nations, 300 of them in the United States. American firms have followed the lead and opened copies of this British chain, such as Bath & Body Works. Pret A Manger, a chain of sandwich shops that also originated in Great Britain (interestingly, McDonald's purchased a 33% minority share of the company in 2001), has over 150 company-owned and -run restaurants, mostly in the United Kingdom but now also in New York, Hong Kong, and Tokyo. Polio Campero was founded in Guatemala in 1971 and by mid-2006 had more than 200 restaurants in Latin America and the United States. In the latter, 23 restaurants were in several major cities, and the company planned to open 10 more in such cities by the end of 2006. (Jollibee, a Philippine chain, has 10 US outlets.) Though Polio Campero is a smaller presence in the United States than the American-owned Polio Tropical chain (which has 80 U.S. outlets), Polio Campero is more significant because it involves the invasion of the United States, the home of fast food, by a foreign chain.

IKEA (more on this important chain later), a Swedish-based (but Dutch-owned) home furnishings company, did about 17.6 billion euros of business in 2006, derived from the over 410 million people visiting their 251 stores in 34 countries. Purchases were also made from the 160 million copies of their catalog printed in over 44 languages. In fact, that catalog is reputed to print annually the second largest number of copies in the world, just after the Bible. IKEA's web site features over 12,000 products and reported over 125 million "hits" in 2006. Another international chain to watch in the coming years is HckM clothing, founded in 1947 and now operating 1,345 stores in 24 countries with plans to open another 170 stores by the end of 2007. It currently employs over 60,000 people and sells more than 500 million items a year. Based in Spain, Inditex Group, whose flagship store is Zara, overtook H&M in March 2006 to become Europe's largest fashion retailer with more than 3,100 stores in 64 countries.

[...]

At the opening of the McDonald's in Moscow, one journalist described the franchise as the "ultimate icon of Americana." When Pizza Hut opened in Moscow in 1990, a Russian student said, "It's a piece of America." Reflecting on the growth of fast-food restaurants in Brazil, an executive associated with Pizza Hut of Brazil said that his nation "is experiencing a passion for things

American." On the popularity of Kentucky Fried Chicken in Malaysia, the local owner said, "Anything Western, especially American, people here love [...] They want to be associated with America."

One could go further and argue that in at least some ways McDonald's has become more important than the United States itself. Take the following story about a former US ambassador to Israel officiating at the opening of the first McDonald's in Jerusalem wearing a baseball hat with the McDonald's golden arches logo:

An Israeli teen-ager walked up to him, carrying his own McDonald's hat, which he handed to Ambassador Indyk with a pen and asked: "Are you the Ambassador? Can I have your autograph?" Somewhat sheepishly, Ambassador Indyk replied: "Sure. I've never been asked for my autograph before."

As the Ambassador prepared to sign his name, the Israeli teen-ager said to him, "Wow, what's it like to be the ambassador from McDonald's, going around the world opening McDonald's restaurants everywhere?"

Ambassador Indyk looked at the Israeli youth and said, "No, no. I'm the American ambassador - not the ambassador from McDonald's!" Ambassador Indyk described what happened next: "I said to him, 'Does this mean you don't want my autograph?' And the kid said, 'No, I don't want your autograph,' and he took his hat back and walked away."

Two other indices of the significance of McDonald's (and, implicitly, McDonaldization) are worth mentioning. The first is the annual "Big Mac Index" (part of "burgernomics"), published, tongue-in-cheek, by a prestigious magazine, the *Economist*. It indicates the purchasing power of various currencies around the world based on the local price (in dollars) of the Big Mac. The Big Mac is used because it is a uniform commodity sold in many different nations. In the 2007 survey, a Big Mac in the United States cost an average of \$3.22; in China it was \$1.41; in Switzerland it cost \$5.5; the costliest was \$7.44 in Iceland. This measure indicates, at least roughly, where the cost of living is high or low, as well as which currencies are undervalued (China) and which are overvalued (Switzerland). Although the *Economist* is calculating the Big Mac Index only half-seriously, the index represents the ubiquity and importance of McDonald's around the world.

The second indicator of the global significance of McDonald's is the idea developed by Thomas Friedman that "no two countries that both have a McDonald's have ever fought a war since they each got McDonald's." Friedman calls this the "Golden Arches Theory of Conflict Prevention." Another tongue-in-cheek idea, it implies that the path to world peace lies through the continued international expansion of McDonald's. Unfortunately, it was proved wrong by the NATO bombing of Yugoslavia in 1999, which had McDonald's at the time (as of 2007, there are 16 McDonald's there).

To many people throughout the world, McDonald's has become a sacred institution. At that opening of the McDonald's in Moscow, a worker spoke of it "as if it were the Cathedral in Chartres [...] a place to experience 'celestial joy.'" Kowinski argues that indoor shopping malls, which almost always encompass fast-food restaurants, are the modern "cathedrals of consumption" to which people go to practice their "consumer religion." Similarly, a visit to another central element of McDonaldized society, Walt Disney World, has been described as "the middle-class hajj, the compulsory visit to the sunbaked holy city."

[...]

## The Dimensions of McDonaldization

Why has the McDonald's model proven so irresistible? Eating fast food at McDonald's has certainly become a "sign" that, among other things, one is in tune with the contemporary lifestyle. There is also a kind of magic or enchantment associated with such food and its settings. The focus here, however, is on the four alluring dimensions that lie at the heart of the success of this model and, more generally, of McDonaldization. In short, McDonald's has succeeded because it offers consumers, workers, and managers efficiency, calculability, predictability, and control. [...]

### Efficiency

One important element of the success of McDonald's is *efficiency*, or the optimum method for getting from one point to another. For consumers, McDonald's

(its drive-through is a good example) offers the best available way to get from being hungry to being full. The fast-food model offers, or at least appears to offer, an efficient method for satisfying many other needs, as well. Woody Allen's orgasmatron offered an efficient method for getting people from quiescence to sexual gratification. Other institutions fashioned on the McDonald's model offer similar efficiency in exercising, losing weight, lubricating cars, getting new glasses or contacts, or completing income tax forms. Like their customers, workers in McDonaldized systems function efficiently by following the steps in a pre-designed process.

### Calculability

*Calculability* emphasizes the quantitative aspects of products sold (portion size, cost) and services offered (the time it takes to get the product). In McDonaldized systems, quantity has become equivalent to quality; a lot of something, or the quick delivery of it, means it must be good. As two observers of contemporary American culture put it, "As a culture, we tend to believe deeply that in general 'bigger is better.'" People can quantify things and feel that they are getting a lot of food for what appears to be a nominal sum of money (best exemplified by the McDonald's current "Dollar Menu," which played a key role in recent years in leading McDonald's out of its doldrums and to steadily increasing sales). In a recent Denny's ad, a man says, "I'm going to eat too much, but I'm never going to pay too much." This calculation does not take into account an important point, however: the high profit margin of fast-food chains indicates that the owners, not the consumers, get the best deal.

People also calculate how much time it will take to drive to McDonald's, be served the food, eat it, and return home; they then compare that interval to the time required to prepare food at home. They often conclude, rightly or wrongly, that a trip to the fast-food restaurant will take less time than eating at home. This sort of calculation particularly supports home delivery franchises such as Domino's, as well as other chains that emphasize saving time. A notable example of time savings in another sort of chain is LensCrafters, which promises people "Glasses fast, glasses in one hour." H&M is known for its "fast fashion."

Some McDonaldized institutions combine the emphases on time and money. Domino's promises pizza delivery in half an hour, or the pizza is free. Pizza Hut will serve a personal pan pizza in 5 minutes, or it, too, will be free.

Workers in McDonaldized systems also emphasize the quantitative rather than the qualitative aspects of their work. Since the quality of the work is allowed to vary little, workers focus on things such as how quickly tasks can be accomplished. In a situation analogous to that of the customer, workers are expected to do a lot of work, very quickly, for low pay.

#### Predictability

McDonald's also offers *predictability*, the assurance that products and services will be the same over time and in all locales. The Egg McMuffin in New York will be, for all intents and purposes, identical to those in Chicago and Los Angeles. Also, those eaten next week or next year will be identical to those eaten today. Customers take great comfort in knowing that McDonald's offers no surprises. People know that the next Egg McMuffin they eat will not be awful, although it will not be exceptionally delicious, either. The success of the McDonald's model suggests that many people have come to prefer a world in which there are few surprises. "This is strange," notes a British observer, "considering [McDonald's is] the product of a culture which honours individualism above all."

The workers in McDonaldized systems also behave in predictable ways. They follow corporate rules as well as the dictates of their managers. In many cases, what they do, and even what they say, is highly predictable.

#### Control

The fourth element in the success of McDonald's, *control*, is exerted over the people who enter the world of McDonald's. Lines, limited menus, few options, and uncomfortable seats all lead diners to do what management wishes them to do - eat quickly and leave. Furthermore, the drive-through (in some cases, walk-through) window invites diners to leave before they eat. In the Domino's model, customers never enter in the first place.

The people who work in McDonaldized organizations are also controlled to a high degree, usually more blatantly and directly than customers. They are trained to do a limited number of things in precisely the way they are told to do them. This control is reinforced by the technologies used and the way the organization is set up to bolster this control. Managers and inspectors make sure that workers toe the line.

### A Critique of McDonaldization: the Irrationality of Rationality

McDonaldization offers powerful advantages. In fact, efficiency, predictability, calculability, and control through nonhuman technology (that is, technology that controls people rather than being controlled by them) can be thought of as not only the basic components of a rational system but also as powerful advantages of such a system. However, rational systems inevitably spawn irrationalities. The downside of McDonaldization will be dealt with most systematically under the heading of the irrationality of rationality; in fact, paradoxically, the irrationality of rationality can be thought of as the fifth dimension of McDonaldization [...]

Criticism, in fact, can be applied to all facets of the McDonaldizing world. As just one example, at the opening of Euro Disney, a French politician said that it will "bombard France with uprooted creations that are to culture what fast food is to gastronomy." Although McDonaldization offers many advantages [...], this book will focus on the great costs and enormous risks of McDonaldization. McDonald's and other purveyors of the fast-food model spend billions of dollars each year detailing the benefits of their system. Critics of the system, however, have few outlets for their ideas. For example, no one sponsors commercials between Saturday-morning cartoons warning children of the dangers associated with fast-food restaurants.

Nonetheless, a legitimate question may be raised about this critique of McDonaldization: is it animated by a romanticization of the past, an impossible desire to return to a world that no longer exists? Some critics do base their critiques on nostalgia for a time when life was slower and offered more surprises, when at least some people (those who were better off economically)

were freer, and when one was more likely to deal with a human being than a robot or a computer. Although they have a point, these critics have undoubtedly exaggerated the positive aspects of a world without McDonald's, and they have certainly tended to forget the liabilities associated with earlier eras. As an example of the latter, take the following anecdote about a visit to a pizzeria in Havana, Cuba, which in some respects is decades behind the United States:

The pizza's not much to rave about - they scrimp on tomato sauce, and the dough is mushy.

It was about 7:30 p.m., and as usual the place was standing-room-only, with people two deep jostling for a stool to come open and a waiting line spilling out onto the sidewalk.

The menu is similarly Spartan [...] To drink, there is tap water. That's it - no toppings, no soda, no beer, no coffee, no salt, no pepper. And no special orders.

A very few people are eating. Most are waiting [...] Fingers are drumming, flies are buzzing, the clock is ticking. The waiter wears a watch around his belt loop, but he hardly needs it; time is evidently not his chief concern. After a while, tempers begin to fray.

But right now, it's 8:45 p.m. at the pizzeria, I've been waiting an hour and a quarter for two small pies.

Few would prefer such a restaurant to the fast, friendly, diverse offerings of, say, Pizza Hut. More important, however, critics who revere the past do not seem to realize that we are not returning to such a world. In fact, fast-food restaurants have begun to appear even in Havana (and many more are likely after the death of Fidel Castro). The increase in the number of people crowding the planet, the acceleration of technological change, the increasing pace of life - all this and more make it impossible to go back to the world, if it ever existed, of home-cooked meals, traditional restaurant dinners, high-quality foods, meals loaded with surprises, and restaurants run by chefs free to express their creativity.

It is more valid to critique McDonaldization from the perspective of a conceivable future. Unfettered by the constraints of McDonaldized systems, but using the technological advances made possible by them, people could have the potential to be far more thoughtful, skillful, creative, and well-rounded than they are now.

In short, if the world was less McDonaldized, people would be better able to live up to their human potential.

We must look at McDonaldization as both "enabling" and "constraining." McDonaldized systems enable us to do many things we were not able to do in the past; however, these systems also keep us from doing things we otherwise would do. McDonaldization is a "double-edged" phenomenon. We must not lose sight of that fact, even though this book will focus on the constraints associated with McDonaldization - its "dark side."

### Illustrating the Dimensions of McDonaldization: the Case of IKEA

An interesting example of McDonaldization, especially since it has its roots in Sweden rather than the United States, is IKEA. Its popularity stems from the fact that it offers at very low prices trendy furniture based on well-known Swedish designs. It has a large and devoted clientele throughout the world. What is interesting about IKEA from the point of view of this book is how well it fits the dimensions of McDonaldization. The similarities go beyond that, however. For example, just as with the opening of a new McDonald's, there is great anticipation over the opening of the first IKEA in a particular location. Just the rumor that one was to open in Dayton, Ohio, led to the following statement: "We here in Dayton are peeing our collective pants waiting for the IKEA announcement." IKEA is also a global phenomenon - it is now in 34 countries (including China and Japan) and sells in those countries both its signature products as well as those more adapted to local tastes and interests.

In terms of *efficiency*, IKEA offers one-stop furniture shopping with an extraordinary range of furniture. In general, there is no waiting for one's purchases, since a huge warehouse is attached to each store (one often enters through the warehouse), with large numbers of virtually everything in stock.

Much of the efficiency at IKEA stems from the fact that customers are expected to do a lot of the work:

- Unlike McDonald's, there are relatively few IKEA's in any given area; thus, customers most often spend many hours driving great distances to get to a store. This is known as the "IKEA road trip."

- On entry, customers are expected to take a map to guide themselves through the huge and purposely maze-like store (IKEA hopes, like Las Vegas casinos, that customers will get "lost" in the maze and wander for hours, spending money as they go). There are no employees to guide anyone, but there are arrows painted on the floor that customers can follow on their own.
- Also upon entry, customers are expected to grab a pencil and an order form and to write down the shelf and bin numbers for the larger items they wish to purchase; a yellow shopping bag is to be picked up on entry for smaller items. There are few employees and little in the way of help available as customers wander through the stores. Customers can switch from a shopping bag to a shopping cart after leaving the showroom and entering the marketplace, where they can pick up other smaller items.
- If customers eat in the cafeteria, they are expected to clean their tables after eating. There is even this helpful sign: "Why should I clean my own table? At IKEA, cleaning your own table at the end of your meal is one of the reasons you paid less at the start."
- Most of the furniture sold is unassembled in flat packages, and customers are expected to load most of the items (except the largest) into their cars themselves. After they get home, they must break down (and dispose) of the packaging and then put their furniture together; the only tool supposedly required is an Allen wrench.
- If the furniture does not fit into your car, you can rent a truck on site to transport it home or have it delivered, although the cost tends to be high, especially relative to the price paid for the furniture.
- To get a catalog, customers often sign up online.

*Calculability* is at the heart of IKEA, especially the idea that what is offered is at a very low price. Like a McDonald's "Dollar Menu," one can get a lot of furniture - a roomful, even a houseful - at bargain

prices. As with value meals, customers feel they are getting value for their money. (There is even a large cafeteria offering low-priced food, including the chain's signature Swedish meatballs and 99-cent breakfasts.) However, as is always the case in McDonaldized settings, low price generally means that the quality is inferior, and it is often the case that IKEA products fall apart in relatively short order. IKEA also emphasizes the huge size of its stores, which often approach 300,000 square feet or about four to five football fields. This mammoth size leads the consumer to believe that there will be a lot of furniture offered (and there is) and that, given the store's reputation, most of it will be highly affordable.

Of course, there is great *predictability* about any given IKEA - large parking lots, a supervised children's play area (where IKEA provides personnel, but only because supervised children give parents more time and peace of mind to shop and spend), the masses of inexpensive, Swedish-design furniture, exit through the warehouse and the checkout counters, boxes to take home with furniture requiring assembly, and so on.

An IKEA is a highly *controlled* environment, mainly in the sense that the maze-like structure of the store virtually forces the consumer to traverse the entire place and to see virtually everything it has to offer. If one tries to take a path other than that set by IKEA, one is likely to become lost and disoriented. There seems to be no way out that does not lead to the checkout counter, where you pay for your purchases.

There are a variety of *irrationalities* associated with the rationality of IKEA, most notably the poor quality of most of its products. Although the furniture is purportedly easy to assemble, many are more likely to think of it as "impossible-to-assemble." Then there are the often long hours required to get to an IKEA, to wander through it, to drive back home, and then to assemble the purchases.

[...]



## READING 58

## McDonaldization and the Global Culture of Consumption

**Malcolm Waters**

On the face of it [...] Ritzer offers a persuasive case that McDonaldization is an influential globalizing flow. The imperatives of the rationalization of consumption appear to drive McDonald's and like enterprises into every corner of the globe so that all localities are assimilated. The imperatives of such rationalization are expressed neatly:

Consumption is work, it takes time and it competes with itself since choosing, hauling, maintaining and repairing the things we buy is so time-consuming that we are forced to save time on eating, drinking, sex, dressing, sleeping, exercising and relaxing. The result is that Americans have taught us to eat standing, walking, running and driving - and, above all, never to finish a meal in favour of the endless snack [...] we can now pizza, burger, fry and coffee ourselves as quickly as we can gas our autos.

[...] The globalization of "McTopia," a paradise of effortless and instantaneous consumption, is also underpinned by its democratizing effect. It democratizes by de-skilling, but not merely by de-skilling McWorkers but also by de-skilling family domestic labor. The kitchen is invaded by frozen food and microwaves so that domestic cooks, usually women, can provide McDonaldized fare at home. In the process, non-cooks, usually men and children, can share the cooking. Meals can become "de-familized" (i.e., de-differentiated) insofar as all members can cook, purchase, and consume the same fatty, starchy, sugary foods. Consequently, while "America is the only country in the world where the rich eat as badly as the poor," the appeal of such "gastronomic leveling" can serve as a magnet for others elsewhere.

However, we can put in perspective the alarmist in Ritzer's neo-Weberian suggestions that globalization

will lead to a homogenized common culture of consumption if we expose them to the full gamut of globalization theory. Globalization theory normally specifies that a globalized culture is chaotic rather than orderly - it is integrated and connected so that the meanings of its components are "relativized" to one another but it is not unified or centralized. The absolute globalization of culture would involve the creation of a common but hyperdifferentiated field of value, taste, and style opportunities, accessible by each individual without constraint for purposes either of self-expression or consumption. Under a globalized cultural regime, Islam would not be linked to particular territorially based communities in the Middle East, North Africa, and Asia but would be universally available across the planet and with varying degrees of "orthodoxy." Similarly, in the sphere of the political ideology, the apparently opposed political values of private property and power sharing might be combined to establish new ideologies of economic enterprise. In the sphere of consumption, cardboard hamburgers would be available not only in Pasadena but anywhere in the world, just as classical French cuisine would be available not only in Escoffier's in Paris but anywhere. A globalized culture thus admits a continuous flow of ideas, information, commitment, values, and tastes mediated through mobile individuals, symbolic tokens, and electronic simulations. Its key feature is to suggest that the world is one place not because it is homogenized but because it accepts only social differentiation and not spatial or geographical differentiation.

These flows give a globalized culture a particular shape. First, it links together previously encapsulated and formerly homogeneous cultural niches. Local developments and preferences are ineluctably shaped by similar patterns occurring in very distant locations. Second, it allows for the development of genuinely

transnational cultures not linked to any particular nation-state-society, which may be either novel or syncretistic. Appadurai's increasingly influential argument about the global cultural economy identifies several of the important fields in which these developments take place. The fields are identified by the suffix "-scape"; that is, they are globalized mental pictures of the social world perceived from the flows of cultural objects. The flows include ethnoscaples, the distribution of mobile individuals (tourists, migrants, refugees, etc.); technoscaples, the distribution of technology; finanscaples, the distribution of capital; mediascaples, the distribution of information; and ideoscaples, the distribution of political ideas and values (e.g., freedom, democracy, human rights).

McDonaldization infiltrates several of these flows, including ethnoscaples, technoscaples, finanscaples, and ideoscaples. However, its effects are by no means universally homogenizing. The dynamics that are at work center on processes of relativization, reflexivity, and localization that operate against the assumed capacity of McDonaldization to regiment consumer behavior into uniform patterns. The return of agency that many authors have identified is not simply a series of isolated and individualized coping reactions of the type advocated by Ritzer in *McDonaldization* but a generalized feature of contemporary society that arises from the intersection of these globalizing flows. Indeed, such developments might be called the dysfunctions of McDonaldization in much the way that post-Weberian organizational theorists wrote of the dysfunctions of bureaucracy [...]

The term "relativization" [...] implies that globalizing flows do not simply swamp local differences. Rather, it implies that the inhabitants of local contexts must now make sense of their lifeworlds not only by reference to embedded traditions and practices but by reference to events occurring in distant places. McDonaldization is such an intrusive, neonistic development that it implies decisions about whether to accept its modernizing and rationalizing potential or to reject it in favor of a reassertion of local products and traditions. In some instances, this may involve a reorganization of local practices to meet the challenge. If we remain at the mundane level of hamburgers to find our examples, there is a story about the introduction of McDonald's in the Philippines that can illustrate the point:

Originally, Filipino hamburger chains marketed their product on the basis of its "Americanness." However, when McDonald's entered the field and, as it were, monopolized the symbols of "Americanness," the indigenous chains began to market their product on the basis of local taste.

The relativization effect of McDonaldization goes of course much further than this because it involves the global diffusion not only of particular products but of icons of American capitalist culture. Relativizing reactions can therefore encompass highly generalized responses to that culture, whether positive or negative.

As people increasingly become implicated in global cultural flows they also become more reflexive. [...] Participation in a global system means that one's life-world is determined by impersonal flows of money and expertise that are beyond one's personal or even organizational control. If European governments cannot even control the values of their currencies against speculation, then individual lifeworlds must be highly vulnerable. Aware of such risk, people constantly watch, seek information about, and consider the value of money and the validity of expertise. Modern society is therefore specifically reflexive in character. Social activity is constantly informed by flows of information and analysis that subject it to continuous revision and thereby constitute and reproduce it. "Knowing what to do" in modern society, even in such resolutely traditional contexts as kinship or child rearing, almost always involves acquiring knowledge about how to do it from books, or television programs, or expert consultations, rather than relying on habit, mimesis, or authoritative direction from elders. McDonaldization is implicated in this process precisely because it challenges the validity of habit and tradition by introducing expertly rationalized systems, especially insofar as its capacity to commercialize and to commodify has never been in doubt.

The concept of localization is connected with the notions of relativization and reflexivity. The latter imply that the residents of a local area will increasingly come to want to make conscious decisions about which values and amenities they want to stress in their communities and that these decisions will increasingly be referenced against global scapes. Localization implies a reflexive reconstruction of community in the face of

the dehumanizing implications of such rationalizing and commodifying forces as McDonaldization. The activist middle classes who mobilize civic initiatives and heritage preservation associations often stand in direct opposition to the expansion of McDonaldized outlets and hark back to an often merely imagined prior golden age.

Returning to more abstract issues, these three processes can assure us that a globalized world will not be a McWorld. It is a world with the potential for the displacement of local homogeneity not by global homogeneity but by global diversity. Three developments can confirm this hopeful prognosis.

First, one of the features of Fordist mass-production systems, of which McDonaldization might be the ultimate example, is that they sought to standardize at the levels of both production and consumption. Ultimately, they failed not only because they refused to recognize that responsible and committed workers would produce more in quantity and quality than controlled and alienated ones but because markets for standardized products became saturated. The succeeding paradigm of "flexible specialization" involved flexibly contracted workers using multiple skills and computerized machinery to dovetail products to rapidly shifting market demand. So consumer products took on a new form and function. Taste became the only determinant of their utility, so it became ephemeral and subject to whim. Product demand is determined by fashion, and unfashionable products are disposable. Moreover, taste and fashion became linked to social standing as product-based classes appeared as central features of social organization.

The outcome has been a restless search by producers for niche-marketing strategies in which they can multiply product variation in order to match market demand. In many instances, this has forced a down-scaling of enterprises that can maximize market sensitivity. Correspondingly, affluent consumers engage in a restless search for authenticity. The intersection of these trends implies a multiplication of products and production styles. The world is becoming an enormous bazaar as much as a consumption factory. One of the most impressive examples of consumer and producer resistance to rationalization is the French bread industry, which is as non-McDonaldized as can be. [...] Consumers and producers struggled collec-

tively against invasions by industrialized bakers, the former to preserve the authenticity of their food, the latter to maintain independent enterprises. Bread-baking is an artisanal form of production that reproduces peasant domestic traditions. About 80 percent of baking (Ritzer's *Croissantenes* notwithstanding) is still done in small firms. The product, of course, is the envy of global, middle-class consumers.

This diversification is accelerated by an aestheticization of production. As is well known, the history of modern society involves an increasing production of mass-cultural items. For most of this century, this production has been Fordist in character, an obvious example being broadcasting by large-scale private or state TV networks to closed markets. Three key features in the current period are the deregulation of markets by the introduction of direct-satellite and broadband fiber-optic technology; the vertical disintegration of aesthetic production to produce "a transaction-rich nexus of markets linking small firms, often of one self-employed person"; and the tendency of de-differentiation of producer and consumer within emerging multimedia technologies associated with the Internet and interactive television. The implication is that a very rapidly increasing proportion of consumption is aesthetic in character, that aesthetic production is taking place within an increasingly perfectionalized market, and that these aesthetic products are decreasingly susceptible to McDonaldization. An enormous range of individualized, unpredictable, inefficient, and irrational products can be inspected simply by surfing the Internet.

The last development that can disconfirm the thesis of a homogenized global culture is the way in which globalization has released opposing forces of opinion, commitment, and interest that many observers find threatening to the fabric of society and indeed to global security. One of these is the widespread religious revivalism that is often expressed as fundamentalism. Globalization carries the discontents of modernization and postmodernization (including McDonaldization) to religious traditions that might previously have remained encapsulated. [...] Religious systems are obliged to relativize themselves to these global postmodernizing trends. This relativization can involve an embracement of postmodernizing patterns, an abstract and humanistic ecumenism, but it can also take the



form of a rejective search for original traditions. It is this latter that has given rise to both Islamic fundamentalism and [...] the New Christian Right.

Globalization equally contributes to ethnic diversity. It pluralizes the world by recognizing the value of cultural niches and local abilities. Importantly, it weakens the putative nexus between nation and state releasing absorbed ethnic minorities and allowing the reconstitution of nations across former state boundaries. This is especially important in the context of states that are confederations of minorities. It can actually alter the mix of ethnic identities in any nation-state by virtue of the flow of economic migrants from relatively disadvantaged sectors of the globe to relatively advantaged ones. Previously homogeneous nation-states have, as a consequence, moved in the direction of multiculturalism.

## Conclusion

The paradox of McDonaldization is that in seeking to control consumers it recognizes that human individuals potentially are autonomous, a feature that is notoriously lacking in "cultural dupe" or "couch potato" theories of the spread of consumer culture. As dire as they may be, fast-food restaurants only take money in return for modestly nutritious and palatable fare. They do not seek to run the lives of their customers, although they might seek to run their diets. They attract rather than coerce so that one can always choose not to enter. Indeed, advertising gives consumers the message, however dubious, that they are exercising choice.

It might therefore be argued, *contra* Ritzer, that consumer culture is the source of the increased cultural effectivity that is often argued to accompany globalization and postmodernization. Insofar as we have a consumer culture, the individual is expected to exercise choice. Under such a culture, political issues and work can equally become items of consumption. A liberal-democratic political system might only be possible where there is a culture of consumption precisely because it offers the possibility of election - even if such a democracy itself tends to become McDonaldized, as leaders become the mass-mediated images of photo opportunities and juicy one-liners, and issues are drawn in starkly simplistic packages. Equally, work

can no longer be expected to be a duty or a calling or even a means of creative self-expression. Choice of occupation, indeed choice of whether to work at all, can be expected increasingly to become a matter of status affiliation rather than of material advantage.

Ritzer is about right when he suggests that McDonaldization is an extension, perhaps the ultimate extension, of Fordism. However, the implication is that just as one now has a better chance of finding a Fordist factory in Russia or India than in Detroit, it should not surprise us to find that McDonaldization is penetrating the furthest corners of the globe, and there is some indication that, as far as the restaurant goes, there is stagnation if not yet decline in the homeland. McDonaldization faces post-Fordist limits and part of the crisis that these limits imply involves a transformation to a chaotic, taste- and value-driven, irrational, and possibly threatening global society. It will not be harmonious, but the price of harmony would be to accept the predominance of Christendom, or Communism, or Fordism, or McDonaldism.

This chapter, then, takes issue with the position taken by Ritzer. [...] First, there is a single globalization-localization process in which local sensibilities are aroused and exacerbated in fundamentalist forms by such modernizing flows as McDonaldization. Even in the fast-food realm, McDonaldization promotes demands for authenticity, even to the extent of the fundamentalism of vegetarianism. Second, the emerging global culture is likely to exhibit a rich level of diversity that arises out of this intersection. Globalization exposes each locality to numerous global flows so that any such locality can accommodate, to use food examples once again, not only burgers but a kaleidoscope of ethnically diverse possibilities hierarchically ordered by price and thus by the extent to which the meal has been crafted as opposed to manufactured. Thus while it is not possible to escape the ubiquity of McDonald's in one sense, the golden arches are indeed everywhere, in another it certainly is, one can simply drive by and buy either finger food from a market stall or haute cuisine at a high priced restaurant. Ritzer is not wrong then to argue that McDonaldization is a significant component of globalization. Rather, he is mistaken in assuming first that globalization must be understood as homogenization and second that McDonaldization only has homogenizing effects.

 READING 59

## The McDonald's Mosaic: Glocalization and Diversity

**Bryan S. Turner**

There is considerable ethnographic evidence that McDonald's outlets have adjusted to local circumstances by incorporating local cuisines and values into their customer services. The success of global McDonald's has been to organize and present itself as a local company, where it specifically aims to incorporate local taste and local dishes - the curry potato pie from Hong Kong, the Singapore Loveburger (grilled chicken, honey, and mustard sauce), and the Teriyaki burger (sausage patty) and the Tukbul burger with cheese for the Korean market. Let us take the Russian example. The Russian experience of Western culture in the last decade has been intensely ambiguous. The obvious seduction of Western consumerism that had begun in the 1970s continued into the early 1990s, and young people in particular rushed to embrace the latest Western consumer goods and habits. Yet unsurprisingly, the promise of a widespread democratic consumer culture has not been fulfilled. Among older Russians, there has been a growing nostalgia for a putative Russian "way of doing things" and a concomitant suspicion of Western cultural institutions.

In this context of disappointed ambitions and expectations, one would expect McDonald's to be an obvious target of Russian hostility. Even in Western countries themselves, McDonald's is often seen as representative of the detrimental, exploitative, and pervasive reach of global capitalism. For many critics, McDonald's exploits and poisons workers. Its culture of fast and unimaginative food is symbolic of the worst aspects of consumerism. From a Russian perspective, the characteristics of McDonald's, including its style - such as its particular forms of graphic design and its presentation of food - its emphasis on customer service and training, and its standardized global presence are decidedly Western. Russia is a society in which, as a result of its communist legacy, personal service,

friendliness, and helpfulness are still corrupt bourgeois customs.

Of interest, however, Russians have a decidedly ambivalent view of McDonald's, in part because they are pragmatic in their responses to Western influences. Seventy years of Soviet rule has taught them to be judicious in their use of principle because they have learned to live with inconsistency and contradiction. McDonald's offers a surfeit of cultural contradiction because, notwithstanding the overtly Western style of McDonald's, there are also numerous forms of convergence with Russian habits and values.

First, there is the compatibility of the Fordist labor process, food process, and purchasing protocols in McDonald's with those that were developed during the Soviet period in Russia and that have continued under postcommunism. These processes and protocols, although often different in content, are consistently Fordist in form and structure. In both a McDonald's and postcommunist setting, there are clear expectations of standardized and predictable products, delivery of products, staff and their uniform dress, and consumer protocols. In both settings, production and social interaction are rule driven and steered through authoritarian decision-making processes.

Second, the formal standardized structure and method of operation of a McDonald's restaurant is underpinned by an egalitarian ethos. In particular, the egalitarian ethos in Russia has been manifested in disdain for the external trappings of a service culture (as a sign of inequality) and is currently manifested in popular contempt for the ostentatious consumption of "the new Russians." McDonald's presents its food as sustenance for the "common people." In addition, the way of eating the food, using hands rather than knives and forks, appeals to ordinary people in a country where haute cuisine has been seen as, and continues to be

defined as, a form of cultural pretension. The service culture of McDonald's is based on a commitment to a formal equality between customer and service assistant.

Finally, the actual content of McDonald's food has a definite appeal to Russian taste. For example, McDonald's food, such as the buns, sauces, and even the meat, tends to be sweeter than the average European or Asian cuisine. Desserts are generally based on dairy produce and include exceedingly sweet sauces. Potato chips and fried chicken appeal to the Russian preference for food fried in saturated fat rather than food that is grilled or uncooked. Thus, although McDonald's might be seen as a harbinger of the worst of Western cultural imperialism, the pragmatic Russian will usually be prepared to frequent McDonald's restaurants because of the quality and compatibility of the food with Russian taste and the familiarity of the setting and delivery process. However, the cost of McDonald's food in Russia is prohibitive and for many is a luxury item for which the average family must save.

In Australia, by contrast, McDonald's culture is highly compatible with a society that has embraced egalitarianism to such an extent that cultural distinction is explicitly rejected in such popular expressions as "to cut down tall poppies" and by the emphasis on mateship. Historically, the Australian food consumption has contained a high level of meat, especially lamb and beef. Dietary innovations such as replacing lard by canola resulted in a 50% cut in sales in Sydney stores. McDonald's has been particularly successful down under, where it is claimed by the *Weekend Australian* that a million Australians consume more than \$4.8 million burgers, fries, and drinks at the 683 McDonald's stores each day. McDonald's arrived in Australia in 1971, opening 118 stores in its first year. The company had an important impact on services in Australia, where it led the way in modernizing work practices, corporate culture, and philanthropy. Their business strategy involved the development of community and educational links through Rotary clubs and churches. McDonald's successfully survived much local criticism against American cultural imperialism and developed educational programs that have been addressed to kindergartens and schools. McDonald's built playgrounds and distributed toys. Through the development of McHappy Day, it donates generously to hospitals and charities. It also developed Ronald McDonald

House Charities that in 2001 raised \$2.4 million for charity. Ray Kroc's four commandments - quality, service, cleanliness, and value - have been adopted as core elements in a two-unit educational diploma that can be taken in certain Australian high schools as components of their educational experience.

Although it has been a significant commercial success and now controls 42% of the fast-food market, the high-water mark was achieved in the mid 1990s when 145 stores were opened in the space of 2 years. Sales figures have become static, customer satisfaction is declining, and McDonald's has been the subject of public criticism. McDonald's suffered economically when the Liberal Government of John Howard introduced the GST (General Sales Tax) and McDonald's hamburgers were not exempt. The result was 10% decline in sales, and they failed to achieve their target of 900 stores by the year 2000. McDonald's has responded to this decline in several ways, including the diversification of their products into McCafes and by moving upmarket into Mexican-style restaurants and sandwich bars.

In Asia, McDonald's outlets have been successful in penetrating local markets. In the process, however, McDonald's products have been changing. The doctrine that societies that are connected by trade do not go to war is being tested in the case of China and Taiwan. For example, Taiwan has 341 and the People's Republic of China has 326 McDonald's restaurants. The new Chinese elite in its drive to industrialize and modernize society has accepted McDonald's outlets because McDonald's is seen to epitomize healthy food based on nutritious ingredients and scientific cooking. Although the Party is still in control and formally promotes communist ideals of loyalty and dedication, young people have adopted the Ronald McDonald backpack as a sign of modernist consumerism. McDonald's entered Taiwan in 1984, where it now sells 92 million hamburgers and 60 million McNuggets to a population of 22.2 million. McDonald's has become ubiquitous partly by adding corn soup to its regular menu once it was realized that no meal is complete without soup. McDonald's in Taiwan also abandoned its antiloitering policy once it accepted the fact that students saw the air-conditioned McDonald's as an attractive and cool venue for study. Other changes in this densely populated society followed, such as building three-storey outlets that can seat more than 250 people at a time.

South Korea is another society that enthusiastically embraced McDonald's. The first outlet was opened in Apkujong-dong in Seoul during the 1988 Olympic Games and expanded rapidly to become the second largest fast-food service retailer after Lotteria. The World Cup provided important marketing opportunities for McDonald's, and the company sought to increase its outlets, adding another 100 restaurants. The company initiated a "Player Escort" scheme to select Korean children to participate by escorting soccer players to the football dome. The current McDonald's president Kim Hyung-soo has adopted the sociological expression "glocalization" to describe the customization of McDonald's menus to satisfy the demands of local customers by developing Korean-style burgers such as Bulgogi Burger and Kimchi Burger. Another promotional strategy has been to make Internet available in its restaurants located in famous hang-out places for Korean youth, such as the ASEM mall and Shinohon.

The market in Asia is also diversifying as further Westernized commodities and lifestyles are imported. [...] The growing demand for coffee in Asia, where it is now beginning to challenge the cultural hegemony of tea. [...] in the last 5 years, Starbucks has become as widespread as McDonald's. [...]

McDonald's has responded by creating McSnack. [...] It offers chicken and beef curry rice, bagels and English muffin sandwiches, and waffles. It also offers nine different hot and cold coffee drinks. The important feature of the coffee craze is that Korean customers expect to loiter in the outlets, which are used as meeting places and spaces for study. McDonald's staff tolerate customers who sit for hours inside the restaurant or on chairs outside hardly buying anything. During their university examinations period, students are packed into McSnack and so actual customers often find it difficult to secure a seat. Customers also bring food into McSnack from other restaurants to eat at the nice, clean, air-conditioned outlets.

These national case studies show us how McDonald's fast-food outlets interact with local cultures. Perhaps the best illustration of these local tensions is in the Middle East, where 300 McDonald's have opened, mainly following the Gulf war. McDonald's has been successful in Saudi Arabia, where McDonald's has spread rapidly, despite periodic fundamentalist boycotts, and where its stores are closed five times a day for

prayers. The company now intends to open McDonald's in Afghanistan. In Turkey, McDonald's started to open branches in the 1980s in Istanbul and Ankara. Although McDonald's has expanded to around 100 outlets, almost half of these are in Istanbul. There is a McDonald's in Kayseri, the center of the Islamist vote in Istanbul. The only remarkable protest against McDonald's was held at the Middle East Technical University when it tried to open a branch there in the 1990s, but this protest came from socialists not Islamic students. Ironically, Muslim couples often use McDonald's as a place to meet because they know that their traditionalist parents would not dine there. McDonald's in Turkey also has been sensitive to Islamic norms and it offers *ifiar*, an evening meal served during Ramadan. In Egypt, McDonald's has also become popular and serves sandwiches, Egyptian boulettes, and other local items. Although Egyptian intellectuals condemn Kentucky Fried Chicken and McDonald's as examples of Western corruption of local taste and cuisine, McDonald's now exists without conflict alongside street vendors and local cafes.

McDonald's outlets have paradoxically been popular in many Muslim societies, despite strong anti-American sentiments, because parents recognize them as places where alcohol will not be served. In addition, the mildly exotic Western taste of a burger and fries is an alternative to local fare. Indonesian youth use McDonald's in the same way that Western youth gravitate toward shopping malls. With temperatures consistently in the 30°C range (90°F) and humidity often more than 80%, McDonald's is simply a convenient, clean, and cool place to be. The company has once more adapted to local taste by introducing sweet iced tea, spicy burgers, and rice. The economic crisis in early 1998 forced McDonald's to experiment with a cheaper menu as the price of burgers exploded. McDonald's customers remained with the company to consume McTime, PaNas, and Paket Nasi. For many years, McDonald's has advertised its products as *halal*, reassuring its Muslim customers that its products are religiously clean. Similar to Egyptian McDonald's, in Indonesia, a postsunset meal is offered as a "special" during Ramadan. To avoid any criticism of Americanization, McDonald's is a local business that is owned by a Muslim, whose advertising banners proclaim in Arabic that McDonald's Indonesia is fully owned by

an indigenous Muslim. Proprietors also will proudly boast their Muslim status by the use of post-pilgrimage titles such as *Haji*.

## Conclusions: Cultural Liquidity

These local case studies show how the rational model of McDonald's adjusts to local cultural preferences, but the result is a diminution of the original McDonald's product (the burger and fries). In fact, the more the company adjusts to local conditions, the more the appeal of the specifically American product may be lost. At the end of the day, McDonald's simply is a burger joint. Therefore [...] we need to distinguish between specific studies of McDonald's and macro-studies of McDonaldization as rationalization. [...] The global reach of McDonald's is hardly at issue, and I have attempted to illustrate some of the complexity

of that reach through several vignettes of McDonald's in Russia, Australia, the Middle East, and Asia. The spread of McDonald's clearly illustrates the fact that McDonaldization has been a powerful force behind the administrative rationalism of modern societies. With globalization, rationalization has become a global dimension of the basic social processes of any modern society. In this sense, the McDonaldization thesis is also a potent defense of the continuing relevance of Weber's general sociology of modernity.

More fundamentally, the diversification of McDonald's through its interaction with local cultures has produced new management strategies, consumer cultures, and product range that depart radically from the Fordist linearity of the original model. McDonald's is slowly disappearing under the weight of its fragmentation, differentiation, and adaptation. [...] The unstoppable march of McDonald's through urban society has come to an end.



## READING 60

# Transnationalism, Local :ation, and Fast Foods in East Asia

**James L. Watson**

Does the spread of fast food undermine the integrity of indigenous cuisines? Are food chains helping to create a homogeneous, global culture better suited to the needs of a capitalist world order?

[...] We do not celebrate McDonald's as a paragon of capitalist virtue, nor do we condemn the corporation as an evil empire. Our goal is to produce ethnographic accounts of McDonald's social, political, and economic impact on five local cultures. These are not small-scale cultures under imminent threat of extinction; we are dealing with economically resilient, technologically advanced societies noted for their haute cuisines. If McDonald's can make inroads in these societies, one might be tempted to conclude, it may indeed be an irresistible force for world culinary change. But isn't another scenario possible? Have people in East Asia conspired to change McDonald's, modifying

this seemingly monolithic institution to fit local conditions?

[...] The interaction process works both ways. McDonald's *has* effected small but influential changes in East Asian dietary patterns. Until the introduction of McDonald's, for example, Japanese consumers rarely, if ever, ate with their hands [...] this is now an acceptable mode of dining. In Hong Kong, McDonald's has replaced traditional teahouses and street stalls as the most popular breakfast venue. And among Taiwanese youth, French fries have become a dietary staple, owing almost entirely to the influence of McDonald's.

At the same time, however, East Asian consumers have quietly, and in some cases stubbornly, transformed their neighborhood McDonald's into a local institution. In the United States, fast food may indeed imply fast consumption, but this is certainly not the case

everywhere. In Beijing, Seoul, and Taipei, for instance, McDonald's restaurants are treated as leisure centers, where people can retreat from the stresses of urban life. In Hong Kong, middle school students often sit in McDonald's for hours - studying, gossiping, and picking over snacks; for them, the restaurants are the equivalent of youth clubs. [...] Suffice it to note here that McDonald's does not always call the shots.

## Globalism and Local Cultures

[...] The operative term is "local culture," shorthand for the experience of everyday life as lived by ordinary people in specific localities. In using it, we attempt to capture the feelings of appropriateness, comfort, and correctness that govern the construction of personal preferences, or "tastes." Dietary patterns, attitudes toward food, and notions of what constitutes a proper meal [...] are central to the experience of everyday life and hence are integral to the maintenance of local cultures.

Readers will note [...] class, gender, and status differences, especially in relation to consumption practices. One surprise was the discovery that many McDonald's restaurants in East Asia have become sanctuaries for women who wish to avoid male-dominated settings. In Beijing and Seoul, new categories of yuppies treat McDonald's as an arena for conspicuous consumption. Anthropologists who work in such settings must pay close attention to rapid changes in consumer preferences. Twenty years ago, McDonald's catered to the children of Hong Kong's wealthy elite; the current generation of Hong Kong hyperconsumers has long since abandoned the golden arches and moved up-market to more expensive watering holes (e.g., Planet Hollywood). Meanwhile, McDonald's has become a mainstay for working-class people, who are attracted by its low cost, convenience, and predictability.

One of our conclusions [...] is that societies in East Asia are changing as fast as cuisines - there is nothing immutable or primordial about cultural systems. In Hong Kong, for instance, it would be impossible to isolate what is specifically "local" about the cuisine, given the propensity of Hong Kong people to adopt new foods. [...] Hong Kong's cuisine, and with it Hong Kong's local culture, is a moving target.

Hong Kong is the quintessential postmodern environment, where the boundaries of status, style, and taste dissolve almost as fast as they are formed. What is "in" today is "out" tomorrow.

## Transnationalism and the Multilocal Corporation

It has become an academic cliché to argue that people are constantly reinventing themselves. Nevertheless, the speed of that reinvention process in places like Hong Kong, Taipei, and Seoul is so rapid that it defies description. In the realm of popular culture, it is no longer possible to distinguish between what is "local" and what is "foreign." Who is to say that Mickey Mouse is not Japanese, or that Ronald McDonald is not Chinese? To millions of children who watch Chinese television, "Uncle McDonald" (alias Ronald) is probably more familiar than the mythical characters of Chinese folklore.

We have entered here the realm of the transnational, a new field of study that focuses on the "deterritorialization" of popular culture. [...] The world economy can no longer be understood by assuming that the original producers of a commodity necessarily control its consumption. A good example is the spread of "Asian" martial arts to North and South America, fostered by Hollywood and the Hong Kong film industry. Transnationalism describes a condition by which people, commodities, and ideas literally cross - transgress - national boundaries and are not identified with a single place of origin. One of the leading theorists of this new field argues that transnational phenomena are best perceived as the building blocks of "third cultures," which are "oriented beyond national boundaries."

Transnational corporations are popularly regarded as the clearest expressions of this new adaptation, given that business operations, manufacturing, and marketing are often spread around the globe to dozens of societies.

At first glance, McDonald's would appear to be the quintessential transnational. On closer inspection, however, the company does not conform to expectations; it resembles a federation of semiautonomous enterprises. James Cantalupo, former President of McDonald's International, claims that the goal of McDonald's is to "become as much a part of the local culture as possible."

He objects when "[p]eople call us a multinational. I like to call us *multifocal*," meaning that McDonald's goes to great lengths to find local suppliers and local partners whenever new branches are opened.

[...] McDonald's International retains at least a 50 percent stake in its East Asian enterprises; the other half is owned by local operators.

### Modified Menus and Local Sensitivities: McDonald's Adapts

The key to McDonald's worldwide success is that people everywhere know what to expect when they pass through the Golden Arches. This does not mean, however, that the corporation has resisted change or refused to adapt when local customs require flexibility. [...] McDonald's restaurants in India serve Vegetable McNuggets and a mutton-based Maharaja Mac, innovations that are necessary in a country where Hindus do not eat beef, Muslims do not eat pork, and Jains (among others) do not eat meat of any type. In Malaysia and Singapore, McDonald's underwent rigorous inspections by Muslim clerics to ensure ritual cleanliness; the chain was rewarded with a *halal* ("clean," "acceptable") certificate, indicating the total absence of pork products.

Variations on McDonald's original, American-style menu exist in many parts of the world: chilled yogurt drinks (*ayran*) in Turkey, espresso and cold pasta in Italy, teriyaki burgers in Japan (also in Taiwan and Hong Kong), vegetarian burgers in the Netherlands, McSpaghetti in the Philippines, McLaks (grilled salmon sandwich) in Norway, frankfurters and beer in Germany, McHuevo (poached egg hamburger) in Uruguay. [...]

Irrespective of local variations (espresso, McLaks) and recent additions (carrot sticks), the structure of the McDonald's menu remains essentially uniform the world over: main course burger/sandwich, fries, and a drink - overwhelmingly Coca-Cola. The keystone of this winning combination is *not*, as most observers might assume, the Big Mac or even the generic hamburger. It is the fries. The main course may vary widely (fish sandwiches in Hong Kong, vegetable burgers in Amsterdam), but the signature innovation of McDonald's - thin, elongated fries cut from russet potatoes - is everpresent and consumed with great gusto by Muslims, Jews, Christians, Buddhists,

Hindus, vegetarians (now that vegetable oil is used), communists, Tories, marathoners, and armchair athletes. [...]

### Conclusion: McDonaldization versus Localization

McDonald's has become such a powerful symbol of the standardization and routinization of modern life that it has inspired a new vocabulary: McThink, McMyth, Mcjobs, McSpiritually, and, of course, McDonaldization. George Ritzer, author of a popular book titled *The McDonaldization of Society* [...] treats McDonald's as the "paradigm case" of social regimentation and argues that "McDonaldization has shown every sign of being an inexorable process as it sweeps through seemingly impervious institutions and parts of the world."

Is McDonald's in fact the revolutionary, disruptive institution that theorists of cultural imperialism deem it to be? Evidence [...] could be marshaled in support of such a view but only at the risk of ignoring historical process. There is indeed an initial, "intrusive" encounter when McDonald's enters a new market - especially in an environment where American-style fast food is largely unknown to the ordinary consumer. In five cases [...] McDonald's was treated as an exotic import - a taste of Americana - during its first few years of operation. Indeed, the company drew on this association to establish itself in foreign markets. But this initial euphoria cannot sustain a mature business.

Unlike Coca-Cola and Spam, for instance, McDonald's standard fare (the burger-and-fries combo) could not be absorbed into the preexisting cuisines of East Asia. [...] Spam quickly became an integral feature of Korean cooking in the aftermath of the Korean War; it was a recognizable form of meat that required no special preparation. Coca-Cola, too, was a relatively neutral import when first introduced to Chinese consumers. During the 1960s, villagers in rural Hong Kong treated Coke as a special beverage, reserved primarily for medicinal use. It was served most frequently as *bo ho la*, Cantonese for "boiled Cola," a tangy blend of fresh ginger and herbs served in piping hot Coke - an excellent remedy for colds. Only later was the beverage consumed by itself, first at banquets (mixed with brandy) and later for special events such as a visit by

relatives. There was nothing particularly revolutionary about Coca-Cola or Spam; both products were quickly adapted to suit local needs and did not require any radical adjustments on the part of consumers.

McDonald's is something altogether different. Eating at the Golden Arches is a total experience, one that takes people out of their ordinary routines. One "goes to" a McDonald's; it does not come to the consumer, nor is it taken home. [...]

From this vantage point it would appear that McDonald's may indeed have been an intrusive force, undermining the integrity of East Asian cuisines. On closer inspection, however, it is clear that consumers are not the automatons many analysts would have us believe they are. The initial encounter soon begins to fade as McDonald's loses its exotic appeal and gradually gains acceptance (or rejection) as ordinary food for busy consumers. The hamburger-fries combo becomes simply another alternative among many types of ready-made food.

The process of localization is a two-way street: it implies changes in the local culture as well as modifications in the company's standard operating procedures. Key elements of McDonald's industrialized system - queuing, self-provisioning, self-seating - have been accepted by consumers throughout East Asia. Other aspects of the industrial model have been rejected, notably those relating to time and space. In many parts of East Asia, consumers have turned their local McDonald's into leisure centers and after school clubs. The meaning of "fast" has been subverted in these settings: it refers to the *delivery* of food, not to its consumption. Resident managers have had little choice but to embrace these consumer trends and make virtues of them: "Students create a good atmosphere

which is good for our business," one Hong Kong manager told me as he surveyed a sea of young people chatting, studying, and snacking in his restaurant.

The process of localization correlates closely with the maturation of a generation of local people who grew up eating at the Golden Arches. By the time the children of these original consumers enter the scene, McDonald's is no longer perceived as a foreign enterprise. Parents see it as a haven of cleanliness and predictability. For children, McDonald's represents fun, familiarity, and a place where they can choose their own food - something that may not be permitted at home.

[...] Localization is not a unilinear process that ends the same everywhere. McDonald's has become a routine, unremarkable feature of the urban landscape in Japan and Hong Kong. It is so local that many younger consumers do not know of the company's foreign origins. The process of localization has hardly begun in China, where McDonald's outlets are still treated as exotic outposts, selling a cultural experience rather than food. At this writing, it is unclear what will happen to expansion efforts in Korea; the political environment there is such that many citizens will continue to treat the Golden Arches as a symbol of American imperialism. In Taiwan, the confused, and exhilarating, pace of identity politics may well rebound on American corporations in ways as yet unseen. Irrespective of these imponderables, McDonald's is no longer dependent on the United States market for its future development. [...]

As McDonald's enters the 21st century, its multilocal strategy, like its famous double-arches logo, is being pirated by a vast array of corporations eager to emulate its success. In the end, however, McDonald's is likely to prove difficult to clone.



## READING 61

# Global Implications of McDonaldization and Disneyization

**Alan Bryman**

One way in which Disneyization and McDonaldization legitimately be viewed as signals of globalization. Ritzer can be viewed as parallel processes is that both can makes this point in relation to McDonaldization in his



more recent work, and it is apparent that the dimensions of Disneyization [...] are similarly spreading throughout the globe. But what is striking about the two concepts is that they do not refer specifically to the global diffusion of products. Much of the writing on globalization is full of hyperbole about the global spread and recognizability of prominent brands: Nike, Coca-Cola, Pepsi-Cola, Pizza Hut, KFC, Benetton, Body Shop, and so on. And, of course, one could hardly disregard the golden arches of McDonald's or Mickey's ears and Walt's signature as involved in the global travels of brand names. But that is *not* what McDonaldization and Disneyization are about: they are concerned essentially with the diffusion of *modes of delivery* of goods and services. McDonaldization relates primarily to a mode of delivery in the sense of the *production* of goods and services. It is a means of providing an efficient and highly predictable product in a manner that would have appealed to people such as Ford and Taylor. It belongs to an era of mass consumption that is not disappearing but whose emphases are becoming less central to modern society with the passage of time. Disneyization is a mode of delivery in the sense of the *staging* of goods and services for consumption. It provides a context for increasing the allure of goods and services. Indeed, it may be that one of the reasons for the growing use of theming in the form of external narratives in some McDonald's restaurants has to do with the limitations of McDonaldization itself. McDonaldization's emphasis on standardization sits uneasily in an increasingly post-Fordist era of choice and variety. Theming becomes a means of reducing the sense of sameness and thereby enhancing the appeal of its products.

What is important about such a suggestion is that it is crucial to appreciate that McDonaldization and Disneyization are both *systems*, that is, they are ways of producing or presenting goods and services. One of the problems with tying the names of these systems to well-known icons of popular culture - McDonald's and Disney - is that it is easy to make the mistake of lapsing into a discussion of just McDonald's and Disney. This is an error because the two companies are merely emblems of the underlying processes associated with their respective systems.

By emphasizing processes associated with Disneyization and McDonaldization as systems, it is possible to

get away from the shrill but not always revealing accounts of the global reach of prominent brands. It can hardly be doubted that there is a clutch of high-profile brands that have spread through much of the globe, but systems such as Disneyization and McDonaldization are in a sense more significant than that. For one thing, their presence is perhaps less immediately obvious than the arrival of McDonald's restaurants or the impending arrival of a new Disney theme park in Hong Kong. Focusing on the products obscures the more fundamental issue of the diffusion of underlying principles through which goods and services are produced and then put into people's mouths and homes. Although McDonald's restaurants have been the focus of anti-globalization campaigners and Disney was given a decidedly gallic cold shoulder among intellectuals in France when Disneyland Paris was in the planning stage, occasioning the famous "cultural Chernobyl" comment, the spread of the fundamental principles that can be divined from an examination of what McDonald's and the Disney theme parks exemplify is much less frequently, and perhaps less likely to be, a focus of comment.

When considered in this way, it is striking how poorly Disneyization and McDonaldization fit into Appadurai's influential delineation of different forms of "-scape," that is, contexts for the flow of goods, people, finance, and other items around the globe. Appadurai distinguished between five scapes; ethnoscares (the movement of people), technoscares (the movement of technology), financescares (the movement of capital), mediascares (the movement of information), and ideoscares (the movement of ideas and ideals). Waters has argued that "McDonaldization infiltrates several of these flows." However, such a view does not do justice to the significance of McDonaldization and by implication Disneyization. In a sense, we need a new conceptual term for them, which we might call "system-scares," to refer to the flow of contexts for the production and display of goods and services. Although they incorporate elements of the five scapes, as Waters suggests, McDonaldization and Disneyization are somewhat more than this. They represent important templates for the production of goods and services and their exhibition for sale.

Of course, we must give due consideration to the charge that we are subscribing here to a simplistic

globalization or Americanization thesis that depicts icons of American culture spreading by design across the globe and riding roughshod over local conditions and practices. Research on McDonald's which can be treated as the *locus classicus* of McDonaldization, suggests that it is dangerous to think of a simple process of subsuming foreign cultures. Not only has McDonald's accommodated to local tastes and dietary requirements and preferences but it is also used in different ways in different cultures. It is sometimes regarded as a sophisticated eating environment for special occasions or dating couples, as a meeting place, as an area for study, and so on. Similar remarks can be made in relation to the Disney theme parks when they have been transported abroad. Raz observes in relation to Tokyo Disneyland that although it is invariably claimed to be a copy of the American original, it has in fact been Japanized. Thus, the Mystery Tour in the castle in Tokyo Disneyland is a Disney version of the Japanese ghost house. The Meet the World show is [...] as "a show about and for the Japanese." Similar adaptation can be seen in Disneyland Paris, where after a disappointing beginning, the company was forced to adapt the park to European tastes. The alcohol ban, in particular, had to be dropped. Such local adaptations and accommodations are frequently and quite rightly latched on to by the critics of a simple globalization thesis. They are also reassuring that the world is not becoming a single homogenized realm because there are signs of resistance even in the face of the momentum of two revered representatives of popular culture.

However, although reassuring, these indications of the continued relevance of the local for McDonald's and the Disney theme parks should not blind us to the fact that although McDonald's may be used differently in Taipei and that Tokyo Disneyland has adapted many attractions to the Japanese sensibility, this is not what McDonaldization and Disneyization are about. As previously argued, they are about *principles* to do with the production and delivery of goods and services. What the researchers who tell us about the different ways that McDonald's has adapted to or been differentially appropriated by diverse cultures is how McDonald's has been adapted to and appropriated, not McDonaldization as such. In a sense, Disneyization and McDonaldization are more worrying for the critics of

globalization as a homogenizing force than the arrival of golden arches in far reaches of the globe or the transplanting of Disney theme parks abroad. They are more worrying because Disneyization and McDonaldization are potentially more insidious processes because they are far less visible and immediately obvious in their emergence than the appearance of golden arches or of magic kingdoms on nations' doorsteps. As Ritzer points out in relation to McDonald's, "The fundamental operating procedures remain essentially the same everywhere in the globe," a view that is largely endorsed by company representatives. Robert Kwan, at the time managing director of McDonald's in Singapore, is quoted by Watson as saying, "McDonald's sells [...] a system, not products." In other words, finding adaptations to and local uses of McDonald's and Disney theme parks should not make us think that this means or even necessarily entails adaptations to and local uses of McDonaldization and Disneyization.

Turning more specifically to Disneyization, particularly in relation to McDonald's, none of what has been said previously should be taken to imply that there are likely to be no processes of local adaptation or resistance or culturally specific uses in relation to Disneyization. Emotional labor has been a particularly prominent site for resistance, as studies of the local reception of McDonald's demonstrate. Watson has observed that during the early period of the restaurant's arrival in Moscow, people standing in queues had to be given information about such things as how to order. In addition, they had to be told, "The employees inside will smile at you. This does not mean that they are laughing at you. We smile because we are happy to serve you." Watson also remarks on the basis of his fieldwork in Hong Kong that people who are overly congenial are regarded with suspicion, so that a smile is not necessarily regarded as a positive feature. Also, consumers did not display any interest in the displays of friendliness from crew personnel. It is not surprising, therefore, that the display of emotional labor is not a significant feature of the behavior and demeanor of counter staff in McDonald's in Hong Kong. Watson says, "Instead, they project qualities that are admired in the local culture: competence, directness, and unflappability. [...] Workers who smile on the job are assumed to be enjoying themselves at the consumer's (and the management's) expense."

A somewhat different slant is provided by Fantasia's account of the reception of McDonald's in France. There, the attraction of McDonald's for young people was what he calls the "American ambience." Insofar as the display of emotional labor is an ingredient of this ambience, it may be that it is not that the French enthusiasts respond positively to emotional labor *per se* but that in the context of McDonald's they respond positively to the total package, of which smiling counter staff is a component. In other words, as the writers who emphasize local adaptations to global processes point out, local consumers frequently make their own culturally bespoke uses of the forces of globalization.

Clearly, there are risks with the foregoing argument. At a time when writers on globalization prefer to emphasize "glocalization" or "creolization" as ways of coming to terms with the varied ways in which global forces have to run the gauntlet of local cultural conditions and preferences, it is unfashionable to suggest that impulses emanating from the United States are tramping over the globe. Indeed, as the previously cited evidence concerned with emotional labor implies, we do need to take into account the ways such global influences are working their way into and are being

incorporated into local cultures. But Disneyization is a more invisible process than the arrival of brand names on foreign shores. It is designed to maximize consumers' willingness to purchase goods and services that in many cases they might not otherwise have been prompted to buy. Theming provides the consumer with a narrative that acts as a draw by providing an experience that lessens the sense of an economic transaction and increases the likelihood of purchasing merchandise. Dedifferentiation of consumption is meant to give the consumer as many opportunities as possible to make purchases and therefore to keep them as long as possible in the theme park, mall, or whatever. Emotional labor is the oil of the whole process in many ways: in differentiating otherwise identical goods and services, as an enactment of theming, and as a milieu for increasing the inclination to purchase merchandise. It may be that, as in Russia and Hong Kong, emotional labor is ignored or not effective. However, these are fairly small responses to the diffusion of these instruments of consumerism. And insofar as we can regard McDonald's as a Disneyized institution, the process of Disneyization has a high-profile partner that is likely to enhance the global spread of its underlying principles.



## READING 62

# Glocommodification: How the Global Consumes the Local - McDonald's in Israel

**Uri Ram**

One of the more controversial aspects of globalization is its cultural implications: does globalization lead to universal cultural uniformity, or does it leave room for particularism and cultural diversity? The global-local encounter has spawned a complex polemic between 'homogenizers' and 'heterogenizers.' This article proposes to shift the ground of the debate from the homogeneous-heterogeneous dichotomy to a structural-symbolic construct. It is argued here that while both homogenization and heterogenizations are dimensions of globalization, they take place at different societal levels: homogenization occurs at the structural-

institutional level; heterogenization, at the expressive-symbolic. The proposed structural-symbolic model facilitates a realistic assessment of global-local relations. In this view, while global technological, organizational and commercial flows need not destroy local habits and customs, but, indeed, may preserve or even revive them, the global does tend to subsume and appropriate the local, or to consume it, so to say, sometimes to the extent that the seemingly local, symbolically, becomes a specimen of the global, structurally.

The starting point for this analysis is the McDonaldization of Israeli culture. McDonald's opened its first

outlet in Israel in 1993. Since then, it has been involved in a variety of symbolic encounters [...] [in] die encounter between McDonald's, as the epitome of global fast food, and the local version of fast food, namely the falafel [...] local idioms have thrived, though only symbolically. On the structural level, they have been subsumed and appropriated by global social relationships.

### Global Commerce Encounters the Local Eating Habitus: McDonald's and the Falafel

The industrialized hamburger first arrived on Israel's shores back in the late 1960s, although the chains involved at the time did not make much of an impression. In 1972, Burger Ranch (BR) opened a local hamburger joint that expanded into a chain only in the 1980s. It took the advent of McDonald's, however, for the 'great gluttony' of the fast hamburger to begin. McDonald's opened its first branch in October 1993. It was followed by Burger King (BK), the world's second largest hamburger chain, which opened its first branch in Israel in early 1994. Between McDonald's arrival and the year 2000, sales in the hamburger industry soared by 600 percent. By 2000, annual revenues from fast-food chains in Israel reached NIS 1 billion (about US\$200 million according to the 2002 exchange rate). McDonald's is the leading chain in the industry, with 50 percent of the sales, followed by BR with 32 percent, and BK with 18 percent. In 2002 the three chains had a total of 250 branches in place: McDonald's, 100; BR, 94 and BK, 56.

McDonald's, like Coca-Cola - both flagship American brands - conquered front-line positions in the war over the Israeli consumer. The same is true of many other American styles and brands, such as jeans, T-shirts, Nike and Reebok footwear, as well as mega-stores, such as Home Center Office Depot, Super-Pharm, etc. [...] As for eating habits, apart from the spread of fast-food chains, other Americanisms have found a growing niche in the Israeli market: frozen 'TV dinners,' whether in family or individual packs, and an upsurge in fast-food deliveries. These developments stem from the transformation of the familial lifestyle as an increasing number of women are no longer (or not only) housewives, the growth of singles

households, and the rise in family incomes. All this, along with accelerated economic activity, has raised the demand for fast or easy-to-prepare foods. As has happened elsewhere, technological advancements and business interests have set the stage for changes in Israeli eating habits. Another typical development has been the mirror process that accompanies the expansion of standardized fast foods, namely, the proliferation of particularist cuisines and ethnic foods as evinced by the sprouting of restaurants that cater to the culinary curiosity and open purses of a new Yuppie class in Tel Aviv, Herzliya and elsewhere.

As in other countries, the 'arrival' of McDonald's in Israel raised questions and even concern about the survival of the local national culture. A common complaint against McDonald's is that it impinges on local cultures, as manifested primarily in the local eating habitus both actual and symbolic. If Israel ever had a distinct national equivalent to fast food, it was unquestionably the falafel - fried chick-pea balls served in a 'pocket' of pita bread with vegetable salad and tahini (sesame) sauce. The falafel, a Mediterranean delicacy of Egyptian origin, was adopted in Israel as its 'national food.' Although in the 1930s and 1940s the falafel was primarily eaten by the young and impecunious, in the 1950s and 1960s a family visit to the falafel stand for a fast, hot bite became common practice, much like the visit paid nowadays to McDonald's. The falafel even became an Israeli tourist symbol, served as a national dish at formal receptions of the Ministry of Foreign Affairs. Indeed, one kiosk in Tel Aviv advertises itself as a " 'mighty' falafel for a mighty people."

Despite the falafel's fall from glory in the 1970s and 1980s vis-a-vis other fast foods, such as *shawarma* (lamb or turkey pieces on a spit), pizza and the early hamburger stands, and notwithstanding the unwholesome reputation it developed, an estimated 1200 falafel eateries currently operate in Israel. Altogether, they dish up about 200,000 portions a day to the 62 percent of Israelis who are self-confessed falafel eaters. The annual industry turnover is some NIS 600 million - not that far short of the hamburger industry. Thus, surprisingly enough, in the late 1990s, McDonald's presence, or rather the general McDonaldization of Israeli food habits, led to the falafel's renaissance, rather than to its demise.

The falafel's comeback, vintage 2000, is available in two forms: gourmet and fast-food. The clean, refined,

gourmet Tel-Avivian specimen targets mainly yuppies and was launched in 1999 - five years after McDonald's landed in the country - in a prestigious restaurant owned by two women, famed as Orna and Ella. Located in the financial district, which is swiftly being gentrified, it is known as 'The Falafel Queens' - a hip, ironic feminist version of the well-known 'Falafel King' - one of the most popular designations for Israeli falafel joints, which always take the masculine form. The new, 'improved' gourmet model comes in a variety of flavors. Apart from the traditional 'brown' variety, the Queens offer an original 'red' falafel, based on roasted peppers, as well as 'green' falafel, based on olive paste. Beverages are a mixed bag, including orange-Campari and grapefruit-arack ice. Owner Ella Shein rightly notes that the falafel's revival reflects a composite global-local trend:

We have opened up to the world culinarily speaking, we have been exposed to new raw materials, new techniques, a process that occurs simultaneously with a kind of return to one's origins, to one's roots.

Apart from its 'gourmetization,' the falafel has simultaneously undergone 'McDonaldized' standardization. The Israeli franchise of Domino's Pizza inaugurated a new falafel chain, setting itself a nationwide target of 60 branches. Furthermore, its reported intention is to 'take the tidings of Israeli fast-food abroad.' The falafel has thus been rescued from parochialism and upgraded to a world standard-bearer of 'Israeli fast food,' or, as one observer put it, it has been transformed from 'grub' into 'brand.' In fact, the Ma'oz chain already operates 12 falafel eateries in Amsterdam, Paris and Barcelona and, lately, also in Israel. The new chains have developed a 'concept' of 'clean, fresh, and healthy,' with global implications, because: 'if you are handed an inferior product at "Ma'oz" in Amsterdam, you won't set foot in the Paris branch' either. In contrast to the traditional falafel stand, which stands in the street and absorbs street fumes and filth, the new falafel is served indoors, at spruce, air-conditioned outlets, where portions are wrapped in designer bags and sauces flow out of stylized fountains. At Falafels, the balls are not moulded manually, but dispensed by a mechanical implement at the rate of 80 balls/minute. There are two kinds - the Syrian Zafur and the Turkish

Baladi. And as befits an industrial commodity, the new falafel is 'engineered' by food technicians and subjected to tastings by focus groups.

Like any self-respecting post-Fordist commodity, the falafel of the new chains is not only a matter of matter but, as stated above, of concept or, more precisely, of fantasy, rendering the past as nostalgia or retro. Branches are designed in a nostalgic style - in order to evoke yearning within the primary target sector - and they carry, in the name of 'retro,' old-fashioned soda pops. This is the local Israeli habitus dusted off, 'branded' and 'designed' so as to be marketed as a mass standardized commodity. Another trendy aspect of the new falafel is its linkage to the new discourses on the environment or nutrition. The proprietor of Ma'oz notes that 'salads, tehini, and falafel are healthy foods, and we have taken the health issue further by offering also whole-wheat pita bread. The health issue is becoming so central that we are now considering establishing a falafel branch that would serve only organic vegetables.' To sum up, the distinction between the old falafel and the new, post-McDonald's falafel, is identified in a local newspaper report as follows:

If in the past every Falafel King took pride in the unique taste [of his own product, the secret of] which was sometimes passed down from father to son, and which acquired a reputation that attracted customers from far and wide, in the [new] chains, the taste would always be the same. Uniqueness and authenticity would be lost for the sake of quality and free market rules.

One major change in Israel's culinary habitus as a result of its McDonaldization, therefore, is the demise of the old 'authentic' falafel and the appearance of the new commodified 'falafel 2000.'

But McDonald's had to surmount another - no less challenging - culinary hurdle: the Israeli carnivorous palate. [...] Given this hankering for meat, especially of the grilled variety, the McDonald's hamburger appeared rather puny, and the Israeli consumer tended to favour the Burger King broiled product. In 1998, McDonald's bowed to the Israeli appetite, changing both the preparation and size of its hamburger. It shifted to a combined technique of fire and charcoal, and increased portion size by 25 percent. The Israeli customer

now has the distinction of being served the largest hamburger (120 grams) marketed by McDonald's worldwide. But the most striking fast-food modification to the Israeli habitus is the 'Combina' (the Hebrew equivalent of 'combo'), launched in 2001 by Burger Ranch - a packaged meal for four eaters that taps into the local custom of 'sharing' and, to quote the marketing blurb, allows for 'a group experience while retaining individual dining expression.'

It may thus be concluded that the interrelations of McDonald's and the falafel are not simply a contrast between local decline and global rise. Rather, they are a complex mix, though certainly under the banner of the global. Indeed, the global (McDonald's) contributed somewhat to the revival of the local (the falafel). In the process, however, the global also transformed the nature and meaning of the local. The local, in turn, caused a slight modification in the taste and size of the global, while leaving its basic institutional patterns and organizational practices intact. The 'new falafel' is a component of both a mass-standardized consumer market, on the one hand, and a post-modern consumer market niche, on the other. This sort of relationship between McDonald's and the falafel, in which the global does not eliminate the local symbolically but rather restructures or appropriates it structurally, is typical of the global-local interrelations epitomized by McDonald's.

## Discussion I: 'One-Way' or 'Two-Way'?

Based on this case analysis, how, then, are we to conceive the relations between global commerce and local idioms?

The literature on relations between the global and the local presents a myriad of cases. Heuristically, the lessons from these may be condensed into two competing - contrasting, almost - approaches: the one gives more weight to globalization, which it regards as fostering cultural uniformity (or homogeneity); the other gives more weight to localization, which it regards as preserving cultural plurality, or cultural 'differences' (or heterogeneity). [. . .] the former is known also as cultural imperialism and McDonaldization [...] The latter is known also as hybridization. [...] For the sake

of simplicity we shall call the former the 'one-way' approach, i.e., seeing the effect as emanating from the global to the local; and the latter, as the 'two-way' approach, i.e., seeing the effect as an interchange between the global and the local.

The most prominent exponent of the one-way approach is George Ritzer, in his book *The McDonaldization of Society*. Ritzer, more than anyone else, is responsible for the term that describes the social process of McDonaldization. [...]

Contrary to this one-way approach [. . .] the literature offers another view, which we call here the two-way approach. This view considers globalization only a single vector in two-way traffic, the other vector being localization. The latter suspends, refines, or diffuses the intakes from the former, so that traditional and local cultures do not dissolve; they rather ingest global flows and reshape them in the digestion.

Arjun Appadurai, for one, asserts that it is impossible to think of the processes of cultural globalization in terms of mechanical flow from center to periphery. Their complexity and disjunctures allow for a chaotic contest between the global and the local that is never resolved. [...]

One typical significant omission of the two-way perspective is its disregard for imbalances of power. [...] Positing 'localization' as a counterbalance to globalization, rather than as an offshoot, some of the cultural studies literature is indeed rich in texture and subtlety when depicting the encounters of global commerce with local popular cultures and everyday life. This literature is at its best when acknowledging that its task is to 'twist the stick in the other direction,' from the top-down political-economic perspective to a bottom-up cultural perspective. It falters, however, when it attempts to replace, wholesale, the top-down approach with a bottom-up one, without weighting the relative power of the top and the bottom.

The latter move is evident in an ethnographic study of McDonaldization conducted in Southeast Asia by a team of anthropologists. They argue overall that even though McDonald's transformed local customs, customers were nonetheless able to transform McDonald's in their areas into local establishments; this led them to conclude that McDonald's does not always call the shots. They claim that, in the realm of popular culture, it is no longer possible to distinguish

between the 'local' and the 'external' Who, they protest, is to say whether or not Mickey Mouse is Japanese, or Ronald McDonald, Chinese; perhaps, this attests to a 'third culture' that belongs neither to one nationality nor the other, but constitutes rather a transnational culture.

This ethnographic discussion stresses the variety of supplemental dishes McDonald's has included on its menu in order to accommodate various local cultures. Applying this approach to our case study, the new falafel, for instance, can be considered a manifestation of [...] hybridization of McDonald's. The new falafel assimilated some of McDonald's practices, but accommodated them to local traditions and tastes.

The two-way approach to the global-local encounter is usually portrayed as critical and espoused by radical social scientists, because it 'empowers' the sustainability of local cultures and fosters local identities. [...]

## Discussion II: 'Both Ways'

[...] To the question of homogenization vs heterogenization in global-local relationships, we suggest here the following resolution: (1) both perspectives are valid; (2) yet they apply to discrete societal levels; and (3) the one-way approach is restricted to one level of social reality, the structural-institutional level, i.e., patterns and practices which are inscribed into institutions and organizations; the two-way approach is restricted to the symbolic-expressive level of social reality, i.e., the level of explicit symbolization. Finally, (4) we suggest a global-local structural-symbolic model, in which the one-way structural homogenization process and the two-way symbolic heterogenization process are combined. Thus, heuristically speaking, our theoretical resolution is predicated on the distinction between two different levels, the structural-institutional level and the expressive-symbolic level.

While each of the rival perspectives on the global-local encounter is attuned to only one of these levels, we propose that globalization be seen as a process that is simultaneously one-sided and two-sided but in two distinct societal levels. In other words, on the structural level, globalization is a one-way street; but on the symbolic level, it is a two-way street. In Israel's case, for instance, this would mean that, symbolically,

the falafel and McDonald's coexist side by side; structurally, however, the falafel is produced and consumed as if it were an industrialized-standardized (McDonaldized) hamburger, or as its artisan-made 'gourmet' counterpart. [...]

The two-way approach to globalization, which highlights the persistence of cultural 'difference,' contains more than a grain of empirical truth. On the symbolic level, it accounts for the diversity that does not succumb to homogeneity - in our case, the falafel once again steams from the pita; the Israeli hamburger is larger than other national McDonald's specimens (and kosher for Passover [...]). On the symbolic level, the 'difference' that renders the local distinctive has managed to linger on. At the same time, on the structural level, that great leveller of 'sameness' at all locales prevails: the falafel has become McDonaldized. [...]

A strong structuralist argument sees symbolic 'differences' not merely as tolerated but indeed as functional to structural 'sameness,' in that they are purported to conceal the structure's underlying uniformity and to promote niches of consumer identity. In other words, the variety of local cultural identities 'licensed' under global capitalist commercial expansion disguises the unified formula of capital, thereby fostering legitimacy and even sales.

[...] A variety of observers - all with the intention of 'giving voice' to the 'other' and the 'subaltern' - may unwittingly be achieving an opposite effect. [...] Exclusive attention to explicit symbolism may divert attention from implicit structures.

Transnational corporations are quick to take advantage of multiculturalism, postcolonialism and ethnography, and exploit genuine cultural concerns to their benefit. It is worth quoting at some length a former Coca-Cola marketing executive:

We don't change the concept. What we do is maybe change the music, maybe change the execution, certainly change the casting, but in terms of what it sounds like and what it looks like and what it is selling, at a particular point in time, we have kept it more or less patterned. [...] [our activity] has been all keyed on a local basis, overlaid with an umbrella of the global strategy. We have been dealing with various ethnic demographic groups with an overall concept. Very recently [...] the company has moved to a more

fragmented approach, based on the assumption that the media today is fragmented and that each of these groups that are targeted by that media core should be communicated to in their own way with their own message, with their own sound, with their own visualization. [...]

The case study presented here has shown a number of instances of the process whereby global commodities appropriate local traditions. To recap with the example of the 'new falafel,' McDonaldization did not bring about its demise, but, indeed, contributed to its revival, vindicating, as it were, the two-way perspective. The falafel's new lease on life, however, is modelled after McDonald's, that is, a standardized, mechanical, mass-commodified product, on the one hand; or responds to it in a commercial 'gourmetized' and 'ethnicitized' product, on the other hand. In both cases, global McDonaldization prevails structurally, while it may give a symbolic leeway to the local. [...] Indeed, from the end-user's or individual consumer's perspective, the particular explicit symbolic 'difference' may be a source of great emotional gratification; but from the perspective of the social structure, the system

of production and consumption, what matters is the exact opposite - namely, the implicit structural homogenization.

Thus, the question of global homogenization vs. local heterogenization cannot be exhausted by invoking symbolic differences, as is attempted by the two-way approach. 'McDonaldization' is not merely or mainly about the manufactured objects - the hamburgers - but first and foremost about the deep-seated social relationships involved in their production and consumption - i.e., it is about commodification and instrumentalization. In its broadest sense here, McDonaldization represents a robust commodification and instrumentalization of social relations, production and consumption, and therefore an appropriation of local cultures by global flows. This study [. . .] proposes looking at the relations between the global and the local as a composite of the structural and symbolic levels, a composite in which the structural inherently appropriates the symbolic but without explicitly suppressing it. [...]

This is what is meant by glocommodification - global commodification combining structural uniformity with symbolic diversity.



# World Culture

The idea of world culture revolves around the work of John Meyer and a group of sociologists, some of whom were Meyer's students. They include a wide variety of phenomena under the heading of world culture, ranging all the way from a growing global consensus against genocide, to similar educational systems, to local chess clubs where the game is played in accord with global rules. In contrast to Marxists and neo-Marxists (like Wallerstein; see chapter 8), world culture theorists focus, in Marxian terms, on the superstructure (culture) rather than on the base (the material, the economic). This chapter opens with several excerpts from *World Culture: Origins and Consequences* by Frank Lechner and John Boli.

In the first excerpt they outline several dimensions of world culture. First, world culture is global, at least in its potential reach, although of course some parts of the globe may not (yet) be affected. Second, world culture is distinct, although it does not overwhelm or replace local culture. Third, world culture is complex: it is not unidimensional. Fourth, world culture is seen as an entity "with its own content and structure," but it is *not* a reified entity with tight boundaries clearly separating it from other cultural phenomena. Fifth, it is cultural in the sense that it involves "socially constructed and socially shared symbolism."<sup>2</sup> Sixth, it is dynamic and tends to grow over time; it is "open to new ideas, vulnerable to

new conflicts, and subject to continual reinterpretation."<sup>3</sup> Finally, world culture is significant; it "matters for the world as a whole and for the world in all its varied parts."<sup>4</sup>

Under the heading "World Culture as Ontology" of World Society," Lechner and Boli argue that "organizations in a particular field experience the same institutional pressure, they are likely to become more similar over time."<sup>6</sup> Organizations are especially likely to feel pressed to become increasingly rational. The latter means, in the case of education, that school systems around the world, to take one example, are likely to implement certain "procedures and curricula, certain styles of teaching and studying," use professional teachers and textbooks, and so on.<sup>7</sup> This "institutionalist view" (education is an institution that experiences institutional pressure to be like other educational systems around the world) has several components:

- World culture is the culture of many nation-states; of a decentralized world polity.
- "It contains rules and assumptions, often unstated and taken for granted, that are built into global institutions and practices."<sup>8</sup>
- It can be seen as a "script" that is the joint product of many different people (e.g. professionals and organizational leaders) from many different parts of the world.

- World culture is "universalistic": "the same assumptions, the same models are relevant, indeed valid, across the globe."<sup>1</sup> This does not mean that they are the same throughout the world, but local practices depend on global norms to at least some extent.

Much of world culture today has its origin in the West. It includes ideas about "individual value and autonomy, the importance of rationality in the pursuit of secular process, and the status of states as sovereign actors."<sup>2</sup> However, world culture has now become global "because its main structural elements are similar across the globe and because they are deemed to be universally applicable."<sup>3</sup> The result is global isomorphism, "the increasing institutional similarity of differently situated societies"<sup>4</sup> in such domains as organized science and women's rights.

In spite of increasing similarities throughout the world, world culture theory recognizes that differences exist throughout the world due to incomplete institutionalization, resistance to world culture in some quarters, its acceptance and practice primarily by powerful societies, and the disparities, even contradictions, in its basic principles (e.g. between equality and liberty).

Under "Differentiating World Culture," Lechner and Boli focus on the issues of the degree to which world culture is feared in many parts of the world (especially France) and the threat it poses to global

differences. In this context, they deal with many other issues dealt with in this book including McWorld (chapter 12), McDonaldization (chapter 15), and MNCs and TNCs (chapter 7). While not rejecting these views, Lechner and Boli make the point that these processes lead not only to global similarity but also to diversity and to "cultural cross-fertilization";<sup>5</sup> that locals react creatively to these global processes; and that world culture is not of one piece. Indeed, they go further to argue that diversity is fundamental to, built into, world culture. Also in this context, Lechner and Boli argue against the idea that the nation-state is being eroded or destroyed by globalization. Rather, they see world culture and the nation-state as intertwined; indeed, characteristics of the nation-state have come to be part of world culture.

Finnemore critiques the world culture perspective on several grounds. First, it focuses the effects of world culture, but tells us little about either the causes or the mechanisms of its spread. Second, it tends to emphasize the spread of an internally harmonious Western culture, especially its rational systems. However, what is ignored are the conflicts and tensions within that culture, especially those between progress and justice and between markets and bureaucracies. Third, the world culture perspective is silent on agency. Finally, it overlooks the role of power and coercion, that is politics, in the spread of world culture.

## NOTES.....

1 Frank Lechner and John Boli, *World Culture: Origins and Consequences*. Maiden, MA: Blackwell, 2005, 27.

2 Ibid., 27.

3 Ibid., 28.

4 Ibid., 28.

5 It is an ontology because it is a "deep structure underlying global practices." Included in this structure are rules, principles, institutions, etc.

6 Lechner and Boli, *World Culture*, 43.

7 Ibid., 44.

8 Ibid., 44.

9 Ibid., 44.

10 Ibid., 46.

11 Ibid., 46.

12 Ibid., 46.

13 Ibid., 141.



## READING 63

## *World Culture: Origins and Consequences*

**Frank J. Lechner and John Boli**

### The Case for World Culture

This [reading] proposes a view of world culture as a global, distinct, complex, and dynamic phenomenon and supports this view by analyzing its different dimensions with concrete examples. As prelude to our substantive chapters, we now summarize our perspective on world culture.

#### World culture as global

In speaking of "world" culture, we have in effect treated it as global, as the globe-spanning culture of actual world society. Though the distinction between "world" phenomena, as properties of large geographical areas, and "global" ones, of true planetary scope, once may have mattered, world and global in these senses have practically converged. [...] [W]hat matters for our purposes is that certain ideas and principles are presented as globally relevant and valid, and are seen as such by those who absorb them. At any rate, the claim does not have to be wholly correct as an empirical matter (for example, not all parts of the globe need to be equally enamored of chess [...] to be useful as a working hypothesis (for example, because the chess subculture works on common assumptions [...])).

#### World culture as distinct

Arguing that the world has a culture might seem to slight the diversity that still prevails today. However, our point is not that world culture obliterates all others, supersedes the local, or makes the world one in the sense of being utterly similar. To be sure, from our

analytical point of view, it does have a coherence and content of its own, but this does not imply empirically that the world is on a long slide toward Turning Point's monoculture. Nor does it rule out the possibility of a "clash of civilizations." [...] We suggest that world culture grows alongside of, and in complex interaction with, the more particularistic cultures of the world. In relating to world culture the more particularistic ones also change. For example [...] the civilizations central to Huntington's argument are always already embedded in an encompassing global civilization, which to some extent constrains their interactions and bridges their differences. Within world culture, civilizations cannot be self-centered, taken-for-granted practices, if they ever were. Actual cultural practices in particular places, as well as the thinking of particular individuals, are likely to exhibit mixtures of "world" and more local symbolism. In treating world culture as distinct, we do not claim to capture the full range of those practices. As our argument about how to distinguish world culture implies, world culture is not the sum of all things cultural.

#### World culture as complex

From another angle, our analysis of world culture might seem too complex, too focused on teasing out tension and difference. The monocultural scenario, after all, has numerous supporters. According to the popular "McDonaldization" argument, for instance, institutional forces pressing for efficiency and control threaten to impose one way of life everywhere. We think the direction sketched by this argument is partly correct: rationalization is powerful, and in fact a certain kind of rationality has become an influential cultural model. But even on the culinary scene, rationalization is not a *cul-de-sac*. The fast-food experience takes many forms, single models of food production come in multiple

versions, foods and tastes mix around the world. From our perspective, the McDonaldization thesis is not so much wrong as one-sided. World culture encompasses different domains and contains tensions among its different components. Global consciousness does not come in one styrofoam package.

#### World culture as an entity

We have already ascribed several characteristics to world culture. Whenever we say that world culture "does" X, the specter of reification lurks. In some instances, of course, talking of world culture as an active whole is a matter of convenience, sparing us the need to unpack it into components or into the actions of people using the symbolic resources at their disposal. Treating it in this way does not entail seeing it divorced from other realms of human activity. As we have already hinted in our discussion of "real world" institutions, we think the analytical move to distinguish the cultural from, say, the political and economic, should actually enable us to see how those aspects of human activity are mutually constitutive. However, we do not want to grant critics of reification too much. In the final analysis, we do claim that a distinct and recognizable world culture is crystallizing as a phenomenon with its own content and structure. At the same time, we do not draw tight boundaries. In exploring what issues reasonably fit under the heading of world culture, we err on the side of inclusion.

#### World culture as culture

As we explained, we hold a particular view of culture. We regard it as socially constructed and socially shared symbolism. Our position is "holistic" and "constructionist." This rules out subjective or purely textual views of culture - it is neither (just) in people's heads nor (just) in esoteric documents. It also leaves aside popular grab-bag notions of culture as a way of life. However, it incorporates many other perspectives, from which we borrow liberally. Our holistic constructionism directs attention to the way in which culture is created and consciousness is formed. It suggests that, once created, cultural forms do have a dynamic of their own. It requires analysis of how cultural elements come to be shared, notably through the work of institutions that

carry abstract ideas into practice. It points to the fault lines and tectonic stresses that may become sources of change. We argue [elsewhere] that this perspective builds on and complements much previous work on world culture. We apply this perspective heuristically. Our purpose [...] is to marshal available resources to illuminate our problems, not to engage in scholarly polemics by advocating one theory to the exclusion of others. We hope that our view of culture is sufficiently ecumenical to be useful to a wide range of readers.

#### World culture as dynamic

Our opening example of global sports showed how rules, ideas, and symbolism surrounding this transnational practice have grown over the years. The world culture of sports is always being constructed and reconstructed. The point applies more generally. World culture is not simply a finished structure, a done deal. Certainly, some world-cultural patterns display continuity over many decades, as the global commitment to the nation-state form illustrates. But world culture is open to new ideas, vulnerable to new conflicts, and subject to continual reinterpretation. Even the apparent convergence of people and countries from many regions on the merits of liberal democracy as a model for organizing societies hardly counts as the "end of history." Much as we appreciate the value of the model itself, we lack the Hegelian confidence to think of contemporary world culture as the fully formed end point of humanity's ideological evolution, or as the irreversible progress of reason that has achieved a system immune to future contradictions.

#### World culture as significant

Needless to say, we think world culture is significant in many ways. We argue against the view that it is a veneer, a set of fairly abstract notions only variably relevant in real people's lives. Examples such as the globalization backlash, one could argue, still refer to the concerns of a relatively small elite. Models such as neoliberalism or even the nation-state would seem irrelevant in West African states on the verge of collapse. We agree that the relevance of world culture can vary in this way, but this does not diminish its significance

as a feature of world society. Without grasping world culture we could not understand the direction of world affairs, as we have already suggested. However, it is also vastly more pervasive in particular places than ever before. Anti-globalization discourse affects African dealings with international organizations, neoliberalism shapes development strategies even of countries with few resources, and the nation-state has become the operative model for groups not naturally hospitable to living within one political system. Even more concretely, as our earlier examples show, many regular activities now embody world culture in some way. World culture matters for the world as a whole and for the world in all its varied parts. [...]

[...]

## World Culture as Ontology of World Society

In the 1970s, John Meyer and his colleagues faced a puzzle about the spread of formal education around the globe. Why, they wondered, did states with very different needs and resources adopt very similar educational institutions and methods, even when these did not obviously suit their particular situations? Meyer's previous work on educational organizations suggested a way to address the issue. He had argued that in modern societies organizations are not so much tools deliberately designed to solve problems as institutions driven by outside pressure to implement practices defined as "rational." Organizations are "dramatic enactments" of rules that pervade a particular sector of society. By adopting these rules, ceremoniously as it were, by operating according to the official "myths" of rationality, organizations increase their legitimacy. Because all organizations in a particular field experience the same institutional pressure, they are likely to become more similar over time.

The insight Meyer and his colleagues brought to bear first on education, and ultimately on world culture as a whole, is that this "institutionalist" account also works at the global level. What, then, are the rules and assumptions built into the globalization of formal education? First of all, education has become the obligatory work of states. States themselves are

constrained by global rules to act in rational fashion for the sake of progress: according to prevalent global models, states have ultimate authority in many areas of life, and they must exercise that authority by building "rational" institutions that promote "growth." Formal public education is one such institution. Any modern state must have it, even if, as in the case of Malawi and similar countries, the country has few resources to sustain it and its people have basic needs not served by this foreign import. Second, education seems so compelling in part because it is inextricably linked to great collective goals. According to the global script, learning increases human capital, educational investment raises growth, the spread of knowledge is the road to progress. Third, education has to take a certain form. A "rational" system is not one specifically designed to produce growth and literate citizens in a way that suits a particular country, but rather one that implements certain kinds of procedures and curricula, certain styles of teaching and studying. Thus, Malawi strives to implement a modern curriculum with professional teachers who exercise authority in their classroom, however difficult this may be when books and pencils are lacking. In globalizing education, form trumps function. Fourth, education reflects particular ideas about the people involved in it, especially the students. They are to be treated as individuals capable of learning, entitled to opportunity, eager to expand their horizons. Education must foster individual growth, but it must also connect students to their country: both implicitly and explicitly, it is always a kind of citizenship training. Around the world, formal education is one large civics lesson. Here again, Malawi is a case in point, even if individuality is unlikely to be fostered through mass teaching in drafty classrooms.

The example shows several characteristics of world culture as institutionalists view it. It is the culture of a decentralized "world polity," in which many states are legitimate players but none controls the rules of the game (this account is therefore often called "world polity theory"). It contains rules and assumptions, often unstated and taken for granted, that are built into global institutions and practices. When we illustrated [elsewhere] how many features of world society are "deeply cultural," for instance in the case of world chess, we already were applying an institutionalist insight. Moreover, no single person, organization, or

state chooses the rules it follows; these are, to a large extent, exogenous - features of the world polity as a whole. In part for this reason, institutionalists sometimes describe world culture as composed of "scripts." Of course, a script does not simply create itself. It is the joint product of teachers and administrators, ministry officials and consultants, UNESCO representatives and NGO advocates. Like many aspects of world culture, it is the focus of much specialized professional activity, notably in international organizations. Finally, world culture is universalistic: the same assumptions, the same models are relevant, indeed valid, across the globe. To return to our example, this is not to say that actual educational practice exactly lives up to a single global model, but, institutionalists claim, the power of world culture is evident in the extent to which local practice depends on global norms.

Because these scholars view world culture as a deep structure underlying global practices, they have described it as a kind of "ontology." In using this term, they do not imply that global actors routinely speculate philosophically about the nature of being, but they do think there are now powerful, globally shared ideas about what is "real" in world society. Ontology, in their sense, comprises a set of rules and principles that define, among other things, the very actors that can legitimately participate in world affairs. "Culture has both an ontological aspect, assigning reality to actors and action, to means and ends; and it has a signficatory aspect, endowing actor and action, means and ends, with meaning and legitimacy." It "includes the institutional models of society itself." It specifies what the constituent parts of world society are and what kinds of things are to be considered valuable in the first place. This culture constitutes the array of authoritative organizations carrying out its mandates. Because the world cultural order shapes not only the nation-state system but also other organizations and even human identities, Meyer and his colleagues ultimately present the world as the enactment of culture. Of course, this implies that world culture is not simply made by actors, the product of contending groups in a given system; it does not necessarily sustain a particular type of political economy or justify the position of actors within it, as the materialist account would have it. World culture cuts deeper.

What is the content of this ontology? As the education example shows, one prime tenet of world culture

is that the world consists of states - corporate actors in control of territory and population, endowed with sovereignty, charged with numerous tasks, and expected to operate rationally in pursuit of globally defined progress. Though states encounter many difficulties, the idea has a powerful grip on global practice. But states are not the only actors, for the second main tenet of world culture, again evident in the education example, is that the world also consists of individuals - human actors endowed with rights and needs, possessing a distinct subjective consciousness, moving through a common life course, and acting as choosers and decision makers. Of course, Meyer does not mean that world culture somehow creates flesh-and-blood persons. However, how we understand and express ourselves as persons, the way we assert our rights and needs, does depend on globally relevant ideas. States and individuals are inextricably linked through a third tenet, the global principle of citizenship, which requires the cultivation of individual capacities as a basis for societal growth, respect for the equal rights and status of all members of society, and the creation of commonality among individuals as a way to integrate society. In short, the way we belong to a society is not simply an accident of birth or a result of personal choice; to some extent, belonging fits a global mold. Yet individuals are not merely citizens of states: since in principle all have the same rights and duties, may pursue their own interests freely, and can contribute to solving collective problems, they are construed as citizens of the world polity as a whole.

The origins of this world culture clearly lie in the core Western cultural account, itself derived from medieval Christendom. Notions of individual value and autonomy, the importance of rationality in the pursuit of secular progress, and the status of states as sovereign actors, have deep roots in European history. Even in the nineteenth century, such basic ideas were still applied first and foremost by and for Westerners. However, this culture is now effectively global, both because its main structural elements are similar across the globe and because they are deemed to be universally applicable. It has become global due to a decades-long process of institutionalization. Intergovernmental organizations enshrined many of the tenets we have described, for example in international conventions and declarations [...]. After the Second World War,

state building proceeded largely according to global scripts, resulting in a world of sovereign, rational, nominally equal states. Institutions focused on cultivating individuals have expanded rapidly. These include, of course, the educational institutions we have referred to in this chapter, but many others as well [...]. International nongovernmental organizations - voluntary associations of interested individuals - have assumed increased influence in articulating global principles. Many people, groups, and institutions, in short, have done the work of world culture. A key consequence of that work is global isomorphism, the increasing institutional similarity of differently situated societies. Where materialist accounts of the capitalist world-system would expect variation by economic status and historical trajectory, institutionalists find homogeneity, for example, in the way organized science spreads to all corners of the globe or in the way women's rights gain recognition within many states.

Since institutionalists treat world culture as constitutive of reality, as a symbolic structure that shapes the ways people act and feel, they do not need to assume any widespread, explicit agreement on the fundamentals of world culture. They would suggest that even ostensible critics of existing world culture, such as environmentalists or feminists, ultimately conform to important tenets. However, this is not to say that world culture is a seamless web. For one thing, institutionalization is always incomplete, due to numerous local constraints, as we already noted in the case of formal education in Malawi, which resembles the supposed global script in only some respects. World culture also provokes genuine conflict. Thus, the assertion of equal rights for women has been challenged by Islamic groups as incompatible with their tradition. The notion that world culture is now global, universally shared and applicable, is itself subject to challenge in practice, insofar as it is disproportionately the product of powerful states. A case in point is the expansion of education, at least in part a consequence of America's exercise of hegemony. World culture could not be seamless in any case, since many of its principles are contradictory, as is evident in the well-known tensions between equality and liberty, efficiency and individuality, and expectations for states to "be themselves" and "act alike."

World culture thus creates a culturally dynamic world: "Ironically, world-cultural structuration produces more mobilization and competition among the various types of similarly constructed actors than would occur in a genuinely segmental world. Increasing consensus on the meaning and value of individuals, organizations, and nation-states yields more numerous and intense struggles to achieve independence, autonomy, progress, justice, and equality."

The institutionalists agree with the Wallersteinians on several empirical features of the modern world-system, but they account for the origins and reproduction of that system in different ways. As our brief summary has shown, the institutionalists give culture much greater weight. It becomes, so to speak, base rather than superstructure. As an analytical standpoint, this carries its own risks. For example, it is tempting to find evidence of deep culture at work in the activities of various institutions and then use the understanding of culture thus acquired to explain the evidence that served to generate the independent cultural variable in the first place. While avoiding such circular reasoning, we will partly rely on the institutionalist argument for guidance.

[...]

## Differentiating World Culture: National Identity and the Pursuit of Diversity

[...]

World culture, in this view, is simply the globalization of the West. Like deterritorialization, McDonaldization, Coca-Colanization, and Americanization, the cultural imperialism argument portends a single world with a single culture.

While this scenario contains important kernels of truth, it is far too stark. In many ways, globalization itself is a "motor of diversity." For example, McDonaldization, much derided by French activists, captures only part of global food trends. As Asia takes to hamburgers and Cokes, Europe and North America adopt Eastern cuisines; though a less standardized product, sushi is as global as the golden arches. Globalization thus fosters many kinds of cultural cross-fertilization. Within particular countries, it

usually expands the "menu of choice" for individuals by liberating them from the constraints of place, as French consumers of jeans and jazz and Japanese electronics - as well as hamburgers and "French fries" - can attest. This applies to language as well. Through translation, particular languages and literatures increasingly build "bridgeheads" to other places, as illustrated by the success of Latin-American novelists in France. Immigration and cultural contact introduce impure innovations, a form of linguistic diversity that official French opposition to *l'anglais* ironically attempts to stifle. Among global audiences, globalization thus fosters cultural experimentation. Even in the industry that most provoked French ire, the feared homogeneity brought about by American dominance is by no means absolute: Hollywood must still compete with other centers of film production, such as India's Bollywood; its global success depends in part on its ability to attract non-American talents and adapt to non-American tastes; and it encourages the development of home-grown niche productions. As these examples suggest, the "creative destruction" of global competition also has diversifying consequences. Even if we implausibly assume that all place-based culture is doomed, there is no reason why supposedly deterritorialized communities should be culturally uniform. Underground dance club aficionados are distinct from professional soccer players or fruit fly researchers; the proliferation of their multifarious ties stimulates new kinds of transnational diversity. While multiplying empirical examples of diversity "on the ground" would take us too far afield in examining the intricacies of the much-feared globalization process, our first response to the doomsayers is simply that the world is still a very diverse and surprising place, unlikely to be smothered in one cultural goulash.

Our second rejoinder is more closely related to the agenda of this book. As we have described world culture, some of its fundamental substance is quite abstract. McDonald's-style rationality, American neo-liberalism, and Western universalism provide only very general models for social action. At least two of the theories we [have] discussed argue that the implications of such models impel creative adaptation by particular groups in particular places. Robertson calls this glocalization, Hannerz creolization. World-cultural precepts become socially real by being incorporated in locally situated practices. Thus, Hong Kong becomes

McDonaldized rather differently than Peoria; neoliberal privatization proceeds differently in India than in the UK; democracy takes hold differently in Mexico than in the Czech Republic. Certain kinds of pop music may be transnationally popular, but their vibrancy still depends on the way musicians make such music part of their own traditions. The upshot of the Robertson/Hannerz line of thought is that groups and societies mix and match, borrow and adapt, learn and revise. By its very generality, world culture gives an impetus toward highly varied interpretation.

What is more, world culture is not of a piece. Even the elements in the homogenization scenario are not identical: though McDonald's does serve Coke, McDonaldization and Coca-Colanization metaphorically capture different forms of homogenization. While the "America" that has left its imprint on world culture is a reality, "the West" is a vague community of values. McDonald's and Coke, America and "the West" - the forces evoked by those terms are themselves quite different. However close the affinities of these components, a culture that is rationalized à la McDonald's, dependent on lowbrow consumer taste, influenced by popular culture, and infused with falsely universal aspirations is not an internally consistent whole. The components define different aspects of global reality; they vary in strength and scope. More generally, as we [have seen], Appadurai has described the "disjunctures" between the different dimensions of world culture. World culture contains different sets of universally applicable and influential ideas that operate at different rhythms, creating multiple tensions and unpredictable intersections. For example, two of the core ideas identified with American-style cultural imperialism - namely a fully liberalized market and democratic governance - may have contradictory implications when applied globally: one encourages the unregulated pursuit of self-interest, the other stresses deliberate collective control of social affairs. World culture therefore does not, and could not, prescribe any single course of action to be followed by everyone everywhere. Indeed, the very process of globalization itself is molded by contending views of how it ought to be structured. [...] Disjuncture and contention preserve diversity.

We [have seen] that such varied interpretations and disjunctures are a common theme in much recent scholarship. Recall Breidenbach and Zukrigl's book on



the "dance of cultures," which shows with a wealth of ethnographic examples how people around the world incorporate global products and practices into their own world-views, adapt new categories such as "feminism" according to their own needs, "talk back" to the supposed sources of cultural flows, and engage in all manner of resistance. Or recall the Berger and Huntington volume on "many globalizations," which shows how a supposedly universal process takes different paths according to local cultural contexts. Both in his book on cultural globalization and even more systematically in an earlier work on cultural imperialism, Tomlinson has subjected the cultural imperialism argument to criticism, arguing against the idea that the cultural "synchronization" produced by the spread of modern institutions is a destructive imposition. As we pointed out, not all these scholars fully share our view of world culture. But we detect in their work a convergence on a basic point, namely that any emerging world culture is bound to be refracted in complex ways by the prisms of specific groups and societies and that diversity is bound to flourish through the multiple ways in which they relate to such an overarching world culture.

We can go a step further. Difference is flourishing not just in the way a nascent world culture "plays out" in practice, but also as an organizing principle of world culture. To return to the example we started with, while the tone of the francophone conference may have been defensive, it also emphatically called for recognition of diversity as a value in its own right. It advocated the mutual recognition of cultures and their right to participate on an equal basis in the "concert of nations." Though its cause was French, its appeal was framed in universal terms, referring specifically to the support of international organizations such as UNESCO. Indigenous peoples and movements working on their behalf similarly claim the right to maintain their particularistic heritages. The importance of "cultural survival" as such, to cite the name of one advocacy group, has become conventional wisdom. The very concept of indigeneity points to a burgeoning global respect for the heritages of minority groups. Both national and indigenous defenders of difference have vested some of their hopes in UNESCO, and that organization has become a linchpin in the globalization of diversity as a value. Thus far, it has done its share in fostering difference by issuing reports charting cultural

diversity within world culture, celebrating diversity as a goal for the world community, and instituting programs to protect the world's cultural heritage. Among state leaders, movement activists, and IGO officials, the cause of diversity thus has been gaining strength. In Western academic circles, such trends have been bolstered by the discourse of "multiculturalism," which itself has swept across the globe, assigning equal value to different cultures and promoting coexistence rather than dominance. However justified the fear of indigenous groups may be as a practical matter, the globalizing diversity industry indicates that world culture is more complex than the imperialist scenario allows. Diversity has been enshrined as a counterpoint to homogenization. Particularism is universalized, as Robertson has suggested. This is not to say, of course, that "mere" rhetoric will help the French build a bulwark against Hollywood blockbusters. It is to suggest, though, that world culture itself nurtures the seeds of difference.

In other words, difference is built in. This more differentiated view of world culture follows straightforwardly from the work of Robertson, who makes contrasting definitions of the global situation the hallmark of world culture, and from the work of anthropologists like Hannerz, who treat world culture as the organization of diversity. However, the same idea also appears in world-system theory, which assumes that the geographical division of labor within a single world market depends on competition among culturally distinct units within the system. By comparison with these perspectives, Meyer and his colleagues put more emphasis on the way in which similar institutions are enacted across the globe, though they also portray the world polity as internally differentiated. The scholarly pendulum is thus swinging away from the kind of anxiety that dominates much public discourse. But rather than dismissing the fears of cultural loss, our picture of world culture helps to put them in perspective: as world culture grows, some differences may fall by the wayside, others require redefinition, still others are constantly created. To summarize, while fears of a world-cultural goulash are understandable, there are at least three reasons to be skeptical of the scenario such fears assume: the globalization process, regarded as pushing homogenization, actually has varied effects; the process takes place in the context of an existing world culture to which individual groups

and societies relate in varied ways; and world culture itself fosters difference through the principles it contains and the institutions it legitimates. This argument entails that fears of American hegemony, so common in French responses to world culture, are overstated. To make our case more concrete, we now turn to a particular form of difference often regarded as endangered, the kind at issue in the francophone example with which we started, namely national difference. Our argument implies that nations can flourish as distinct entities under the canopy of world culture. We support this argument by showing how, in one instance, the reproduction of national difference occurs. However, we do not aim for a Panglossian conclusion that for nations this is the best of all possible worlds. While world culture fosters national difference, it also embeds nations in a transnational framework that constrains and homogenizes them.

## The Difference Nations Make

Is there still a place for nations in the world? Those who fear global uniformity believe the answer may be negative, for the reasons we discussed above. Deterritorialization implies that the control of the nation-state over its own affairs diminishes. The upshot of McDonalidization, Coca-Colanization, and Americanization is the accelerating demise of the national, as national distinctions are undermined by transnational rules, tastes, and institutions. Not surprisingly, then, influential authors foresee the end of the nation: "Too remote to manage the problems of our daily life, the nation nevertheless remains too constrained to confront the global problems that affect us." Another student of nationalism concludes that today's world "can no longer be contained within the limits of 'nations' and 'nation-states' as these used to be defined [...] It will see [these] primarily as retreating before, resisting, adapting to, being absorbed or dislocated by, the new supranational restructuring of the globe." As the "isomorphism of people, territory, and legitimate sovereignty that constitutes the normative character of the nation-state" has eroded, the nation-state itself "has become obsolete and other formations for allegiance and identity have taken its place." Under conditions of globalization, "[t]he centrality of national cultures,

national identities and their institutions is challenged." While Appadurai and Held et al. do not infer from the nation's dire straits a picture of a homogeneous world culture, the more common diagnosis remains that a one-size-fits-all culture leaves little room for national difference.

We argue against this common diagnosis. As we have suggested, the "one-size-fits-all" view of world culture is itself misleading. Focusing on the nation allows us to elaborate our main points about world culture, namely that it produces difference in practice and contains difference in principle. Addressing the demise-of-nations scenario further enables us to refine our position by showing how the fear of uniformity rests on questionable assumptions about static national cultures confronting an oppressive, alien force. For illustrations we return to the French example we have cited before. This case is especially pertinent because France has played a major role in the history of nationalism as the "archetype" of a nation-state and because, as we have seen, many influential figures have championed France as a nation in the global debate about difference. This championing is rich with ironies. In discussing these ironies, we aim not to convey all the ways in which nations reproduce their identity but only to focus on the extent to which the reproduction of difference revolves around the operations of world culture.

The first irony in presenting the nation as a bulwark of cultural difference is that historically the drive toward nationhood itself has often obliterated differences. In most places, nations were forged out of previously distinct regions and peoples. The unity they possessed often sprang from visions of coherence pursued by elites in control of states who deliberately created "imagined" communities. According to one interpretation, these visions themselves first gained plausibility in industrial societies that placed a premium on a shared high culture, fostered by formal education, that facilitated communication among large populations. Historically, then, nation is to difference what single-crop agriculture is to biodiversity. The French state, for example, has itself been relentlessly homogenizing, not least by requiring the use of standard French throughout its territory. To Bretons, the idea of French as a carrier of diversity can seem far-fetched. This implies that one assumption underlying the

common scenario is implausible. Since nations are relatively recent creations, it is misleading to think of them as fully formed cultural wholes suddenly confronted by a stream of global cultural material that invades them. Though it is now conventional wisdom to think of nations as "constructed" and "imagined" rather than "primordial," defenders of difference have an ironically primordial view of national identity, insofar as they treat it as something deeply rooted and unchanging. However, even in seemingly old nations, national identity is always in flux. In the case of France, that identity was established by turning "peasants into Frenchmen," as the title of one prominent study put it, in the late nineteenth century, when "long didactic campaigns" taught inhabitants of France to speak French and to think of themselves as French. The Third Republic of that period built a new nation by means of "coercive elimination" of regional diversity and languages, notably by instituting a nationalized system of free public schools. Applied to France itself, the "defense of difference" advocated by the public figures discussed above risks locking into place a fairly recent version of national identity at the expense of further experimentation and the "intertemporal diversity" that might result.

Another irony in the defense of national difference against a global cultural juggernaut is that critics of homogeneity appear to have so little faith in actually existing difference. It is as if uniformly hapless countries await a common fate. However, even a cursory glance across the globe shows that nations vary greatly in their understanding of what it means to be a nation. "Is there in fact any one thing called a nation?" asks one scholar, explaining that "[e]ach nation-state now on earth could supply a slightly different meaning for the word 'nation,' a different official account (perhaps more than one), not only of its own origins and development, but of the idea of national identity that it supposedly embodies." In many instances, these "different accounts" were deliberately created by elites attempting to draw distinctions between their own nation and foreign counterparts, thereby charting distinct paths toward nationhood. Pecora's point applies to France as well, where at least two conceptions of the nation - one rooted in visions of the traditional Catholic monarchy, the other in the revolutionary vision of a secular republic - have been at odds for two centuries, perhaps to be replaced by a third vision more attuned

to new social realities. To infer from the enormous variety of national situations that a single world-view or way of life will prove uniformly devastating is simply implausible. The case for national difference against global homogeneity depends on a far too homogeneous view of national identity.

Scenarios that oppose nation to world culture portray them as somehow separate. However, far from being unrelated adversaries, world culture and national cultures evolved together. [...] nineteenth-century world culture was in part made by and for nations. From the outset, nationalism was itself a transnational movement, important first in Latin America and Europe, later in Asia and Africa. The creation of nations was always accompanied by claims to universal respect of politically organized but culturally distinct communities. Of course, world culture could only become "transnational" when the form and legitimacy of nations were largely taken for granted. In this entwinement of world and national culture, France in fact played a pivotal role. France took shape as a nation-state when its revolutionary elite articulated a new creed with universal aspirations. Liberty, equality, and brotherhood have been ideological elements of world culture ever since. By organizing itself dramatically as a nation-state at the time of its revolution, France created a model for others to follow. Ironically, the world culture French intellectuals bemoan is therefore, at least in part, of their predecessors' making. By presenting this particular nation as the embodiment of universal values, France also created an influential, nonethnic or "civic" version of nationhood, which competed with others such as the "ethnic" German version. This variety in the ways nations formed and asserted themselves has itself become entrenched in world culture. National difference has long been built into world culture.

World-system theorists would modify this point about entwinement of the global and the national. As we have seen, they regard the existence of politically and culturally distinct units as critical to the system. The worst-case scenario for world capitalism, their argument implies, is the transformation of a differentiated market system into a single world empire. A more successful Napoleon might have wrecked that system. Differences are therefore functional, but they hardly produce the kind of tolerant diversity current critics of world culture envision. Historically, differences fueled

competition and conflict. The rise of nation-states amounted to the reorganization of previously existing regional differences into more politically organized and internally homogeneous units fit for global competition. France's rise as a nation-state was therefore less a matter of spreading a revolutionary faith than of positioning it for that competition. Yet that faith had consequences as well. For all its universalism, it also set up a hierarchy among nations. Some countries could fully live up to France's standards, others only partly so, while still other groups could not even aspire to nationhood. Nationalism, Wallerstein has noted, "first emerged as the response to the universalizing imperialism of the revolutionary power, France." This form of "popular antisystemic mobilization" subsequently "received sustenance particularly from the successive waves of struggle taking place in the semiperipheral areas of the world-economy." As the embodiment of enlightened principles, France helped to create a world culture legitimating Euro-American dominance throughout the colonial age. The irony here is that for most of two centuries world culture actually resembled the hegemonic kind of culture French commentators now oppose, a hegemony to which Frenchmen actively contributed. In world culture, then, not all differences are created equal. Given its involvement in establishing a hierarchical version of world culture, France's more ecumenical defense of difference today rings a bit hollow to world-system theorists.

World polity theorists amplify the point about the historical entwinement of the global and the national in a slightly different way. They are most impressed with the way in which the trappings of the nation have become truly global norms, applying equally to all properly constituted societies. In the nineteenth century, even European nation-states' capacity to control their territory and their people was actually quite limited. For a long time, nationalism was more vision than reality, but the nationalist definition of the global situation was real in its consequences. Once the model was defined, its content expanded greatly, as we have seen in earlier chapters. In some ways, of course, this reduced global pluralism. By the year 2000, more countries looked more alike. Yet the very success of the nation-state model now also provides global standards for what nations must do to reproduce themselves, and globally legitimated tools to satisfy those standards. Nation-states cannot be passive. They have work to

do in upholding their identity. We have already seen examples of that work in the French case. The media policy that protects France's cultural "exception" depends on global norms authorizing state responsibility in this area. The same goes for its educational policies. France's effort to teach children across the country in the same way, striving for closely coordinated teaching in a single system designed to turn individuals into good citizens, is a particularly energetic way of discharging a global responsibility. The broader point here is that locally distinctive policy processes such as these are ways to reproduce national identities in keeping with world-cultural standards. Upholding national identity through national institutions is the world-cultural thing to do.

Robertson's globalization theory also complements our analysis. As we have seen, this theory portrays world culture as stimulating rather than suppressing difference. With regard to national culture, this works in at least two ways. National and world culture stand in a kind of dialectical relationship. To Robertson, the generalization of a partly French model of nation-states to globally legitimate status is an instance of the "universalization of the particular." But such universalization always provokes the opposite trend of "particularization of the universal," in the French case an increasingly anxious attempt to define more actively and precisely what makes France stand out as a nation among others. Nations are therefore always caught in the interplay of standardizing uniformity and diversifying particularity. Worrying about how-to-be-national is inherent in the rules of the world-cultural game. To some extent, nations have always been part of a single "game," identifying their position relative to certain universal rules and principles. Relativization, to use Robertson's term, is nothing new. However, as world culture has grown along with other forms of global integration, this burden of distinct identification has increased as well. The common notion that many French lamentations stem from a loss of former great-power status is relevant here, since this relativization especially hits home in a society that was so instrumental in building up the world-cultural edifice within which it now must find a new place. The French concern about the viability of their national identity is thus rooted in the key world-cultural process Robertson has identified. But the Robertsonian argument also suggests that the French can be sanguine about their

prospects, since relativization with regard to world culture, from the historically varied standpoints of nations, will lead to a great variety of outcomes. Through relativization, world culture actually drives differentiation. By redefining their role as defenders of difference, the French are thus playing out a differentiated scenario.

Even more emphatically than Robertson, anthropologists like Hannerz stress the highly variable entwinement of world and national culture. To push their point a bit with French metaphors, national culture becomes a *bricolage* or *mélange* of world-cultural elements through creolization. This is not a case, however, of world culture bearing down on hapless nations. Creolization refers to continuous, critical interaction. When France sticks to its media quotas while also enjoying Hollywood fare, when French-speakers adopt *franglais*, when Disney icons rival the Eiffel Tower, when adherents of a secular universal faith discover the value of diversity, the result is a national culture less pristine than its leading intellectuals prefer but more distinctive than they are prepared to admit. Further, because creolization is a form of interaction, world culture is affected as well. In practice, it is a composite of the ways nations make sense of it. The French way of "doing" world culture contributes to the overall organization of diversity. By their actions, ironically, French critics of homogeneity disprove their point.

We have argued that world culture contains and fosters difference, but with regard to nations it has not always done so in the same way or to the same degree. Until recently, leading nation-states were more intent on spreading their influence than on guaranteeing difference. France, for instance, has had little compunction about globalizing its own culture, including the use of its own language as an international *lingua franca*. Would the French be as worried about uniformity if it were expressed in French? Would French politicians lead La Francophonie in defense of difference if France's once universal aspirations had been universally accepted? The irony here is that our argument, as well as the position of the French intellectuals itself, depends in part on the outcome of struggles against former French dominance in world culture. It is the success of movements asserting their right to political and cultural independence from colonizing powers - movements that themselves took different directions - that has helped to entrench the right to self-determination and

distinctive identities as universal principles in a world culture less tainted by hegemony.

## Conclusions

As our extended illustration shows, the global and the local/national are thoroughly intertwined in the reproduction of difference. In carrying out its identity work through public policy, as France has done in enforcing its cultural exception, the nation-state firmly rests on world-cultural principles of great legitimacy. The very task of defining the nation is a standard responsibility of the state, taken especially seriously in France, and in this sense any definition of national identity is always more-than-national. Insofar as the forces of globalization undermine a nation's settled forms of self-understanding, which is certainly true of France, the magnitude of that task increases. Where the capacity of a nation to respond is in question, the salience of national identity as a project may well be even greater, especially if, as illustrated by the strong sentiments of many French public figures cited above, the relevant cultural elite is deeply invested in it. Nations can show resilience precisely in becoming embattled, as the French example shows. In fact, the components of French identity - universalistic culture, a strong state, a quest for a world role - may make it especially suitable as a defender of difference, and its defensive actions may well enrich and expand French culture.

Of course, the degree to which a nation's identity becomes embattled and the particular way in which it shows resilience are shaped by the sediments in its cultural foundation, by its global exposure and vantage point, and by its own historical trajectory in relation to the interplay between globalizing forces and national sediments. The global-national dialectic is clearly path-dependent. We showed, for example, how France's own involvement in the history of world culture now shapes its critical posture. Other factors we can only mention here will further shape the way France deals with the "crisis" of its national identity. Will the growing presence of Muslim immigrants and their offspring lead to a gradual loosening of national attachment or trigger strong reaffirmations of "traditional" national identity? Will European integration further erode the sovereignty and domestic control of the French state?

Will the relatively low proportion of the French people who consider themselves "very proud" of their nationality, around 40 percent in 1999-2000, increase or decrease? Since histories vary, depending in part on such "local" factors, no single case such as the one we have discussed can fully illuminate the dynamics of what is now a global experience. The very fact that it is difficult to generalize supports our argument against the homogenization scenario. But even if France no longer serves as a global model, the French are not unique in the predicament they face and the response they have fashioned. The upshot of our analysis is, once again, that expectations of cultural doom or the demise of diversity are simplistic. However, our argument should not dispel such notions entirely. The world-cultural legitimation of difference depends for its efficacy on the practical identity work of distinct groups, work that is contingent on "local" factors. From a general picture of world culture, even combined with strong assumptions about globalization, we therefore cannot derive clear-cut local predictions. Because the observable diversity of world culture stems from the multiplicity of particular identity projects, however much relativized and implicated in the global circumstance, that diversity is, so to speak, always up for grabs.

We also cannot say that the nation and national identity are secure as the defining form of difference in the twenty-first century. For all the current focus on the national in France, national identity may well become less salient over time. This is by no means to forecast a happy cosmopolitan future; rather, it is to suggest that national distinction may lose out in competition with other forms of collective identity, other claims on particularized loyalty. The rise of indigenous movements raises this possibility. On the horizon are more forceful claims for recognition of groups that differ in their sexual orientation and practices. World culture in principle legitimates alternative forms of particularism and therefore allows for such a pluralism of differences. We therefore need not fear homogeneity, little comfort though it may offer to defenders of any specific, uniquely cherished kind of difference, such as the French exception. In any case, a world in which a hundred differences bloom is not necessarily peaceful or pleasant. It may not sustain the kind of difference, such as the national, for which many have given their lives. When it comes to difference, contemporary world culture offers no guarantees.



## READING 64

# Norms, Culture, and World Politics: Insights from Sociology's Institutionalism

**Martha Finnemore**

First, institutionalist research has been more concerned with documenting the effects of world cultural structure than investigating its causes or the mechanisms of change in the cultural structure itself. Institutionalists tend to produce global correlative studies whose structure and logic follow from Meyer and Rowan's initial insights about isomorphism in the face of dissimilar task demands. Institutional studies generally proceed by collecting quantitative data on a large number of units (usually states) and demonstrating that rather than correlating with local task demands,

attributes or behavior of the units correlate with attributes or behavior of other units or with worldwide phenomena (international conferences and treaties or world historical events, for example). These analyses are often quite sophisticated, using event history analysis and other techniques that look exotic to most political scientists. However, once correlation is established, world cultural causes are assumed. Detailed process-tracing and case study analysis to validate and elaborate the inferences based on correlation are missing. Research to uncover the processes and mechanisms whereby world cultural norms spread and evolve would

have at least two effects. The first would be to enrich the institutionalist argument. Such research would open up a more truly dialectical relationship between agency and structure and enable more persuasive accounts of the origins and dynamics of the world cultural structure.

Detailed case studies about the mechanisms by which cultural norms evolve and spread are also likely to call into question the cognitive basis of institutionalist theory. Institutionalists ground their arguments about the ways in which culture operates in social psychology. Meyer credits Erving Goffman, Guy Swanson, and C. Wright Mills with providing a connection between this social psychological literature and institutions. Detailed examination of cases of spreading Western culture is likely to reveal that its triumph is not due only or even primarily to cognition. The picture painted by institutionalist studies is one in which world culture marches effortlessly and facelessly across the globe. Little attention is paid either to contestation or coercion. To any political scientist (or historian) an account of the rise of the modern state in the West and its expansion across Africa, Asia, and the Americas that omits conflict, violence, and leadership is grossly incomplete. Similarly, the implication that human rights or citizen rights or even market economies become established and spread in a peaceful, orderly fashion through cognition alone is untenable to anyone who has detailed knowledge of cases.

The lack of case study analysis or on-the-ground investigation of the mechanisms whereby world culture produces isomorphism obscures the roles of politics and power in world history and normative change. The cognitive processes to which institutionalists point are important, but they are by no means the only processes at work in international life. Destroying cultural competitors, both figuratively and literally, is a time-honored way of establishing cultural dominance. Treatment of the native populations in North America is one example. Attempts at ethnic cleansing in Nazi Germany, Bosnia, Rwanda, and elsewhere are another. Cultural rules are often established not by persuasion or cognitive processes of institutionalization but by force and fiat. Over time, cultural norms established by force indeed may become institutionalized in the sense that they come to have a "taken-for-granted" quality that shapes action in the ways institutionalists describe. But emphasizing the institutionalized quality of sovereignty, for example, and its effects in world politics

should not obscure the role played by force and coercion in imposing sovereignty rules and in arbitering their ongoing evolution.

One instance where force and military power may be particularly important to institutionalist concerns involves the Reformation and eventual Protestant domination of the West. Institutionalists trace their Western cultural norms back to medieval Christendom without a word about the Reformation or Protestantism's effect on these cultural rules. This is a startling omission given the intellectual debt these scholars owe Max Weber. Many of the cultural rules institutionalists emphasize - individualism and markets, for example - arguably have strong ties to Protestantism specifically, not Christianity generally. One could argue that the Western culture that is expanding across the globe is really a Protestant culture. Protestantism did not come to dominate Europe through cognition and persuasion alone, as centuries of religious wars make clear. Western culture may look the ways it does because of three centuries of Anglo-American (i.e., Protestant) power and domination of the West, domination that was secured through repeated military conquest of France.

The second feature of institutionalist research that should concern political scientists is their specification of the content of world culture. Institutionalists focus on Western rationality as the means to both progress and equality. Progress is defined as wealth accumulation, justice is defined as equality, and rational means, in institutionalist research, are usually bureaucracies and markets. Institutionalists tend to treat these elements of Western modernity as at least loosely compatible. Equality, in the form of individual rights, expands together with markets and bureaucracies across the globe, and institutionalist research documents the collective and interrelated spread of these cultural norms.

The implication, which will be suspect to all political scientists, is that all "good" things (in the Western cultural frame) can and do go together. Institutionalists may not intend this implication, but both their research and their theorizing consistently underscore the mutually reinforcing nature of these Western cultural rules.

In fact, there are good reasons to believe that the elements of world culture, even as the institutionalists have specified it, contain deep tensions and contradictions that constrain isomorphism and limit the stability

of behavioral convergence. Most obvious is the tension between the two "ends" of Western world culture - progress, defined as economic accumulation, and justice, defined as equality. The trade-off between equity and growth in development economics is well-known. In making decisions about economic policies, the two pillars of the normative structure often pull in opposite directions. Partisans of redistributionist policies have invoked equality norms in their defense. Those pushing for more and faster growth will evoke progress norms. Policymakers often have to make explicit and controversial trade-offs between the two.

Similarly, the two rational means to justice and progress - markets and bureaucracies - may be in tension. Market arrangements may be justified normatively by their efficient contributions to progress (wealth accumulation) and by equality defined as opportunity or access, but they often create outcomes that offend other definitions of equality, notably equality of outcomes. Markets tend to produce unequal distributional outcomes. The common solution is to bring in bureaucracy, in the form of the state, to remedy the equality offenses of markets. However bureaucracies may compromise the efficiency of markets and so compromise progress. Again, progress (wealth) conflicts with justice (equality). And, again, no obvious or equilibrium set of arrangements can resolve this.

Contradictions among dominant cultural norms mean that social institutions are continually being contested, albeit to varying degrees at different times. Unresolved normative tensions in a set of social compromises at one time may be the mobilizing basis for attacks on that set of social arrangements later as people articulate normative claims that earlier were pushed aside. Further, compromises among competing world normative principles may be contingent on local circumstances and personalities and are likely to reflect local norms and customs with which international norms have had to compromise. Thus, after World War II Japan was forced (note the process was not cognitive) to accept a set of Western economic and political arrangements that had been forged elsewhere, in the United States. Over time, those arrangements became institutionalized in Japan but in unique ways that reflected non-Western local cultural norms. The subsequent success of Japan in Western terms (a great deal of economic accumulation with relative equality) has prompted Western firms and Asian states to adopt

a number of Japanese practices, policies, and norms. This kind of cultural feedback, from periphery to core, is neglected by the unidirectional institutionalist model.

These contestation processes for normative dominance are political. In fact, normative contestation is in large part what politics is all about; it is about competing values and understandings of what is good, desirable, and appropriate in our collective communal life. Debates about civil rights, affirmative action, social safety nets, regulation and deregulation, and the appropriate degree of government intrusion into the lives of citizens are all debates precisely because there is no clear stable normative solution. Further, they are all debates involving conflict among the basic normative goods identified by the institutionalists. Civil rights, affirmative action, and to some extent social safety nets are debates about the nature of equality - who attains equality and how that equality is measured. Since the solutions all involve bureaucratic intervention, these debates are also about the relationship of bureaucracies and the state to equality. Debates about social safety nets raise specific issues about the relationship between bureaucracies and markets and the degree to which the latter may be compromised by the former in the service of equality. Debates over regulation and government intrusion are both about the degree to which bureaucracy can compromise markets, on the one hand, or equality and individual rights that derive from equality, on the other.

If one takes seriously the tensions and contradictions among elements of culture, research must focus on politics and process. If cultural elements stand in paradoxical relations such that equilibrium arrangements are limited or constrained, the interesting questions become, which arrangements are adopted where - and why? Institutionalists may be right. Common global norms may create similar structures and push both people and states toward similar behavior at given times, but if the body of international norms is not completely congruent, then those isomorphisms will not be stable. Further, people may adopt similar organizational forms but show little similarity in behavior beyond that. Botswana and the United States may both be organized in the form of a modern state, but the content of those forms and the behavior within them are very different. Isomorphism is not homogeneity; it does not create identical behavioral outcomes. Without a specification of culture that



attends to oppositions within the overall structure, institutionalists will not be able to account for either diversity or change in that structure.

## Conclusions

Institutionalist arguments emphasize structure at the expense of agency. Doing so has important intellectual benefits. It allows institutionalists to ask questions about features of social and political life that other perspectives take for granted - ubiquitous sovereign statehood and expanding claims by individuals, for example. Further, from an IR theory perspective, institutionalists' emphasis on structure allows for system-level explanations that compete with other dominant paradigms and so enrich the body of theory available to tackle puzzles in the field.

If the neglect of agency were only an omission, there would be little cause for concern. No theory explains everything. One can always explain a few more data points by adding a few more variables and increasing the complexity of the model. But the institutionalists' inattention to agency leads them into more serious errors. It leads them to misspecify both the mechanisms by which social structure produces change and the content of the social structure itself.

Cognitive processes may dominate organizational change in many empirical domains, but they compete with and often are eclipsed by coercion in many of the empirical domains that concern IR scholars. Educational curricula may change in peaceful ways driven by cognitive decision-making processes; state authority structures often do not. Violence is a fundamentally different mechanism of change than cognition. Both mechanisms may operate in a given situation. Often there are choices to be made even within the constraints imposed by force, but outcomes imposed externally through violence are not captured by a cognitive theoretical framework.

Institutionalists are not alone in this tendency to overlook power and coercion in explaining organizational outcomes. Much of organization theory shares this characteristic. Terry Moe has noted the failure of the new economics of organization to incorporate considerations of power, but even Moe, a political scientist, is not particularly concerned with issues of

violence since these occur rarely in his own empirical domain - US bureaucracy.

Institutionalist models imply a world social structure made up of norms that are largely congruent. Their emphasis is on the mutually reinforcing and expansive nature of these norms. They stress the consensus that arises around various cultural models - of citizenship, of statehood, of education, of individual rights - to the point that these norms and institutions are taken for granted in contemporary life. The implication is that the spread of world culture is relatively peaceful. Institutionalists specify no sources of instability, conflict, or opposition to the progressive expansion of world culture. Yasemin Soysal's work is perhaps the most attuned to contradictions among the cultural elements of citizenship she studies. However, even in her work these contradictions result only in paradoxical arrangements with which people seem to live reasonably peacefully.

The result of this specification is that all of politics becomes problematic in an institutionalist framework. If the world culture they specify is so powerful and congruent, the institutionalists have no grounds for explaining value conflicts or normative contestation - in other words, politics. A research design that attended to agency and the processes whereby isomorphic effects are produced would have prevented institutionalists from falling into this trap. Focusing more closely on process would draw attention to the contradictions among normative claims and force institutionalists to rethink both the specification of world culture and its likely effects.

These problematic features of institutionalist theory lie squarely on the turf of political scientists. Politics and process, coercion and violence, value conflict and normative contestation are our business. Institutionalism would benefit greatly from a dialogue with political scientists. Likewise, political scientists could learn a great deal from institutionalists. Thus far, IR scholars interested in norms have lacked a substantive systemic theory from which to hypothesize and carry out research. Institutionalism provides this. Taking its claims seriously may produce radical revisions to the existing sociologists' theories. It may also produce opposing theoretical arguments. Either outcome would advance research in both disciplines and enrich our understanding of world politics.



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