

Chapter 1

Globalization: a contested concept

Although the term 'globalization' can be traced back to the early 1960s, it was not until a quarter of a century later that it took the public consciousness by storm. 'Globalization' surfaced as *the buzzword* of the 'Roaring Nineties' because it best captured the increasingly interdependent nature of social life on our planet. At the end of the opening decade of the twenty-first century, there were millions of references to globalization in both virtual and printed space. Unfortunately, however, early bestsellers on the subject – Samuel Huntington's *The Clash of Civilizations*, Benjamin Barber's *Jihad Versus McWorld*, or Thomas Friedman's *The Lexus and the Olive Tree* – had left their readers with the simplistic impression that globalization was the inevitable process of a universalizing Western civilization battling the parochial forces of nationalism, localism, and tribalism. This influential assumption deepened further in the wake of the 9/11 attacks and the ensuing Global War on Terror spearheaded by an 'American Empire' of worldwide reach. As a result of this rigid dichotomy that pitted the universal against the particular and the global against the local, many people had trouble recognizing the myriad ties binding religious-traditionalist fundamentalisms to the secular postmodernity of the global age.

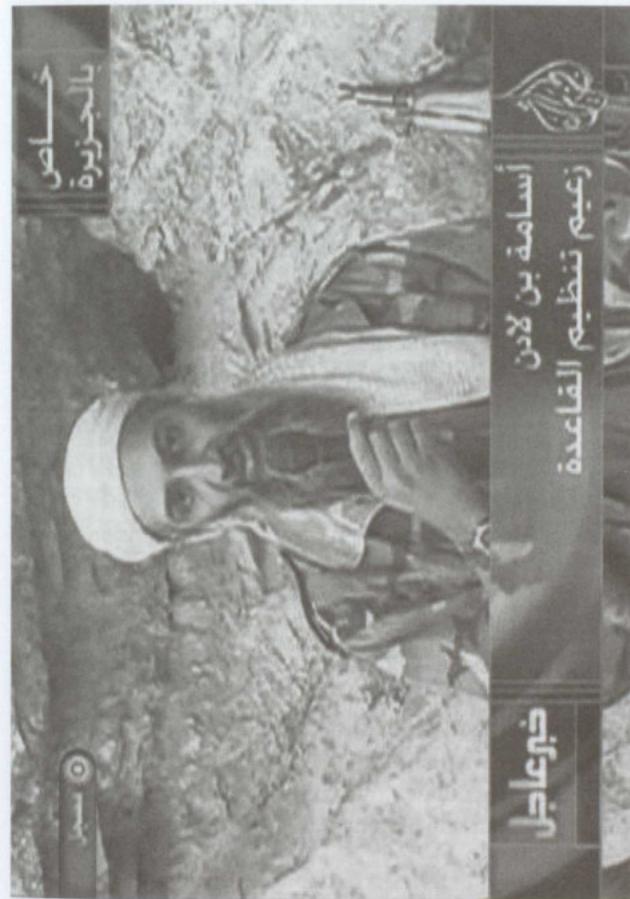
As an illustration of this narrow perspective, let me introduce a bright history major from one of my Global Studies courses.

'I understand that "globalization" is a contested concept that refers to the shrinkage of time and space,' she quipped, 'but how can you say that religious fanatics who denounce modernity and secularism from a mountain cave somewhere in the Middle East perfectly capture the complex dynamics of globalization? Don't these terrible acts of terrorism suggest the opposite, namely, the growth of reactionary forces that undermine globalization?' Obviously, the student was referring to Saudi-born Al-Qaeda leader Osama bin Laden and his associates whose videotaped statements condemning the activities of 'infidel crusaders and Zionists' were the steady diet of worldwide broadcasts in the years following the 9/11 attacks.

To be fair, however, I could not help but be struck by the sense of intellectual urgency that fuelled my student's question. It showed that globalization in all its dimensions remains an elusive concept without real-life examples capable of breathing shape, colour, and sound into a vague term that continues to dominate the twenty-first century media landscape. Hence, before delving into necessary matters of definition and analytical clarification, we ought to approach our subject in less abstract fashion. Let's begin our journey with a careful examination of the aforementioned videotapes. It will soon become fairly obvious why a deconstruction of those images provides important clues to the nature and dynamics of the phenomenon we have come to call 'globalization'.

Deconstructing Osama bin Laden

The most infamous of the bin Laden tapes was broadcast worldwide on 7 October 2001, less than a month after the collapse of the Twin Towers in Lower Manhattan. The recording bears no date, but experts have estimated that it was made about two weeks before it was broadcast. The timing of its release appears to have been carefully planned so as to achieve the maximum effect on the



1. Osama bin Laden on Al-Jazeera Television, 7 October 2001

day the United States commenced its bombing campaign against the Taliban and Al-Qaeda ('The Base') forces in Afghanistan. Although Osama bin Laden and his top lieutenants were then hiding in a remote region of the country, they obviously possessed the hi-tech equipment needed to record the statement. Moreover, Al-Qaeda members clearly enjoyed immediate access to sophisticated information and telecommunication networks that kept them informed – in real-time – of relevant international developments. Bin Laden may have denounced the international 'crusaders' with great conviction, but the smooth operation of his entire organization was entirely dependent on information and communication technology developed in the globalizing decades of the waning 20th century.

To further illustrate this apparent contradiction, consider the complex chain of global interdependencies that must have existed in order for bin Laden's message to be heard and seen by countless TV viewers around the world. After making its way from the secluded mountains of eastern Afghanistan to the capital city of Kabul, the videotape was dropped off by an unknown courier outside the local office of Al-Jazeera, a Qatar-based television company. This network had been launched only five years earlier as a state-financed, Arabic-language news and current affairs channel that offered limited programming. Before the founding of Al-Jazeera, cutting-edge TV journalism – such as free-ranging public affairs interviews and talk shows with call-in audiences – simply did not exist in the Arab world. Within only three years, however, Al-Jazeera was offering its Middle Eastern audience a dizzying array of programmes, transmitted around the clock by powerful satellites put into orbit by European rockets and American space shuttles.

Indeed, the network's market share increased even further as a result of the dramatic reduction in the price and size of satellite dishes. Suddenly, such technologies became affordable, even for low-income consumers. By the turn of the century, Al-Jazeera

broadcasts could be watched around the clock on all five continents.

In 2001, the company further intensified its global reach when its chief executives signed a lucrative cooperation agreement with CNN, the leading news network owned by the giant multinational corporation AOL-Time-Warner. A few months later, when the world's attention shifted to the war in Afghanistan, Al-Jazeera had already positioned itself as a truly global player, powerful enough to rent equipment to such prominent news providers as Reuters and ABC, sell satellite time to the Associated Press and BBC, and design an innovative Arabic-language business news channel together with its other American network partner, CNBC.

Unhampered by national borders and geographical obstacles, cooperation among these sprawling news networks had become so efficient that CNN acquired and broadcast a copy of the Osama bin Laden tape only a few hours after it had been delivered to the Al-Jazeera office in Kabul. Caught offguard by the incredible speed of today's information exchange, the Bush administration asked the Qatari government to 'rein in Al-Jazeera', claiming that the swift airing of the bin Laden tape without prior consultation was contributing to the rise of anti-American sentiments in the Arab world and thus threatened to undermine the US war effort. However, not only was the perceived 'damage' already done, but segments of the tape – including the full text of bin Laden's statement – could be viewed online by anyone with access to a computer and a modem. The Al-Jazeera website quickly attracted an international audience as its daily hit count skyrocketed to over 7 million.

There can be no doubt that it was the existence of this chain of global interconnections that made possible the instant broadcast of bin Laden's speech to a global audience. At the same time, however, it must be emphasized that even those voices that oppose

modernity cannot extricate themselves from the very process of globalization they so decry. In order to spread their message and recruit new sympathizers, apparent 'antiglobalizers' must utilize the tools provided by globalization. This obvious truth was visible even in bin Laden's personal appearance. The tape shows that he was wearing contemporary military fatigues over traditional Arab garments. In other words, his dress reflects the contemporary processes of fragmentation and cross-fertilization that Global Studies scholars call 'hybridization' – the mixing of different cultural forms and styles facilitated by global economic and cultural exchanges. In fact, the pale colours of bin Laden's mottled combat dress betrayed its Russian origins, suggesting that he wore the jacket as a symbolic reminder of the fierce guerrilla war waged by him and other Islamic militants against the Soviet occupation forces in Afghanistan during the 1980s.

His ever-present AK-47 Kalashnikov, too, was probably made in Russia, although dozens of gun factories around the world have been building this popular assault rifle for over forty years. By the mid-1990s, more than 70 million Kalashnikovs had been manufactured in Russia and abroad. At least fifty national armies include such rifles in their arsenal, making Kalashnikovs truly weapons of global choice. Thus, bin Laden's AK-47 could have come from anywhere in the world. However, given the astonishing globalization of organized crime during the last two decades, it is quite conceivable that bin Laden's rifle was part of an illegal arms deal hatched and executed by such powerful international criminal organizations as Al-Qaeda and the Russian Mafia. It is also possible that the rifle arrived in Afghanistan by means of an underground arms trade similar to the one that surfaced in May 1996, when police in San Francisco seized 2,000 illegally imported AK-47s manufactured in China.

A close look at bin Laden's right wrist reveals yet another clue to the powerful dynamics of globalization. As he directs his words of contempt for the United States and its allies at his hand-held

microphone, his retreating sleeve exposes a stylish sports watch. Journalists who noticed this expensive accessory have speculated about its origins. The emerging consensus points to a Timex product. However, given that Timex watches are as American as apple pie, it seems rather ironic that the Al-Qaeda leader should have chosen this particular chronometer. After all, Timex Corporation, originally the Waterbury Clock Company, was founded in the 1850s in Connecticut's Naugatuck Valley, known throughout the nineteenth century as the 'Switzerland of America'. Today, Timex has gone multinational, maintaining close relations to affiliated businesses and sales offices in sixty-five countries. It employs 7,500 employees, located on four continents. Thousands of workers – mostly from low-wage countries in the global South – constitute the driving force behind the corporation's global production process.

Our brief deconstruction of some of the central images on the videotape makes it easier to understand why the seemingly anachronistic images of an 'antiglobalist' terrorist in front of an Afghan cave do, in fact, capture some essential dynamics of globalization. To be sure, in his subsequent taped appearances, Osama bin Laden presented himself more like a learned Muslim cleric than a holy warrior. In a September 2007 tape, he even went so far as to show off his neatly trimmed and dyed beard. But even this softened image of one of the world's most famous *mujahideen* ('holy warriors') doesn't change the overarching reality of intensifying global interdependence: the tensions between localism and globalism have reached unprecedented levels precisely because the links connecting them have been growing faster than at any time in history. The rise of worldwide terrorist organizations like Al-Qaeda represents but one of the many manifestations of globalization. Just as bin Laden's romantic ideology of a 'pure Islam' is itself an articulation of the global imaginary, so has our global age, with its insatiable appetite for technology, mass-market commodities, and celebrities, indelibly shaped the violent backlash against globalization. Our

deconstruction of Osama bin Laden has provided us with a real-life example of the intricate – and sometimes contradictory – social dynamics of globalization. We are now in a better position to tackle the rather demanding task of assembling a working definition of a contested concept that has proven to be notoriously hard to pin down.

Towards a definition of globalization

'Globalization' has been variously used in both popular and academic literature to describe a process, a condition, a system, a force, and an age. Given that these competing labels have very different meanings, their indiscriminate usage is often obscure and invites confusion. For example, a sloppy conflation of process and condition encourages circular definitions that explain little. The often repeated truism that 'globalization [the process] leads to more globalization [the condition]' does not allow us to draw meaningful analytical distinctions between causes and effects.

Hence, I suggest that we adopt the term *globality* to signify a *social condition* characterized by tight global economic, political, cultural, and environmental interconnections and flows that make most of the currently existing borders and boundaries irrelevant. Yet, we should neither assume that globality is already upon us nor that it refers to a determinate endpoint that precludes any further development. Rather, this concept signifies a future social condition that, like all conditions, is destined to give way to new constellations. For example, it is conceivable that globality might eventually be transformed into something we might call 'planetarity' – a new social condition brought about by the successful colonization of our solar system. Moreover, we could easily imagine different social manifestations of globality: one might be based primarily on values of individualism, competition, and laissez-faire capitalism, while another might

draw on more communal and cooperative norms. These possible alternatives point to the fundamentally *indeterminate character* of globality.

The term *globalization* applies to a *set of social processes* that appear to transform our present social condition of weakening nationality into one of globality. At its core, then, globalization is about shifting forms of human contact. Indeed, any affirmation of globalization implies three assertions: first, we are slowly leaving behind the condition of modern nationality that gradually unfolded from the eighteenth century onwards; second, that we are moving towards the new condition of postmodern globality; and, third, we have not yet reached it. Indeed, like 'modernization' and other verbal nouns that end in the suffix '-ization', the term 'globalization' suggests a sort of dynamism best captured by the notion of 'development' or 'unfolding' along discernible patterns. Such unfolding may occur quickly or slowly, but it always corresponds to the idea of change, and, therefore, denotes transformation.

Hence, academics exploring the dynamics of globalization are particularly keen on pursuing research questions related to the theme of social change. How does globalization occur? What is driving globalization? Is it one cause or a combination of factors? Is globalization a uniform or an uneven process? Is globalization a continuation of modernity or is it a radical break? How does globalization differ from previous social developments? Does globalization create new forms of inequality and hierarchy? Notice that the conceptualization of globalization as a dynamic process rather than as a static condition forces the researcher to pay close attention to shifting perceptions of time and space. This explains why many globalization scholars assign particular significance to historical analysis and the reconfiguration of social space. Indeed, the crucial insights of human geographers have played a major role in developing the field of Global Studies. Most importantly, these

scholars point out that old geographical scales that distinguish sharply between 'local', 'national', 'regional', and 'global', no longer work in a complex, networked world where these scales overlap and interpenetrate each other. Indeed, the best place to study the 'global' is often the 'local' – reflected, for example, in 'global cities' like New York, London, Tokyo, and Shanghai.

Finally, let us adopt *global imaginary* as a concept referring to people's growing consciousness of belonging to a global community. This is not to say that national and local communal frameworks have lost their power to provide people with a meaningful sense of home and identity. But it would be a mistake to close one's eyes to the weakening of the national imaginary. As the global imaginary erupts with increasing frequency within and onto the national and local, it destabilizes and unsettles the conventional parameters of understanding within which people imagine their communal existence. As we shall see in later chapters, the rising global imaginary is also powerfully reflected in the current transformation of political ideologies – the ideas and beliefs that go into the articulation of concrete political agendas and programmes.

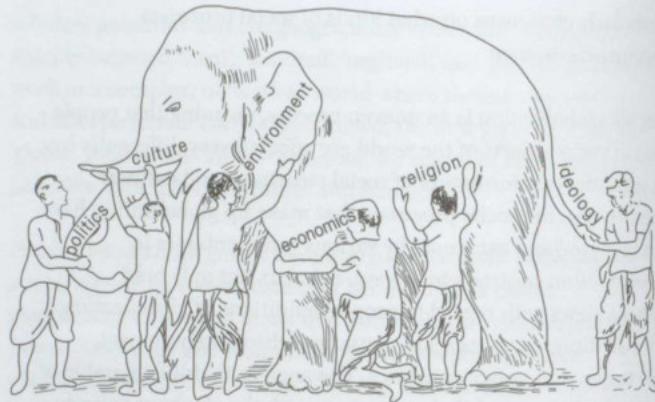
To argue that globalization constitutes a set of social processes enveloped by the rising global imaginary and propelling us towards the condition of globality may eliminate the danger of circular definitions, but it gives us only one defining characteristic of the process: movement towards greater interdependence and integration. Such a general definition of globalization tells us little about its remaining qualities. In order to overcome this deficiency, let us identify additional qualities that make globalization different from other sets of social processes. Yet, whenever researchers raise the level of specificity in order to bring the phenomenon in question into sharper focus, they also heighten the danger of provoking scholarly disagreements over definitions. Our subject is no exception. One of the reasons why globalization remains a contested concept is because there exists

no scholarly consensus on what kinds of social processes constitute its essence.

After all, globalization is an uneven process, meaning that people living in various parts of the world are affected very differently by this gigantic transformation of social structures and cultural zones. Hence, the social processes that make up globalization have been analysed and explained by various commentators in different, often contradictory ways. Scholars not only hold different views with regard to proper definitions of globalization, they also disagree on its scale, causation, chronology, impact, trajectories, and policy outcomes. The ancient Buddhist parable of the blind scholars and their encounter with the elephant helps to illustrate the academic controversy over the nature and various dimensions of globalization.

Since the blind scholars did not know what the elephant looked like, they resolved to obtain a mental picture, and thus the knowledge they desired, by touching the animal. Feeling its trunk, one blind man argued that the elephant was like a lively snake. Another man, rubbing along its enormous leg, likened the animal to a rough column of massive proportions. The third person took hold of its tail and insisted that the elephant resembled a large, flexible brush. The fourth man felt its sharp tusks and declared it to be like a great spear. Each of the blind scholars held firmly to his own idea of what constituted an elephant. Since their scholarly reputation was riding on the veracity of their respective findings, the blind men eventually ended up arguing over the true nature of the elephant.

The ongoing academic quarrel over which dimension contains the essence of globalization represents a postmodern version of the parable of the blind men and the elephant. Even those few remaining scholars who still think of globalization as a singular process clash with each other over which aspect of social life constitutes its primary domain. Some Global Studies experts



2. The globalization scholars and the elephant

argue that economic processes lie at the core of globalization. Others privilege political, cultural, or ideological aspects. Still others point to environmental processes as the essence of globalization. Like the blind men in the parable, each globalization researcher is partly right by correctly identifying *one* important dimension of the phenomenon in question. However, their collective mistake lies in their dogmatic attempts to reduce such a complex phenomenon as globalization to a single domain that corresponds to their own expertise. Surely, one of the central tasks for Global Studies as an emerging field must be to devise better ways for gauging the relative importance of each dimension without losing sight of the interconnected whole. Fortunately, more and more researchers have begun to heed this call for a genuine multidimensional approach to globalization that avoids pernicious reductionism.

Despite such differences of opinion, it is nonetheless possible to detect some thematic overlap in various scholarly attempts to identify the core qualities of globalization processes. Consider, for example, the five influential definitions of globalization (see box).

'Globalization can thus be defined as the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa.'

Anthony Giddens, Former Director of the London School of Economics

'The concept of globalization reflects the sense of an immense enlargement of world communication, as well as of the horizon of a world market, both of which seem far more tangible and immediate than in earlier stages of modernity.'

Fredric Jameson, Professor of Literature, Duke University

'Globalization may be thought of as a process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions – assessed in terms of their extensity, intensity, velocity and impact – generating transcontinental or interregional flows and networks of activity, interaction, and the exercise of power.'

David Held, Professor of Political Science, London School of Economics

'Globalization as a concept refers both to the compression of the world and the intensification of consciousness of the world as a whole.'

Roland Robertson, Professor of Sociology, University of Aberdeen, Scotland

'Globalization compresses the time and space aspects of social relations.'

James Mittelman, Professor of International Relations, American University, Washington

These definitions point to four additional qualities or characteristics at the core of the phenomenon. First, globalization involves the *creation* of new, and the *multiplication* of existing, social networks and activities that cut across traditional political, economic, cultural, and geographical boundaries. As we have seen in the case of Al-Jazeera, the creation of today's satellite-news corporations is made possible by the combination of professional networking, technological innovation, and political decisions that permit the emergence of new social orders that transcend nationally-based arrangements.

The second quality of globalization is reflected in the *expansion* and the *stretching* of social relations, activities, and interdependencies.

Today's financial markets reach around the globe, and electronic trading occurs around the clock. Gigantic and virtually identical shopping malls have emerged on all continents, offering those consumers who can afford commodities from all regions of the world – including products whose various components were manufactured in different countries. This process of social stretching applies to the Al-Qaeda terrorist network as well as to less sinister associations such as non-governmental organizations, commercial enterprises, social clubs, and countless regional and global institutions and associations: the United Nations, the European Union, the Association of South-East Asian Nations, the Organization of African Unity, Doctors Without Borders, the World Social Forum, or Google, to name but a few.

Third, globalization involves the *intensification* and *acceleration* of social exchanges and activities. As the Spanish sociologist Manuel Castells has pointed out, the creation of a global 'network society' required a technological revolution – one that has been powered chiefly by the rapid development of new information and transportation technologies. Proceeding at breakneck speed, these innovations are reshaping the social landscape of human life. The

Internet relays distant information in real time, and satellites provide consumers with instant pictures of remote events. The intensification of worldwide social relations means that local happenings are shaped by events occurring far away, and vice versa. In other words, the seemingly opposing processes of globalization and localization actually imply each other. Rather than sitting at the base and the top of conventional geographical hierarchies, the local and global intermingle messily with the national and regional in new horizontal scales.

Fourth, as we emphasized in our discussion of the global imaginary, globalization processes do not occur merely on an objective, material level but also involve the subjective plane of human consciousness. The compression of the world into a single place increasingly makes global the frame of reference for human thought and action. Hence, globalization involves both the macro-structures of community and the micro-structures of personhood. It extends deep into the core of the self and its dispositions, facilitating the creation of new individual and collective identities nurtured by the intensifying relations between the individual and the globe.

It seems that we have succinctly identified some of the core qualities of globalization. Compressing them into a single sentence yields the following *very short* definition of globalization:

Globalization refers to the expansion and intensification of social relations and consciousness across world-time and world-space.

Before we draw this chapter to a close, let us consider some objections raised by those scholars who belong to the camp of the 'globalization sceptics'. Their objections range from the accusation that fashionable 'globalization talk' amounts to little more than 'globaloney' to less radical suggestions that globalization is a much more limited and uneven process than the sweeping arguments of the so-called 'hyperglobalizers' would have us believe. In many

ways, the most radical globalization sceptics resemble the blind scholar who, occupying the empty space between the elephant's front and hind legs, groped in vain for a part of the elephant. Finding none, he accused his colleagues of making up fantastic stories about non-existent things, asserting that there were no such animals as 'elephants' at all. Since evidence pointing to the rapid intensification of worldwide social relations has been mounting in the 2000s, I will resist delving into a detailed refutation of those few remaining sceptics who deny the existence of globalization altogether.

Still, globalization sceptics performed the valuable service of forcing global studies scholars to hone their arguments. One of the most challenging questions posed by globalization sceptics is a historical one: is globalization a modern phenomenon? Some critics would respond to this question in the negative, insisting that the concept of globalization has been used in a historically imprecise manner. In a nutshell, this thoughtful group of sceptics contends that even a cursory look at history suggests that there is not much that is 'new' about contemporary globalization. Hence, before we explore in some detail the main dimensions of globalization in subsequent chapters of this book, I suggest we give this weighty historical argument a fair hearing. Indeed, such a critical investigation of globalization's alleged novelty is closely related to yet another question hotly debated in Global Studies. What does a proper chronology and historical periodization of globalization look like? Let us turn to Chapter 2 to seek answers to these questions.

Chapter 2

Globalization and history: is globalization a new phenomenon?

If we asked an ordinary person on the busy streets of global cities like London, New York, or Singapore about the essence of globalization, the answer would probably involve some reference to growing forms of political and economic interdependence fuelled by 'new technologies' like personal computers, the Internet, cellular phones, pagers, personal digital assistants like the popular 'Blackberry', digital cameras, high-definition television, satellites, jet planes, space shuttles, and supertankers. As subsequent chapters will show, however, technology provides only a partial explanation for the latest wave of globalization. Yet, it would be foolish to deny that these new innovations have played a crucial role in the expansion and intensification of social relations and consciousness across world-time and world-space. The Internet, in particular, has assumed a pivotal function in facilitating globalization through the creation of the World Wide Web that connects billions of individuals, civil society associations, and governments. Since most of these technologies have been around for less than three decades, it seems to make sense to agree with those commentators who claim that globalization is, indeed, a relatively new phenomenon.

At the same time, however, the definition of globalization we arrived at in the previous chapter stresses the dynamic nature of the phenomenon. The enhancement of worldwide

Chapter 3

The economic dimension of globalization

At the beginning of the previous chapter we noted that new forms of technology are one of the hallmarks of contemporary globalization. Indeed, technological progress of the magnitude seen in the last three decades is a good indicator for the occurrence of profound social transformations centred on the market. Changes in the way in which people undertake economic production and organize the exchange of commodities represent one obvious aspect of the great transformation of our age. Economic globalization refers to the intensification and stretching of economic interrelations across the globe. Gigantic flows of capital and technology have stimulated trade in goods and services. Markets have extended their reach around the world, in the process creating new linkages among national economies. Huge transnational corporations, powerful international economic institutions, and large regional trading systems have emerged as the major building blocks of the twenty-first century's global economic order.

The emergence of the global economic order

Contemporary economic globalization can be traced back to the gradual emergence of a new international economic order assembled at an economic conference held towards the end of the Second World War in the sleepy New England town of Bretton

Woods. Under the leadership of the United States of America and Great Britain, the major economic powers of the global North reversed their economic policies of the interwar period (1918–39), which, for example, introduced high tariffs on imported goods to protect the national economy. In addition to arriving at a firm commitment to expand international trade, the participants in the conference also agreed to establish binding rules on international economic activities. Moreover, they resolved to create a more stable money exchange system in which the value of each country's currency was pegged to a fixed gold value of the US dollar. Within these prescribed limits, individual nations were free to control the permeability of their borders. This allowed states to set their own political and economic agendas.

Bretton Woods also set the institutional foundations for the establishment of three new international economic organizations. The International Monetary Fund was created to administer the international monetary system. The International Bank for Reconstruction and Development, later known as the World Bank, was initially designed to provide loans for Europe's post-war reconstruction. During the 1950s, however, its purpose was expanded to fund various industrial projects in developing countries around the world. Finally, the General Agreement on Tariffs and Trade was established in 1947 as a global trade organization charged with fashioning and enforcing multilateral trade agreements. In 1995, the World Trade Organization was founded as the successor organization to GATT. In the 1990s, the WTO became the focal point of intense public controversy over the design and the effects of economic globalization.

In operation for almost three decades, the Bretton Woods regime contributed greatly to the establishment of what some observers have called the 'golden age of controlled capitalism'. National governments controlled money flows into and out of their territories. High taxation rates on wealthy individuals and profitable corporations led to the expansion of the welfare state.



7. The Bretton Woods Conference, 1944

Rising wages and increased social services in the wealthy countries of the global North appeared to offer workers entry into the 'middle class'. By the early 1970s, however, the Bretton Woods system collapsed. Its demise strengthened a new global economic order based on expanding free markets. What happened?

In response to profound political changes in the world that were undermining the economic competitiveness of US-based industries, President Richard Nixon abandoned the gold-based fixed rate system in 1971. The ensuing decade was characterized by global economic instability in the form of high inflation, low economic growth, high unemployment, public sector deficits, and two unprecedented energy crises due to OPEC's ability to control a large part of the world's oil supply. Political forces in the global North most closely identified with the model of controlled capitalism suffered a series of spectacular election defeats at the hands of conservative political parties who advocated a 'neoliberal' approach to economic and social policy.

Neoliberalism is rooted in the classical liberal ideals of Adam Smith (1723–90) and David Ricardo (1772–1823), both of whom viewed the market as a self-regulating mechanism tending toward equilibrium of supply and demand, thus securing the most efficient allocation of resources. These British philosophers considered that any constraint on free competition would interfere with the natural efficiency of market mechanisms, inevitably leading to social stagnation, political corruption, and the creation of unresponsive state bureaucracies. They also advocated the elimination of tariffs on imports and other barriers to trade and capital flows between nations. British sociologist Herbert Spencer (1820–1903) added to this doctrine a twist of social Darwinism by arguing that free market economies constitute the most civilized form of human competition in which the 'fittest' would naturally rise to the top.

Yet, in the decades following the Second World War, even the most conservative political parties in Europe and the United States rejected those laissez-faire ideas and instead embraced a rather extensive version of state interventionism propagated by British economist John Maynard Keynes, the architect of the Bretton Woods system. By the 1980s, however, British Prime Minister Margaret Thatcher and US President Ronald Reagan led the neoliberal revolution against Keynesianism, consciously linking the notion of globalization to the 'liberation' of economies around the world.

This new neoliberal economic order received further legitimization with the 1989–91 collapse of communism in the Soviet Union and Eastern Europe. Since then, the three most significant developments related to economic globalization have been the internationalization of trade and finance, the increasing power of transnational corporations, and the enhanced role of international

economic institutions like the IMF, the World Bank, and the WTO. Let us briefly examine these important features.

The internationalization of trade and finance

Many people associate economic globalization with the controversial issue of free trade. After all, the total value of world trade exploded from \$57 billion in 1947 to an astonishing \$12.6 trillion in 2005. In the last few years, the public debate over the alleged benefits and drawbacks of free trade reached a feverish pitch as wealthy Northern countries have increased their efforts to establish a single global market through regional and international trade-liberalization agreements such as NAFTA and GATT. Free trade proponents assure the public that the elimination or reduction of existing trade barriers among nations will enhance consumer choice, increase global wealth, secure peaceful international relations, and spread new technologies around the world.

To be sure, there is evidence that some national economies have increased their productivity as a result of free trade. Moreover,

Concrete neoliberal measures include:

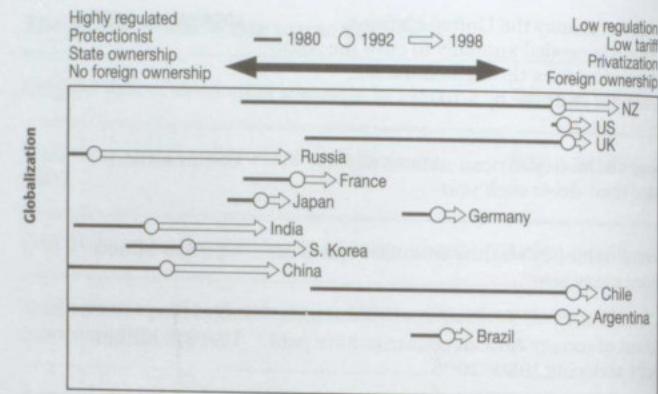
1. Privatization of public enterprises
2. Deregulation of the economy
3. Liberalization of trade and industry
4. Massive tax cuts
5. 'Monetarist' measures to keep inflation in check, even at the risk of increasing unemployment
6. Strict control on organized labour
7. The reduction of public expenditures, particularly social spending
8. The down-sizing of government
9. The expansion of international markets
10. The removal of controls on global financial flows

there are some benefits that accrue to societies through specialization, competition, and the spread of technology. But it is less clear whether the profits resulting from free trade have been distributed fairly within and among countries. Most studies show that the gap between rich and poor countries is widening at a fast pace. Hence, free trade proponents have encountered severe criticism from labour unions and environmental groups who claim that the elimination of social control mechanisms has resulted in a lowering of global labour standards, severe forms of ecological degradation, and the growing indebtedness of the global South to the North. We will return to the issue of global inequality in Chapters 7 and 8.

The internationalization of trade has gone hand in hand with the liberalization of financial transactions. Its key components include the deregulation of interest rates, the removal of credit controls, and the privatization of government-owned banks and financial institutions. Globalization of financial trading allows for increased mobility among different segments of the financial industry, with fewer restrictions and greater investment opportunities. This new financial infrastructure emerged in the 1980s with the gradual deregulation of capital and securities markets in Europe, the Americas, East Asia, Australia, and New Zealand. A decade later, South-East Asian countries, India, and several African nations followed suit. During the 1990s, new satellite systems and fibre-optic cables provided the nervous system of Internet-based technologies that further accelerated the liberalization of financial transactions. As captured by the snazzy title of Microsoft CEO Bill Gates' best-selling book, many people conducted *business @ the speed of thought*. Millions of individual investors utilized global electronic investment networks not only to place their orders, but also to receive valuable information about relevant economic and political developments. In 2005, Internet publishing, broadcasting, and marketing firms traded approximately 10 trillion dollars in the United States alone.

The global South: a fate worse than debt

Original debt of developing countries in 1980	US\$618 billion	Amount of money the United Nations estimates is needed annually to curb the AIDS epidemic in Africa through education, prevention, and care by 2010	US\$20–23 billion
Total external debt of developing countries in 2007	US\$3.3 trillion	Amount of money African nations pay to service their debts each year	US\$21 billion
Cost of the war in Iraq to the USA (2003–2008)	US\$3.3 trillion	Amount of money wealthy countries spend on defence every year	US\$625 billion
Total amount paid by developing countries in debt servicing 1980–2006	US\$7.7 trillion	Amount of money African countries have paid in debt servicing 1980–2006	US\$675 billion
Amount of money spent by Western industrialized nations on weapons and soldiers every year	US\$747.5 billion	Amount of money the world's poorest countries spend on debt servicing every 12 days	US\$1.25 billion (0.2% of what the rich world spends on defence each year)
Amount of debt that the G8 promised to write off	US\$100 billion	Amount of money Kenya owes in external debt (2005)	US\$7 billion
Amount of debt actually written off so far	US\$46 billion	Amount of money Kenya allocated to health, water, roads, agriculture, transport and finance in 2005	US\$7 billion
Number of countries eligible for the international Heavily Indebted Poor Countries initiative (HIPC)	42	Profits made by Wal-Mart in 2007	US\$11.3 billion
Proportion of bilateral debt that the G8 countries have promised to cancel for the 42 HIPCs	100%	<i>Sources:</i> World Bank, <i>World Development Report 2006: Equity and Development</i> (World Bank: Washington, DC, 2005); Nakatani and Herera (2007) 'The South has already paid its external debt to the North' <i>The Monthly Review</i> 59: 2 < http://www.monthlyreview.org/0607pnrh.html > accessed 18 March 2008; Joseph Stiglitz, cited in 'Under the Cloud of War' by Daniel Flitton, <i>Insight The Age</i> Newspaper, Saturday 15 March 2008, p. 4; also on the web at < http://www.theage.com.au/news/in-depth/under-the-cloud-of-war/2008/03/14/1205472076737.html >; Earth Trends: The Environmental Information Portal, World Resources Institute < http://earthtrends.wri.org > accessed 15 March 2008; Jubilee Debt Campaign UK, June 2006; 'HIV/AIDS in Africa 2007–2010: Major Challenges Ahead', Worldpress.org < http://www.worldpress.org/Africa/2602.cfm >; (Source: Fortune magazine top 500 companies < http://money.cnn.com/magazines/fortune/fortune500/2007/full_list/index.html > accessed 18 March 2008)	
Proportion of multilateral debt that the World Bank and International Monetary Fund will eventually cancel for the 42 HIPCs	65% (approx)		
Total amount of multilateral debt owed by the 42 HIPCs that is NOT eligible for cancellation	US\$93 billion		
Amount of money the world's poorest countries spend on debt servicing each year	US\$37.5 billion		
Profits made by Exxon Mobil 2007	US\$39.5 billion		



A. The advance of deregulation and liberalization, 1980–98

Source: Vincent Cable, *Globalization and Global Governance* (The Royal Institute of International Affairs, 1999), p. 20.

In 2006, global business-to-business transactions reached US\$12.8 trillion. Numerous ventures to connect stock exchanges in different countries have also been attempted in recent years. In early 2007, NASDAQ attempted to take over the London Stock Exchange, offering US\$5.3 billion, a move that was rejected by the vast majority of shareholders in the London Stock Exchange. Prior to 2007, however, the New York Stock Exchange (NYSE) established agreements with India's Stock Exchange and with Tokyo's Stock Exchange. In April 2007, the NYSE concluded its merger with Euronext NV, creating a business worth US\$20 billion. Euronext NV includes stock exchanges in Brussels, Paris, Amsterdam, and Lisbon. In early 2008, the newly merged company announced its plans to take over the American Stock Exchange (AMEX) for US\$260 million. It would seem that a global financial supermarket in cyberspace is fast becoming a reality.

Yet, a large part of the money involved in these global financial exchanges has little to do with supplying capital for such productive investments as putting together machines or



8. The New York Stock Exchange. Billions of shares change hands on an average trading day

The South-East Asia crisis

In the 1990s, the governments of Thailand, Indonesia, Malaysia, South Korea, and the Philippines gradually abandoned control over the domestic movement of capital in order to attract foreign direct investment. Intent on creating a stable money environment, they raised domestic interest rates and linked their national currencies to the value of the US dollar. The ensuing irrational euphoria of international investors translated into soaring stock and real estate markets all over South-East Asia. However, by 1997, those investors realized that prices had become inflated much beyond their actual value. They panicked and withdrew a total of \$105 billion from these countries, forcing governments in the region to abandon the dollar peg. Unable to halt the ensuing free fall of their currencies, those governments used up their entire foreign exchange reserves. As a result, economic output fell, unemployment increased, and wages plummeted. Foreign banks and creditors reacted by declining new credit applications and refusing to extend existing loans. By late 1997, the entire region found itself in the throes of a financial crisis that threatened to push the global economy into recession. This disastrous result was only narrowly averted by a combination of international bail-out packages and the immediate sale of South-East Asian commercial assets to foreign corporate investors at rock-bottom prices. Today, ordinary citizens in South-East Asia are still suffering from the devastating social and political consequences of that economic meltdown. In late 2007 and early 2008, the slowing down of the US economy had serious ramifications for its trading partners in Europe and Asia. It is yet to be seen what the extent of the impact of this will be on the global economy.

organizing raw materials and employees to produce saleable commodities. Most of the financial growth has occurred in the form of high-risk 'hedge funds' and other purely money-dealing currency and securities markets that trade claims to draw profits from future production.

In other words, investors are betting on commodities or currency rates that do not yet exist. For example, in 2007, the equivalent of over 3 trillion US dollars was exchanged daily in global currency markets alone. Dominated by highly sensitive stock markets that drive high-risk innovation, the world's financial systems are characterized by high volatility, rampant competition, and general insecurity. Global speculators often take advantage of weak financial and banking regulations to make astronomical profits in emerging markets of developing countries. However, since these international capital flows can be reversed swiftly, they are capable of creating artificial boom-and-bust cycles that endanger the social welfare of entire regions.

The 1997–8 South-East Asia crisis represents but one of most serious economic reversals in recent memory brought on by the globalization of financial transactions.

The power of transnational corporations

Transnational corporations are the contemporary versions of the early modern commercial enterprises we discussed in the previous chapter. Powerful firms with subsidiaries in several countries, their numbers skyrocketed from 7,000 in 1970 to about 78,000 in 2006. Enterprises like General Motors, Walmart, Exxon-Mobil, Mitsubishi, and Siemens belong to the 200 largest TNCs, which account for over half of the world's industrial output. None of these corporations maintains headquarters outside North America, Europe, Japan, and South Korea. This geographical concentration reflects existing asymmetrical power relations between the North and the South. Yet, clear power differentials can

also be found within the global North. In 2005, only one of the top 100 TNCs worldwide was based in a developing country, Mexico. The rest had their home economies in countries such as the United States, the United Kingdom, Japan, Germany, and France.

Rivalling nation-states in their economic power, these corporations control much of the world's investment capital, technology, and access to international markets. In order to maintain their prominent positions in the global marketplace, TNCs frequently merge with other corporations. Some of these recent mergers include the \$160-billion marriage of the world's largest Internet provider, AOL, with entertainment giant Time-Warner; the purchase of Chrysler Motors by Daimler-Benz for \$43 billion; and the \$115-billion merger between Sprint Corporation and MCI WorldCom. In 2007, global telecommunications TNCs Nokia and Siemens merged in a deal worth approximately US\$38 million. A comparison of GDPs and corporate sales for 2005 reveals that 42 of the world's 100 largest economies are corporations; 58 are countries. Hence, it is not surprising that some critics have characterized economic globalization as 'corporate globalization' or 'globalization-from-above'.

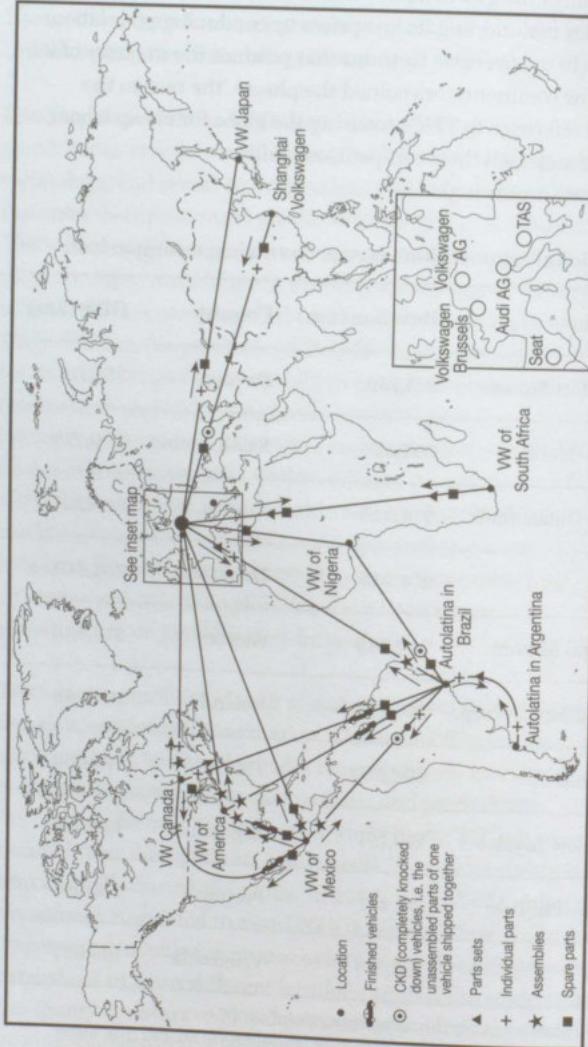
TNCs have consolidated their global operations in an increasingly deregulated global labour market. The availability of cheap labour, resources, and favourable production conditions in the global South has enhanced corporate mobility and profitability. Accounting for over 70 per cent of world trade, TNCs have boosted their foreign direct investments by approximately 15 per cent annually during the 1990s. In 2005, total TNC foreign direct investment amounted to over US\$974 billion. Their ability to disperse manufacturing processes into many discrete phases carried out in many different locations around the world reflects the changing nature of global production. Such transnational production networks allow TNCs like Wal-Mart, General Motors, and Volkswagen to produce, distribute, and market their products

on a global scale. However, there is also a flip side to the deregulation of the global labour market. Some TNCs have been criticized for maintaining its low prices by condoning poor labour conditions in the overseas factories that produce the majority of its goods. Some commentators coined the phrase 'the race to the bottom' in reference to TNCs scouring the globe for cheap labour in order to undersell their competition while keeping their profits high.

Transnational corporations versus countries: a comparison

Corporation	Revenue (\$m)	Country	GDP (\$m)
1 Wal-Mart Stores	351,139	Sweden	354,115
2 Exxon-Mobil	347,254	Saudi Arabia	309,778
3 Royal Dutch Shell	318,845	Austria	304,527
4 BP	274,316	Denmark	254,401
5 General Motors	207,349	Greece	213,698
6 Toyota Motor Corp.	204,746	Ireland	196,388
7 Chevron	200,567	Thailand	176,602
8 DaimlerChrysler	190,191	Argentina	183,309
9 ConocoPhillips	172,451	Portugal	173,085
10 Total	168,357	Venezuela	138,857

Source: Corporations – *Fortune Magazine*, 23 July 2007
http://money.cnn.com/magazines/fortune/global500/2007/full_list/index.html; Countries – World Bank *World Development Report 2007* pp. 294–5.



Nokia's role in the Finnish economy

Named after a small town in south-west Finland, Nokia Corporation rose from modest beginnings a little more than a decade ago to become a large TNC that manufactures 37 of every 100 cellphones sold worldwide. Today, its products connect one billion people in an invisible web around the globe. However, Nokia's gift to Finland – the distinction of being the most interconnected nation in the world – came at the price of economic dependency. Nokia is the engine of Finland's economy, representing two-thirds of the stock market's value and one-fifth of the nation's total export. It employs 22,000 Finns, not counting the estimated 20,000 domestic employees who work for companies that depend on Nokia contracts. The corporation produces a large part of Finland's tax revenue, and its \$25 billion in annual sales almost equals the entire national budget. Yet, when Nokia's growth rate slowed in recent years, company executives let it be known that they were dissatisfied with the country's relatively steep income tax. Today, many Finnish citizens fear that decisions made by relatively few Nokia managers might pressure the government to lower corporate taxes and abandon the country's generous and egalitarian welfare system. However, it seems that, with its 2007 merger with Siemens (aimed at providing wider telecommunications networks and thus increasing business prospects), Nokia is finding creative ways around its slow growth rate without risking the welfare system of Finland.

No doubt, the growing power of TNCs has profoundly altered the structure and functioning of the international economy. These giant firms and their global strategies have become major determinants of trade flows, the location of industries, and other economic activities around the world. As a consequence, TNCs have become extremely important players that influence the

economic, political, and social welfare of many nations. See the box for a final example.

The enhanced role of international economic institutions

The three international economic institutions most frequently mentioned in the context of economic globalization are the IMF, the World Bank, and the WTO. These three institutions enjoy the privileged position of making and enforcing the rules of a global economy that is sustained by significant power differentials between the global North and South. Since we will discuss the WTO in some detail in Chapter 8, let us focus here on the other two institutions. As pointed out above, the IMF and the World Bank emerged from the Bretton Woods system. During the Cold War, their important function of providing loans for developing countries became connected to the West's political objective of containing communism. Starting in the 1970s, and especially after the fall of the Soviet Union, the economic agenda of the IMF and the World Bank has synchronized neoliberal interests to integrate and deregulate markets around the world.

In return for supplying much-needed loans to developing countries, the IMF and the World Bank demand from their creditor nations the implementation of so-called 'structural adjustment programmes'. Unleashed on developing countries in the 1990s, this set of neoliberal policies is often referred to as the 'Washington Consensus'. It was devised and codified by John Williamson, who was an IMF adviser in the 1970s. The various sections of the programme were mainly directed at countries with large foreign debts remaining from the 1970s and 1980s. The official purpose of the document was to reform the internal economic mechanisms of debtor countries in the developing world so that they would be in a better position to repay the debts they had incurred. In practice, however, the terms of the programme spelled out a new form of colonialism. The ten points of the

Washington Consensus, as defined by Williamson, required governments to implement the following structural adjustments in order to qualify for loans:

1. A guarantee of fiscal discipline, and a curb to budget deficits;
2. A reduction of public expenditure, particularly in the military and public administration;
3. Tax reform, aiming at the creation of a system with a broad base and with effective enforcement;
4. Financial liberalization, with interest rates determined by the market;
5. Competitive exchange rates, to assist export-led growth;
6. Trade liberalization, coupled with the abolition of import licensing and a reduction of tariffs;
7. Promotion of foreign direct investment;
8. Privatization of state enterprises, leading to efficient management and improved performance;
9. Deregulation of the economy;
10. Protection of property rights.

It is no coincidence that this programme is called the 'Washington Consensus', for, from the outset, the United States has been the dominant power in the IMF and the World Bank. Unfortunately, however, large portions of the 'development loans' granted by these institutions have either been pocketed by authoritarian political leaders or have enriched local businesses and the Northern corporations they usually serve. Sometimes, exorbitant sums are spent on ill-considered construction projects. Most importantly, however, structural adjustment programmes rarely produce the desired result of 'developing' debtor societies, because mandated cuts in public spending translate into fewer social programmes, reduced educational opportunities, more environmental pollution, and greater poverty for the vast majority of people. Typically, the largest share of the national budget is spent on servicing outstanding debts. For example, in 2005, developing countries paid US\$355,025.5 million in debt servicing,

Neoliberal economics and Argentina

Less than a decade ago, IMF and World Bank officials held up Argentina as a 'model developing country'. Having accepted substantial structural adjustment programmes that led to the privatization of state enterprises, the reduction of tariffs, and the elimination of many social programmes, the Argentine government celebrated low unemployment rates, a stable currency pegged to the dollar, and strong foreign investment. For a few short years, neoliberal economics seemed vindicated. However, as the IMF demanded even stronger austerity measures in return for new loans, the Argentine economy went sour. In January 2002, after months of violent street protests in major cities, Argentina formally defaulted on its massive public debt of \$141 billion. In order to prevent the complete financial and social collapse of his nation, Eduardo Duhalde, the country's fifth president in only two weeks, further limited people's access to their savings deposits and decoupled the peso from the dollar. Within hours, the currency lost a third of its value, robbing ordinary people of the fruits of their labour. 'Argentina is broke, sunk,' the President admitted, 'and this [neoliberal] model has swept everything away with it.' Economic progress since then has been mixed for Argentina. Its GDP has grown substantially at a rate of about 9 per cent per year, partially because of debt restructuring and reduced debt burden, excellent international financial conditions, and expansionary monetary and fiscal policies. However, inflation has also continued to grow, reaching double-digit levels in 2006. The government of President Nestor Kirchner responded by implementing price agreements with businesses, as well as export taxes and restraints. Multi-year price freezes on electricity and natural gas rates for residential users stoked consumption and kept private investment away, leading to restrictions on industrial use and blackouts in 2007.

while receiving only US\$80,534.1 million in aid. Pressured by anti-corporate globalist forces, the IMF and the World Bank were only recently willing to consider a new policy of blanket debt forgiveness in special cases.

As this chapter has shown, economic perspectives on globalization can hardly be discussed apart from an analysis of political processes and institutions. After all, the intensification of global economic interconnections does not simply fall from the sky; rather, it is set into motion by a series of political decisions. Hence, while acknowledging the importance of economics in our story of globalization, this chapter nonetheless ends with the suggestion that we ought to be sceptical of one-sided accounts that identify expanding economic activity as both the primary aspect of globalization and the engine behind its rapid development. The multidimensional nature of globalization demands that we flesh out in more detail the interaction between its political and economic aspects.

Chapter 4

The political dimension of globalization

Political globalization refers to the intensification and expansion of political interrelations across the globe. These processes raise an important set of political issues pertaining to the principle of state sovereignty, the growing impact of intergovernmental organizations, and the future prospects for regional and global governance. Obviously, these themes respond to the evolution of political arrangements beyond the framework of the nation-state, thus breaking new conceptual ground. After all, for the last few centuries, humans have organized their political differences along territorial lines that generate a sense of 'belonging' to a particular nation-state.

This artificial division of planetary social space into 'domestic' and 'foreign' spheres corresponds to people's collective identities based on the creation of a common 'us' and an unfamiliar 'them'. Thus, the modern nation-state system has rested on psychological foundations and cultural assumptions that convey a sense of existential security and historical continuity, while at the same time demanding from its citizens that they put their national loyalties to the ultimate test. Nurtured by demonizing images of the Other, people's belief in the superiority of their own nation has supplied the mental energy required for large-scale warfare—just as the enormous productive capacities of the modern state have

provided the material means necessary to fight the 'total wars' of the last century.

Contemporary manifestations of globalization have led to the partial permeation of these old territorial borders, in the process also softening hard conceptual boundaries and cultural lines of demarcation. Emphasizing these tendencies, commentators belonging to the camp of hyperglobalizers have suggested that the period since the late 1960s has been marked by a radical 'deterritorialization' of politics, rule, and governance. Considering such pronouncements premature at best and erroneous at worst, globalization sceptics have not only affirmed the continued relevance of the nation-state as the political container of modern social life but have also pointed to the emergence of regional blocs as evidence for new forms of territorialization. As each group presents different assessments of the fate of the modern nation-state, they also quarrel over the relative importance of political and economic factors.

Out of these disagreements there have emerged three fundamental questions that probe the extent of political globalization. First, is it really true that the power of the nation-state has been curtailed by massive flows of capital, people, and technology across territorial boundaries? Second, are the primary causes of these flows to be found in politics or in economics? Third, are we witnessing the emergence of global governance? Before we respond to these questions in more detail, let us briefly consider the main features of the modern nation-state system.

The modern nation-state system

The origins of the modern nation-state system can be traced back to seventeenth-century political developments in Europe. In 1648, the Peace of Westphalia concluded a series of religious wars among the main European powers following the Protestant Reformation. Based on the newly formulated principles of

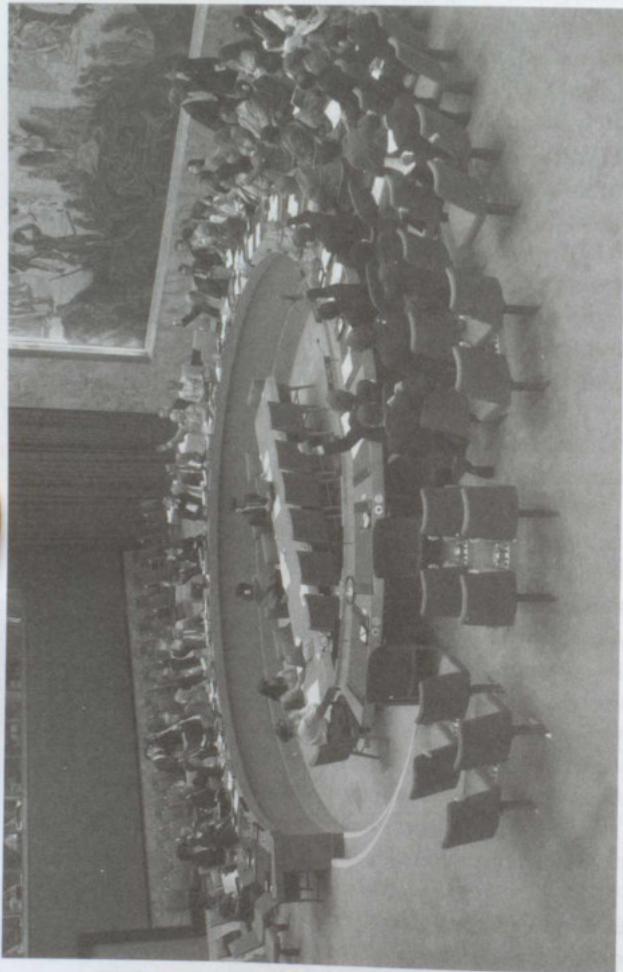
sovereignty and territoriality, the ensuing model of self-contained, impersonal states challenged the medieval mosaic of small polities in which political power tended to be local and personal in focus but still subordinated to a larger imperial authority. While the emergence of the Westphalian model did not eclipse the transnational character of vast imperial domains overnight, it nonetheless gradually strengthened a new conception of international law based on the principle that all states had an equal right to self-determination. Whether ruled by absolutist kings in France and Prussia or in a more democratic fashion by the constitutional monarchs and republican leaders of England and the Netherlands, these unified territorial areas constituted the foundation for modernity's secular and national system of political power. According to political scientist David Held, the Westphalian model contained the following essential points:

1. The world consists of, and is divided into, sovereign territorial states which recognize no superior authority.
2. The processes of law-making, the settlement of disputes, and law enforcement are largely in the hands of individual states.
3. International law is oriented to the establishment of minimal rules of co-existence; the creation of enduring relationships is an aim, but only to the extent that it allows state objectives to be met.
4. Responsibility for cross-border wrongful acts is a 'private matter' concerning only those affected.
5. All states are regarded as equal before the law, but legal rules do not take account of asymmetries of power.
6. Differences among states are often settled by force; the principle of effective power holds sway. Virtually no legal fetters exist to curb the resort to force; international legal standards afford only minimal protection.
7. The collective priority of all states should be to minimize the impediments to state freedom.

The centuries following the Peace of Westphalia saw the further centralization of political power, the expansion of state administration, the development of professional diplomacy, and the successful monopolization of the means of coercion in the hands of the state. Moreover, states also provided the military means required for the expansion of commerce, which, in turn, contributed to the spread of this European form of political rule around the globe. The modern nation-state system found its mature expression at the end of the First World War in US President Woodrow Wilson's famous 'Fourteen Points' based on the principle of national self-determination. But his assumption that all forms of national identity should be given their territorial expression in a sovereign 'nation-state' proved to be extremely difficult to enforce in practice. Moreover, by enshrining the nation-state as the ethical and legal pinnacle of his proposed interstate system, Wilson unwittingly lent some legitimacy to those radical ethnonationalist forces that pushed the world's main powers into another war of global proportions.

Yet, Wilson's commitment to the nation-state coexisted with his internationalist dream of establishing a global system of collective security under the auspices of a new international organization, the League of Nations. His idea of giving international cooperation an institutional expression was eventually realized with the founding of the United Nations in 1945. While deeply rooted in a political order based on the modern nation-state system, the UN and other fledgling intergovernmental organizations also served as catalysts for the gradual extension of political activities across national boundaries, thus undermining the principle of national sovereignty.

As globalization tendencies grew stronger during the 1970s, it became clear that the international society of separate states was rapidly turning into a global web of political interdependences that challenged the sovereignty of nation-states. In 1990, at the outset of the Gulf War, US President George H. W. Bush



9. The Security Council of the United Nations in session. The Council comprises fifteen states, five of which – the USA, the UK, France, Russia, and China – are permanent members. According to Article 25 of the UN Charter, member nations must comply with Security Council resolutions

effectively pronounced dead the Westphalian model by announcing the birth of a 'new world order' whose leaders no longer respected the idea that cross-border wrongful acts were a matter concerning only those states affected. Did this mean that the modern nation-state system was no longer viable?

The demise of the nation-state?

Hyperglobalizers respond to the above question affirmatively. At the same time, most of them consider political globalization a mere secondary phenomenon driven by more fundamental economic and technological forces. They argue that politics has been rendered almost powerless by an unstoppable techno-economic juggernaut that will crush all governmental attempts to reintroduce restrictive policies and regulations. Endowing economics with an inner logic apart from, and superior to, politics, these commentators look forward to a new phase in world history in which the main role of government will be to serve as a superconductor for global capitalism.

Pronouncing the rise of a 'borderless world', hyperglobalizers seek to convince the public that globalization inevitably involves the decline of bounded territory as a meaningful concept for understanding political and social change. Consequently, this group of commentators suggests that political power is located in global social formations and expressed through global networks rather than through territorially-based states. In fact, they argue that nation-states have already lost their dominant role in the global economy. As territorial divisions are becoming increasingly irrelevant, states are even less capable of determining the direction of social life within their borders. For example, since the workings of genuinely global capital markets dwarf their ability to control exchange rates or protect their currency, nation-states have become vulnerable to the discipline imposed by economic choices made elsewhere, over which states have no practical control. Hyperglobalizers insist that the minimalist political order of the

future will be determined by regional economies linked together in an almost seamless global web of production and exchange.

A group of globalization sceptics disagrees, highlighting instead the central role of politics in unleashing the forces of globalization, especially through the successful mobilization of political power. In their view, the rapid expansion of global economic activity can be reduced neither to a natural law of the market nor to the development of computer technology. Rather, it originated with political decisions to lift international restrictions on capital made by neoliberal governments in the 1980s and 1990s. Once those decisions were implemented, global markets and new technologies came into their own. The clear implication of this perspective is that territory still matters. Hence, globalization sceptics insist on the continued relevance of conventional political units, operating either in the form of modern nation-states or global cities.

The arguments of both hyperglobalizers and sceptics remain entangled in a particularly vexing version of the chicken-and-the-egg problem. After all, economic forms of interdependence are set into motion by political decisions, but these decisions are nonetheless made in particular economic contexts. As we have noted in previous chapters, the economic and political aspects of globalization are profoundly interconnected. There is no question that recent economic developments such as trade liberalization and deregulation have significantly constrained the set of political options open to states, particularly in the global South. For example, it has become much easier for capital to escape taxation and other national policy restrictions. Thus, global markets frequently undermine the capacity of governments to set independent national policy objectives and impose their own domestic standards. Hence, we ought to acknowledge the decline of the nation-state as a sovereign entity and the ensuing devolution of state power to regional and local governments as well as to various supranational institutions.

On the other hand, such a concession does not necessarily mean that nation-states have become impotent bystanders to the workings of global forces. Governments can still take measures to make their economies more or less attractive to global investors. In addition, nation-states have retained control over education, infrastructure, and, most importantly, population movements. Indeed, immigration control, together with population registration and monitoring, has often been cited as the most notable exception to the general trend toward global integration. Although only 2 per cent of the world's population live outside their country of origin, immigration control has become a central issue in most advanced nations. Many governments seek to restrict population flows, particularly those originating in the poor countries of the global South. Even in the United States, annual inflows of about 600,000 immigrants during the 1990s reached only half the levels recorded during the first two decades of the twentieth century.

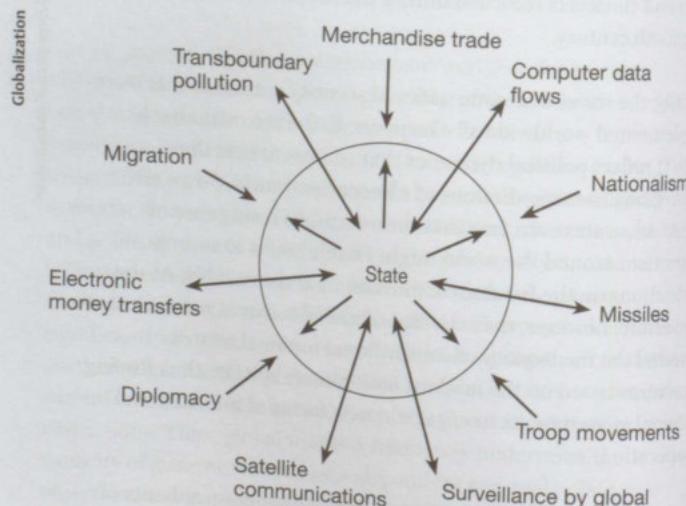
Finally, the series of drastic national security measures that were implemented worldwide as a response to the terrorist attacks of 9/11 reflect political dynamics that run counter to the hyperglobalizers' predictions of a borderless world. Some civil rights advocates even fear that the enormous resurgence of patriotism around the world might enable states to re-impose restrictions on the freedom of movement and assembly. At the same time, however, the activities of global terrorist networks have revealed the inadequacy of conventional national security structures based on the modern nation-state system, thus forcing national governments to engage in new forms of international cooperation.

Overall, then, we ought to reject premature pronouncements of the impending demise of the nation-state while acknowledging its increasing difficulties in performing some of its traditional functions. Contemporary globalization has weakened some of the conventional boundaries between domestic and foreign policies

while fostering the growth of suprataritorial social spaces and institutions that, in turn, unsettle traditional political arrangements. At the outset of the twenty-first century, the world finds itself in a transitional phase between the modern nation-state system and postmodern forms of global governance.

Political globalization and global governance

Political globalization is most visible in the rise of suprataritorial institutions and associations held together by common norms and interests. In this early phase of global governance, these structures resemble an eclectic network of interrelated power centres such as municipal and provincial authorities, regional blocs, international organizations, and national and international private-sector associations.



B. The nation-state in a globalizing world

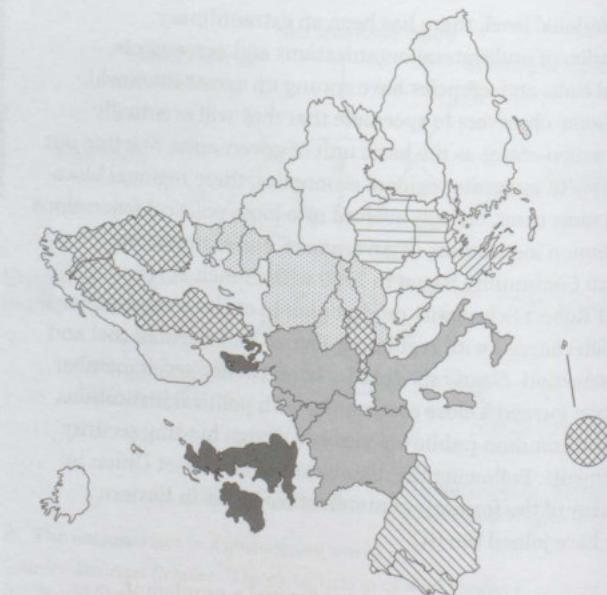
Source: Jan Aart Scholte, 'The globalization of world politics', in John Baylis and Steve Smith (eds.), *The Globalization of World Politics*, 2nd edn. (Oxford University Press, 2001), p. 22.

On the municipal and provincial level, there has been a remarkable growth in the number of policy initiatives and transborder links between various sub-state authorities. For example, Chinese provinces and US federal states have established permanent missions and points of contact, some of which operate relatively autonomously with little oversight from their respective national governments. Various provinces and federal states in Canada, India, and Brazil are beginning to develop their own trade agendas and financial strategies to obtain loans. An example of international cooperation on the municipal level is the rise of powerful city networks like the World Association of Major Metropolises that develop cooperative ventures to deal with common local issues across national borders. 'Global cities' like Tokyo, London, New York, and Singapore tend to be more closely connected to each other than they are to many cities in their home countries.

On the regional level, there has been an extraordinary proliferation of multilateral organizations and agreements. Regional clubs and agencies have sprung up across the world, leading some observers to speculate that they will eventually replace nation-states as the basic unit of governance. Starting out as attempts to integrate regional economies, these regional blocs have, in some cases, already evolved into loose political federations with common institutions of governance. For example, the European Community began in 1950 with French Foreign Minister Robert Schuman's modest plan to create a supranational institution charged with regulating French and German coal and steel production. Nearly six decades later, twenty-seven member states have formed a close community with political institutions that create common public policies and design binding security arrangements. Following the dissolution of the Soviet Union in 1991, many of the formerly communist countries in Eastern Europe have joined the EU.

On a global level, governments have formed a number of international organizations including the UN, NATO, WTO, and

Globalization



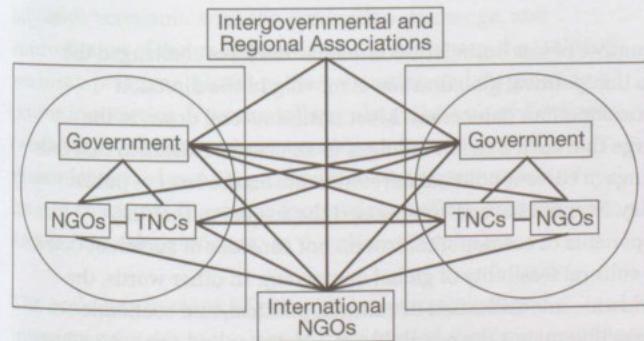
Map 4. The European Union, 1957-2007

1957 (Belgium, France, Germany (West), Italy, Luxembourg, The Netherlands)
1973 (Denmark, Ireland, The UK)
1981 (Greece)
1986 (Spain, Portugal)
1995 (Austria, Finland, Sweden)
2004 (Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia)
2007 (Bulgaria, Romania)

OECD. Full legal membership in these organizations is open to states only, and the decision-making authority lies with representatives from national governments. The proliferation of these transworld bodies has shown that nation-states find it increasingly difficult to manage sprawling networks of social interdependence.

Finally, the emerging structure of global governance is also shaped by 'global civil society', a realm populated by thousands of voluntary, non-governmental associations of worldwide reach. International NGOs like Amnesty International or Greenpeace represent millions of ordinary citizens who are prepared to challenge political and economic decisions made by nation-states and intergovernmental organizations. We will examine the justice-globalist' activities of some of these organizations in Chapter 7.

Some globalization researchers believe that political globalization might facilitate the emergence of democratic transnational social forces anchored in this thriving sphere of global civil society.



C. Incipient global governance: a network of interrelated power centres

Source: adapted from Peter Willets, 'Transnational actors and international organizations in global politics', in Baylis and Smith (eds.), *The Globalization of World Politics*, 4th edn. (Oxford University Press, 2008), p. 379.

Predicting that democratic rights will ultimately become detached from their narrow relationship to discrete territorial units, these optimistic voices anticipate the creation of a democratic global governance structure based on Western cosmopolitan ideals, international legal arrangements, and a web of expanding linkages between various governmental and non-governmental organizations. If such a promising scenario indeed comes to pass, then the final outcome of political globalization might well be the emergence of a cosmopolitan democracy that would constitute the basis for a plurality of identities flourishing within a structure of mutual toleration and accountability. According to David Held, one of the chief proponents of this view, the cosmopolitan democracy of the future would contain the following political features:

1. A global parliament connected to regions, states, and localities;
2. A new charter of rights and duties locked into different domains of political, social, and economic power;
3. The formal separation of political and economic interests;
4. An interconnected global legal system with mechanisms of enforcement from the local to the global.

A number of less optimistic commentators have challenged the idea that political globalization is moving in the direction of cosmopolitan democracy. Most criticisms boil down to the charge that such a vision indulges in an abstract idealism that fails to engage current political developments on the level of public policy. Sceptics have also expressed the suspicion that the proponents of cosmopolitanism do not consider in sufficient detail the cultural feasibility of global democracy. In other words, the worldwide intensification of cultural, political, and economic interaction makes the possibility of resistance and opposition just as real as the benign vision of mutual accommodation and tolerance of differences. To follow up on this cultural dimension of globalization, let us turn to the next chapter.

Chapter 5

The cultural dimension of globalization

Even a very short introduction to globalization would be woefully inadequate without an examination of its cultural dimension. Cultural globalization refers to the intensification and expansion of cultural flows across the globe. Obviously, 'culture' is a very broad concept; it is frequently used to describe the whole of human experience. In order to avoid the ensuing problem of overgeneralization, it is important to make analytical distinctions between aspects of social life. For example, we associate the adjective 'economic' with the production, exchange, and consumption of commodities. If we are discussing the 'political', we mean practices related to the generation and distribution of power in societies. If we are talking about the 'cultural', we are concerned with the symbolic construction, articulation, and dissemination of meaning. Given that language, music, and images constitute the major forms of symbolic expression, they assume special significance in the sphere of culture.

The exploding network of cultural interconnections and interdependencies in the last decades has led some commentators to suggest that cultural practices lie at the very heart of contemporary globalization. Yet, cultural globalization did not start with the worldwide dissemination of rock 'n' roll, Coca-Cola, or football. As noted in Chapter 2, expansive civilizational exchanges are much older than modernity. Still, the volume and

extent of cultural transmissions in the contemporary period have far exceeded those of earlier eras. Facilitated by the Internet and other new technologies, the dominant symbolic systems of meaning of our age – such as individualism, consumerism, and various religious discourses – circulate more freely and widely than ever before. As images and ideas can be more easily and rapidly transmitted from one place to another, they profoundly impact the way people experience their everyday lives. Today, cultural practices frequently escape fixed localities such as town and nation, eventually acquiring new meanings in interaction with dominant global themes.

The thematic landscape traversed by scholars of cultural globalization is vast and the questions they raise are too numerous to be fleshed out in this short introduction. Rather than offering a long laundry list of relevant topics, this chapter will focus on three important themes: the tension between sameness and difference in the emerging global culture; the crucial role of transnational media corporations in disseminating popular culture; and the globalization of languages.

Global culture: sameness or difference?

Does globalization make people around the world more alike or more different? This is the question most frequently raised in discussions on the subject of cultural globalization. A group of commentators we might call 'pessimistic' hyperglobalizers argue in favour of the former. They suggest that we are not moving towards a cultural rainbow that reflects the diversity of the world's existing cultures. Rather, we are witnessing the rise of an increasingly homogenized popular culture underwritten by a Western 'culture industry' based in New York, Hollywood, London, and Milan. As evidence for their interpretation, these commentators point to Amazonian Indians wearing Nike training shoes, denizens of the Southern Sahara purchasing Yankees baseball caps, and Palestinian youths proudly displaying their

Chicago Bulls sweatshirts in downtown Ramallah. Referring to the diffusion of Anglo-American values and consumer goods as the 'Americanization of the world', the proponents of this cultural homogenization thesis argue that Western norms and lifestyles are overwhelming more vulnerable cultures. Although there have been serious attempts by some countries to resist these forces of 'cultural imperialism' – for example, a ban on satellite dishes in Iran, and the French imposition of tariffs and quotas on imported film and television – the spread of American popular culture seems to be unstoppable.

But these manifestations of sameness are also evident inside the dominant countries of the global North. American sociologist George Ritzer coined the term 'McDonaldization' to describe the wide-ranging sociocultural processes 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. On the surface, these principles appear to be rational in their attempts to offer efficient and predictable ways of serving people's needs. However, looking behind the façade of repetitive TV commercials that claim to 'love to see you smile', we can identify a number of serious problems. For one, the generally low nutritional value of fast-food meals – and particularly their high fat content – has been implicated in the rise of serious health problems such as heart disease, diabetes, cancer, and juvenile obesity. Moreover, the impersonal, routine operations of 'rational' fast-service establishments actually undermine expressions of forms of cultural diversity. In the long run, the McDonaldization of the world amounts to the imposition of uniform standards that eclipse human creativity and dehumanize social relations.

Perhaps the most thoughtful analyst in this group of pessimistic hyperglobalizers is American political theorist Benjamin Barber. In his popular book *Consumed* (2007), he warns his readers against an 'ethos of infantilization' that sustains global capitalism, turning adults into children through dumbed down advertising

The American way of life

Number of types of packaged bread available at a Safeway in Lake Ridge, Virginia	104
Number of those breads containing no hydrogenated fat or diglycerides	0
Amount of money spent by the fast-food industry on television advertising per year	US\$7.2 billion
Amount of money spent promoting the US National Cancer Institute's 'Five A Day' programme, which encourages the consumption of fruits and vegetables to prevent cancer and other diseases	US\$1 million
Number of 'coffee drinks' available at Starbucks, whose stores accommodate a stream of over 5 million customers per week, most of whom hurry in and out	61
Number of 'coffee drinks' in the 1950s laid-back coffee houses of Greenwich Village, New York City	2
Number of new models of cars available to suburban residents in 2001	197
Number of convenient alternatives to the car available to most such residents	0
Number of US daily newspapers in 2005	1,452
Number of companies that control the majority of those newspapers	6
Number of leisure hours the average American has per week	35
Number of hours the average American spends watching television per week	30

Sources: Eric Schlosser, *Fast Food Nation* (Houghton & Mifflin, 2001), p. 47; <http://www.naa.org/info/facts00/11.htm>; *Consumer Reports Buying Guide 2001* (Consumers Union, 2001), pp. 147–163; Laurie Garrett, *Betrayal of Trust* (Hyperion, 2000), p. 353; <http://www.roper.com/news/content/news169.htm>; *The World Almanac and Book of Facts 2008* (World Almanac Books, 2008); <http://www.starbucks.com>. Project for Excellence in Journalism – State chartland.asp?id=169&ct=line&dir=&sort=&col1_box=1&col2_box=1&col3_box=1&col4_box=1>

and consumer goods while also targeting children as consumers. This ethos is premised on the recognition that there is not an endless market for consumerist goods as was once thought. Global inequality contributes to stifling the growth of markets and of capitalism. In order to expand markets and make a profit, global capitalists are developing homogeneous global products targeting the young and wealthy throughout the world, as well as turning children into consumers. Thus, global consumerism becomes increasingly soulless and unethical in its pursuit of profit.

Optimistic hyperglobalizers agree with their pessimistic colleagues that cultural globalization generates more sameness, but they consider this outcome to be a good thing. For example, American social theorist Francis Fukuyama explicitly welcomes the global spread of Anglo-American values and lifestyles, equating the Americanization of the world with the expansion of democracy and free markets. But optimistic hyperglobalizers do not just come in the form of American chauvinists who apply the old theme of manifest destiny to the global arena. Some representatives of this camp consider themselves staunch cosmopolitans who celebrate the Internet as the harbinger of a homogenized 'techno-culture'. Others are free-market enthusiasts who embrace the values of global consumer capitalism.

It is one thing to acknowledge the existence of powerful homogenizing tendencies in the world, but it is quite another to assert that the cultural diversity existing on our planet is destined to vanish. In fact, several influential commentators offer a contrary assessment that links globalization to new forms of cultural expression. Sociologist Roland Robertson, for example, contends that global cultural flows often reinvigorate local cultural niches. Hence, rather than being totally obliterated by the Western consumerist forces of sameness, local difference and particularity still play an important role in creating unique cultural



10. Jihad vs McWorld: selling fast food in Indonesia

constellations. Arguing that cultural globalization always takes place in local contexts, Robertson rejects the cultural homogenization thesis and speaks instead of 'glocalization' – a complex interaction of the global and local characterized by cultural borrowing. The resulting expressions of cultural 'hybridity' cannot be reduced to clear-cut manifestations of 'sameness' or 'difference'. As we noted in our previous discussion of Osama bin Laden, such processes of hybridization have become most visible in fashion, music, dance, film, food, and language.

Indeed, the respective arguments of hyperglobalizers and sceptics are not necessarily incompatible. The contemporary experience of living and acting across cultural borders means both the loss of traditional meanings and the creation of new symbolic expressions. Reconstructed feelings of belonging coexist in uneasy tension with a sense of placelessness. As we have noted in Chapter 1, cultural globalization has contributed to a remarkable expansion of people's consciousness. It appears that old notions of 'national community' are being complemented by the rise of the global imaginary. Indeed, some commentators have argued that modernity is slowly giving way to a new 'postmodern' framework characterized by a less stable sense of identity and knowledge.

Given the complexity of global cultural flows, one would actually expect to see uneven and contradictory effects. In certain contexts, these flows might change traditional manifestations of national identity in the direction of a popular culture characterized by sameness; in others they might foster new expressions of cultural particularism; in still others they might encourage forms of cultural 'hybridity'. Those commentators who summarily denounce the homogenizing effects of Americanization must not forget that hardly any society in the world today possesses an 'authentic', self-contained culture. Those who despair at the flourishing of cultural hybridity ought to listen to exciting

Bollywood pop songs, admire the intricacy of several variations of Hawaiian pidgin, or enjoy the culinary delights of Cuban-Chinese cuisine. Finally, those who applaud the spread of consumerist capitalism need to pay attention to its negative consequences, such as the dramatic decline of traditional communal sentiments as well as the commodification of society and nature.

The role of the media

To a large extent, the global cultural flows of our time are generated and directed by global media empires that rely on powerful communication technologies to spread their message. Saturating global cultural reality with formulaic TV shows and mindless advertisements, these corporations increasingly shape people's identities and the structure of desires around the world. The rise of the global imaginary is inextricably connected to the rise of the global media. During the last two decades, a small group of very large TNCs have come to dominate the global market for entertainment, news, television, and film. In 2006, only eight media conglomerates – Yahoo, Google, AOL/Time Warner, Microsoft, Viacom, General Electric, Disney, and News Corporation – accounted for more than two-thirds of the \$250–275 billion in annual worldwide revenues generated by the communications industry. In the first half of that year, the volume of merger deals in global media, Internet, and telecommunications totalled \$300 billion, three times the figure for the first six months of 1999.

As recently as fifteen years ago, not one of the giant corporations that dominate what Benjamin Barber has appropriately called the 'infotainment telesector' existed in its present form as a media company. In 2001, nearly all of these corporations ranked among the largest 300 non-financial firms in the world. Today, most media analysts concede that the emergence of a global commercial-media market amounts to the creation of a global oligopoly similar to that of the oil and automotive industries in the

early part of the twentieth century. The crucial cultural innovators of earlier decades – small, independent record labels, radio stations, movie theatres, newspapers, and book publishers – have become virtually extinct as they found themselves incapable of competing with the media giants.

The negative consequences of this shotgun marriage of finance and culture are obvious. TV programmes turn into global 'gossip markets', presenting viewers and readers of all ages with the vacuous details of the private lives of American celebrities like Britney Spears, Jennifer Lopez, Justin Timberlake, and Matt Damon. Evidence suggests that people all over the world – but especially those from wealthy countries of the Northern hemisphere – are watching more television than ever before. For example, the daily average viewing time per TV home in the United States has increased from 5 hours and 56 minutes in 1970 to 7 hours and 26 minutes in 1999. That same year, TV household penetration in the US stood at a record 98.3 per cent, with 73.9 per cent of TV households owning two or more sets. Advertisement clutter on US television reached unprecedented levels in 2000, peaking at over 15 minutes of commercials per prime time TV hour, not including the frequent cutaways for local ads. The TV advertisement volume in the USA has increased from \$3.60 billion in 1970 to \$50.44 billion in 1999. Recent studies show that American children at age 12 watch an average of 20,000 TV commercials a year, and 2-year-old toddlers have already developed brand loyalties.

The values disseminated by transnational media enterprises secure not only the undisputed cultural hegemony of popular culture, but also lead to the depoliticization of social reality and the weakening of civic bonds. One of the most glaring developments of the last two decades has been the transformation of news broadcasts and educational programmes into shallow entertainment shows. Given that news is less than half as profitable as entertainment, media firms are increasingly tempted

to pursue higher profits by ignoring journalism's much vaunted separation of newsroom practices and business decisions. Partnerships and alliances between news and entertainment companies are fast becoming the norm, making it more common for publishing executives to press journalists to cooperate with their newspapers' business operations. A sustained attack on the professional autonomy of journalism is, therefore, also part of cultural globalization.

The globalization of languages

One direct method of measuring and evaluating cultural changes brought about by globalization is to study the shifting global patterns of language use. The globalization of languages can be viewed as a process by which some languages are increasingly used in international communication while others lose their prominence and even disappear for lack of speakers. Researchers at the Globalization Research Center at the University of Hawaii have identified five key variables that influence the globalization of languages:

1. *Number of languages*: The declining number of languages in different parts of the world points to the strengthening of homogenizing cultural forces.
2. *Movements of people*: People carry their languages with them when they migrate and travel. Migration patterns affect the spread of languages.
3. *Foreign language learning and tourism*: Foreign language learning and tourism facilitate the spread of languages beyond national or cultural boundaries.
4. *Internet languages*: The Internet has become a global medium for instant communication and quick access to information. Language use on the Internet is a key factor in the analysis of the dominance and variety of languages in international communication.
5. *International scientific publications*: International scientific publications contain the languages of global intellectual discourse, thus critically impacting intellectual communities involved in the production, reproduction, and circulation of knowledge around the world.

Given these highly complex interactions, research in this area frequently yields contradictory conclusions. The figure above represents only one possible conceptualization of the meaning and effects of language globalization. Unable to reach a general agreement, experts in the field have developed several different hypotheses. One model posits a clear correlation between the growing global significance of a few languages – particularly English, Chinese, and Spanish – and the declining number of other languages around the world. Another model suggests that the globalization of language does not necessarily mean that our descendants are destined to utilize only a few tongues. Still another thesis emphasizes the power of the Anglo-American culture industry to make English *the* global lingua franca of the twenty-first century.

To be sure, the rising significance of the English language has a long history, reaching back to the birth of British colonialism in the late sixteenth century. At that time, only approximately 7 million people used English as their mother tongue. By the 1990s, this number had swollen to over 350 million native speakers, with 400 million more using English as a second language. Today, more than 80 per cent of the content posted on the Internet is in English. Almost half of the world's growing population of foreign students are enrolled at institutions in Anglo-American countries.

At the same time, however, the number of spoken languages in the world has dropped from about 14,500 in 1500 to less than 7,000 in 2007. Given the current rate of decline, some linguists predict that 50–90 per cent of the currently existing languages will have

The declining number of languages around the world, 1500–2000

Continents	Early 16th Century (no.,%)	Early 17th Century (no.,%)	Early 18th Century (no.,%)	Early 19th Century (no.,%)	Early 20th Century (no.,%)	Late 20th Century (no.,%)	Early 21st Century (no.,%)
Americas	2,175/15	2,025/15	1,800/15	1,500/15	1,125/15	1,005/15	336/12
Africa	4,350/30	4,050/30	3,600/30	3,000/30	2,250/30	2,011/30	1,355/45
Europe	435/3	405/3	360/3	300/3	225/3	201/3	140/5
Asia	4,785/33	4,455/33	3,960/33	3,300/33	2,475/33	2,212/33	1,044/38
Pacific	2,755/19	2,565/19	2,280/19	1,900/19	1,425/19	1,274/19	92/3
World	14,500/100	13,500/100	12,000/100	10,000/100	7,500/100	6,703/100	2,997/100

Source: Globalization Research Center at the University of Hawaii-Manoa, <<http://www.globalhawaii.org>>.

disappeared by the end of the twenty-first century. But the world's languages are not the only entities threatened with extinction. The spread of consumerist values and materialist lifestyles has endangered the ecological health of our planet as well.

Let us now explore the ecological dimension of globalization, which has received much attention in recent years.