

EDITED BY

David Held & Anthony McGrew

# The Global Transformations Reader

*An Introduction to the Globalization Debate*



'a brilliant set of selections from an exploding literature.'

James N. Rosenau

# **The Global Transformations**



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**Edited by**

**David Held and Anthony McGrew**

**Polity**

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# Preface

Few contemporary phenomena elicit such political and academic controversy as globalization. Some consider it the fundamental dynamic of our epoch, a process of change which is to be promoted, managed or resisted; by contrast, others consider it the great myth of our times, a notion which misrepresents and misconstrues the real forces which shape our lives. In the public sphere especially, the idea of globalization is creating a new political faultline around which politicians and political parties of all persuasions seek to mobilize public opinion. From the 'globaphobia' of the radical right to the more adaptive strategies found in Third Way politics, globalization has become the rationale for diverse political projects. In the process, the idea of globalization has often become debased and confused.

In constructing this Reader, our central aim has been to bring clarity and enlightenment to the terms of the globalization debate. Because it is so important, it demands nothing less. The Introduction develops an intellectual framework for making sense of the controversy. It pursues an extended discussion between the sceptical account of globalization and those that defend its significance – the globalist position. In doing so, it identifies and examines the core areas of disagreement and convergence. Subsequent parts build on this by introducing the reader to the work of the main protagonists in the globalization discussion.

This Reader developed out of our earlier collaboration on *Global Transformations: Politics, Economics and Culture* (1999). As we contemplated designing and teaching courses on globalization, it readily became apparent that for most students the vast and diverse literature on globalization was an excessively daunting prospect. What was needed, we believed, was a collection which brought together the essential interventions in the globalization debate, from across the social sciences. The result is a Reader which, we hope, is the most comprehensive and up to date available.

Clearly, in preparing this volume, we have had to shorten many pieces in order to ensure both balance and coverage in the context of limited space. Where we have excised material this is annotated in the following way: cuts are marked by [...], and where more than a paragraph has been omitted, the ellipses appear on a line of their own; editorial additions or alterations are indicated by [additions or alterations]. Beyond that we have left the texts as far as possible unchanged. In exercising our editorial judgement, it was always our intention that students should, at some point, return to the originals to follow up specific arguments or evidential claims of special interest.

In preparing this volume, we have benefited enormously from the advice and assistance of many individuals. Brenda Martin provided research assistance; Pam Thomas and Sue Pope made the processing of the manuscript a much easier task; Connie Hallam dealt speedily with all the copyright matters; Ann Bone copy-edited the entire manuscript not only with great speed but also with incredible attention to detail;

and Serena Temperley helped at decisive stages of the production process. We are, in addition, very grateful to the many contributors who took time to comment on our proposed editorial changes and who approved the inclusion of their work in this volume.

David Held  
Tony McGrew

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# Acronyms

<b>ABC</b>	American Broadcasting Company
<b>AFP</b>	Agence France-Presse
<b>AIDS</b>	acquired immune deficiency syndrome
<b>AP</b>	Associated Press
<b>APEC</b>	Asia-Pacific Economic Cooperation
<b>ARF</b>	ASEAN Regional Forum
<b>ASEAN</b>	Association of South East Asian Nations
<b>BBC</b>	British Broadcasting Corporation
<b>BIS</b>	Bank for International Settlements
<b>BSE</b>	bovine spongiform encephalopathy
<b>CCTV</b>	Central China Television
<b>CENTO</b>	Central Treaty Organization
<b>CEO</b>	chief executive officer
<b>CFCs</b>	chlorofluorocarbons
<b>CIS</b>	Commonwealth of Independent States
<b>CNN</b>	Cable News Network (US)
<b>CO<sub>2</sub></b>	carbon dioxide
<b>COMECOM</b>	Council for Mutual Economic Assistance
<b>CSCE</b>	Conference on Security and Cooperation in Europe (Helsinki)
<b>EAEC</b>	East Asian Economic Caucus
<b>EC</b>	European Community
<b>ECE</b>	Economic Commission for Europe (UN)
<b>ECOSOC</b>	Economic and Social Council (UN)
<b>ECOWAS</b>	Economic Organization of West African States
<b>EEZ</b>	Exclusive Economic Zone (for oceans)
<b>EFTA</b>	European Free Trade Association
<b>EMS</b>	European Monetary System
<b>EMU</b>	European Monetary Union
<b>ERM</b>	exchange rate mechanism (Europe)
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organization
<b>FDI</b>	foreign direct investment
<b>FLSAW</b>	Forward Looking Strategies for the Advancement of Women to the Year 2000
<b>FoE</b>	Friends of the Earth
<b>FTA</b>	free trade area
<b>G3</b>	triad of Europe, Japan and North America

<b>G5</b>	Group of Five: France, Germany, Japan, UK, US
<b>G7</b>	Group of Seven: G5 plus Canada and Italy
<b>GAD</b>	Gender and Development
<b>GATT</b>	General Agreement on Tariffs and Trade
<b>GDP</b>	gross domestic product
<b>GNP</b>	gross national product
<b>GONGOs</b>	government-controlled NGOs
<b>IBRD</b>	International Bank for Reconstruction and Development (World Bank)
<b>ICRC</b>	International Committee of the Red Cross
<b>IGO</b>	intergovernmental organization
<b>ILE</b>	interlinked economy
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>INCOTERMS</b>	International Chamber of Commerce glossary defining terms used in international trade
<b>INGO</b>	international non-governmental organization
<b>INSTRAW</b>	International Institute for Training and Research for the Advancement of Women (UN)
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>ISI</b>	import substitution industrialization
<b>ITU</b>	International Telecommunication Union
<b>LDC</b>	less developed country
<b>MERCOSUR</b>	Southern Cone Common Market (Latin America)
<b>MITI</b>	Ministry of International Trade and Industry (Japan)
<b>MNC</b>	multinational corporation/company
<b>NAFTA</b>	North American Free Trade Agreement
<b>NATO</b>	North Atlantic Treaty Organization
<b>NBC</b>	National Broadcasting Company (US)
<b>NGO</b>	non-governmental organization
<b>NIC</b>	newly industrializing country
<b>NIE</b>	newly industrializing economy
<b>NWICO</b>	New World Information and Communication Order
<b>OAU</b>	Organization of African Unity
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PBEC</b>	Pacific Basin Economic Council
<b>R&amp;D</b>	research and development
<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>SADC</b>	Southern African Development Community
<b>SADCC</b>	Southern Africa Development Coordinating Conference/Committee
<b>SAP</b>	structural adjustment programme
<b>SEATO</b>	South East Asia Treaty Organization
<b>TNC</b>	transnational corporation/company
<b>TRIPS</b>	trade in intellectual property rights
<b>UN</b>	United Nations
<b>UNCITRAL</b>	United Nations Commission on International Trade Law
<b>UNCTAD</b>	United Nations Conference on Trade and Development

<b>UNDP</b>	United Nations Development Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNIFEM</b>	Voluntary Fund for the UN Decade for Women
<b>UPA</b>	United Press Association
<b>UPI</b>	United Press International
<b>USAID</b>	United States Agency for International Development
<b>WID</b>	Women in Development
<b>WTO</b>	World Trade Organization

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# The Great Globalization Debate: An Introduction

*David Held and Anthony McGrew*

Over the last decade the phenomenon of globalization – whether real or illusory – has captured the public imagination. In an epoch of profound and unsettling global change, in which traditional ideologies and grand theories appear to offer little purchase on the world, the idea of globalization has acquired the mantle of a new paradigm. Called upon to account for developments as diverse as the value of the euro, the worldwide popularity of *Star Wars*, the rise of Third Way politics and religious fundamentalism, the discourse of globalization seems to offer a convincing analysis of the contemporary human predicament. As with the idea of modernization, which acquired intellectual primacy within the social sciences during the 1960s, so today the notion of globalization has become the leitmotif of our age.

Although media references to globalization have become common over the last two decades, the concept itself can be traced back to a much earlier period. Its origins lie in the work of many nineteenth- and early twentieth-century intellectuals, from sociologists such as Saint-Simon to students of geopolitics such as MacKinder, who recognized how modernity was integrating the world. But it was not until the 1960s and early 1970s that the term ‘globalization’ was actually used. This ‘golden age’ of rapidly expanding political and economic interdependence – most especially between Western states – generated much reflection on the inadequacies of orthodox approaches to thinking about politics, economics and culture which presumed a strict separation between internal and external affairs, the domestic and international arenas, and the local and the global. For in a more interdependent world events abroad readily acquired impacts at home, while developments at home had consequences abroad. In the context of a debate about the growing interconnectedness of human affairs, world systems theory, theories of complex interdependence and the notion of globalization itself emerged as largely rival accounts of the processes through which the fate of states and peoples was becoming more intertwined (Modelski 1972; Wallerstein 1974; Keohane and Nye 1977). Following the collapse of state socialism and the consolidation of capitalism worldwide, academic and public discussion of globalization intensified dramatically. Coinciding with the rapid spread of the information revolution these developments appeared to confirm the belief that the world was fast becoming a shared social and economic space – at least for its most affluent inhabitants. However, whether the notion of globalization ultimately helps or hinders our understanding of the contemporary human condition, and strategies to improve it, is now a matter of intense intellectual and public dispute. For as the global babble has become more voluble it has invited greater critical scrutiny of these issues. In short, the great globalization debate has been joined.

Trying to make sense of this debate presents considerable difficulties since there are no definitive or fixed lines of contestation. Instead multiple conversations coexist (although few real dialogues), which together do not readily afford a coherent or



simple characterization. Within shared traditions of social enquiry, whether neoclassical economics or world systems theory, no singular account of globalization has acquired the status of orthodoxy. On the contrary, competing assessments continue to order the discussion. Nor do the dominant ideological traditions of conservatism, liberalism or socialism offer coherent readings of, or responses to, a globalizing era. Just as some conservatives and socialists find common ground in dismissing the significance of globalization, others of similar political persuasion view it as a dramatic new threat to cherished values. Indeed, the very idea of globalization appears to disrupt established paradigms and political orthodoxies. Frequently little or no consistent correspondence is evident between the positions adopted by the protagonists in the globalization debate and their particular ideological or intellectual allegiances.

Accepting this heterogeneity, it is, nevertheless, feasible to identify a clustering of arguments around an emerging fissure between those who consider that contemporary globalization is a real and significant historical development – the globalists – and those who conceive it as a primarily ideological or mythical construction which has marginal explanatory value – the sceptics. Of course, this dualism is rather crude since it elevates two conflicting interpretations from among diverse arguments and opinions. But, as used here, the labels – globalists and sceptics – refer to ideal-type constructions. Ideal-types are heuristic devices which order a field of enquiry and identify the primary areas of consensus as well as contention. They assist in clarifying the primary lines of argument and, thus, in establishing the fundamental points of disagreement. They provide an accessible way into the *mêlée* of voices – rooted in the globalization literature but by definition corresponding to no single work, author or ideological position.

Neither the sceptical nor the globalist thesis, of course, exhausts the complexity or the subtleties of the interpretations of globalization to be found in the existing literature. Even within each position considerable differences of emphasis exist with respect to matters of historical interpretation as well as normative argument. Such differences will become apparent throughout the volume. For in selecting the contributions not only have we attempted to represent both extremes in the debate, but also the diversity of views within these dominant positions. A further editorial principle has been the desire to reflect the richness of the different disciplinary strands of social science in order that the essential interdisciplinarity of the debate is given proper attention. Accordingly, each of the following parts reflects a representative set of major contributions to the literatures on globalization while further embellishing, as well as carefully qualifying, the characterization of the globalization debate described below.

In organizing the contributions to the debate, we have constructed the volume around the critical themes which are addressed in the globalist and sceptical literatures alike. Part I (Conceptualizing Globalization) commences with an overview of the historical and conceptual issues surrounding the idea of globalization. Part II (The Reconfiguration of Political Power?) focuses on the controversy concerning the modern nation-state: its continued primacy versus its transformation. Building on this discussion, part III (The Fate of National Culture) illuminates the debate about the cultural ramifications of globalization, particularly in respect of the question of national culture and identity. Parts IV (A Global Economy?) and V (Divided Nations, Unruly World) introduce the major contributions to the discussion concerning the nature of the contemporary global economy and its consequences for patterns of global inequality. Finally, with critical issues of social justice and world order to the fore, part VI (World Orders, Normative Futures) considers the normative considerations raised in the globalization debate.

## I Conceptualizing Globalization

No single universally agreed definition of globalization exists. As with all core concepts in the social sciences its precise meaning remains contested. Globalization has been variously conceived as action at a distance (whereby the actions of social agents in one locale can come to have significant consequences for 'distant others'); time-space compression (referring to the way in which instantaneous electronic communication erodes the constraints of distance and time on social organization and interaction); accelerating interdependence (understood as the intensification of enmeshment among national economies and societies such that events in one country impact directly on others); a shrinking world (the erosion of borders and geographical barriers to socio-economic activity); and, among other concepts, global integration, the reordering of interregional power relations, consciousness of the global condition and the intensification of interregional interconnectedness (Harvey 1989; Giddens 1990; Rosenau 1990; Jameson 1991; Robertson 1992; Scholte 1993; Nierop 1994; Geyer and Bright 1995; Johnston et al. 1995; Zürn 1995; Albrow 1996; Kofman and Youngs 1996; Held et al. 1999). What distinguishes these definitions is the differential emphasis given to the material, spatio-temporal and cognitive aspects of globalization. It is worth dwelling on this tripartite cluster of characteristics for a moment in order to establish a general conception of globalization before turning to the debate about its potential analytical and explanatory value.

### A basic concept of globalization

Globalization has an undeniably material aspect in so far as it is possible to identify, for instance, flows of trade, capital and people across the globe. These are facilitated by different kinds of infrastructure – physical (such as transport or banking systems), normative (such as trade rules) and symbolic (such as English as a lingua franca) – which establish the preconditions for regularized and relatively enduring forms of global interconnectedness. Rather than mere random encounters, globalization refers to these entrenched and enduring patterns of worldwide interconnectedness. But the concept of globalization denotes much more than a stretching of social relations and activities across regions and frontiers. For it suggests a growing magnitude or intensity of global flows such that states and societies become increasingly enmeshed in worldwide systems and networks of interaction. As a consequence, distant occurrences and developments can come to have serious domestic impacts while local happenings can engender significant global repercussions. In other words, globalization represents a significant shift in the spatial reach of social action and organization towards the interregional or intercontinental scale. This does not mean that the global necessarily displaces or takes precedence over local, national or regional orders of social life. Rather, the latter can become embedded within more expansive sets of interregional relations and networks of power. Thus, the constraints of social time and geographical space, vital coordinates of modern social life, no longer appear to impose fixed barriers to many forms of social interaction or organization, as the existence of the World Wide Web and round-the-clock trading in global financial markets attests. As distance 'shrinks', the relative speed of social interaction increases too, such that crises and events in distant parts of the globe, exemplified by the East Asian economic crash of 1997, come to have an immediate worldwide impact involving diminishing response times for decision-makers.