

Modernity and its Futures (SC311): What is meant by Globalisation?

Globalization is on everybody's lips; a fad word fast turning into a shibboleth, a magic incantation, a pass-key meant to unlock the gates to all present and future mysteries. For some, globalization is what we are bound to do if we wish to be happy; for others, globalization is the cause of our unhappiness.¹

Globalisation is a fervidly contested and often misunderstood concept. It has occupied and divided economists, sociologists and anti-capitalists alike. Anti-globalisation protestors have regularly and successfully picketed World Trade Organisation summits as part of their stand against the might of globalisation. However since globalisation this has taken a number of different forms, it is difficult to discuss in a general way or isolate an apparent definition. Conversely when the term is used it tends to be in relation to three forms. Some use the term when referring to the economic integration of the world but others use it on a cultural and political level. This can be distinguished by the growing awareness that they are members of the human race that inhabit one world.

The term globalisation is often used in the sense to refer to the growing integration of societies across the world. It can be seen as a process by which the world is to be transformed into a single global system. The word globalisation first came into use towards the end of the 20th century. However certain aspects of the notion that we call globalisation today were first seriously discussed by the Canadian sociologist Marshall McLuhan in the 1960s and 70s. It was he who introduced the term 'the global village' in his analysis of culture and the mass media. In his view the world was shrinking as a result of new technologies, for instance the Information Technology (IT) revolution. Also during this period there was an increased rise in Multinational companies (MNC), the expansion of international trade, the international division of labour and the development of World-System Theory.² World-System theory is often associated with Wallerstein (1974) who illustrates the origins and development of capitalism as a global economic system.

The economic dimension to globalisation is characterised with the expansion and transformation of capitalism into an integrated global economy. Economic globalisation

¹ Bauman, Z. *Globalisation: The Human Consequences*, Polity Press (1998)

² Abercrombie N., et al, *The Penguin Dictionary of Sociology: Fourth Edition*, Penguin Books (2000)

can be seen as the latest and newest version of capitalism. The reason for such an assumption is due too the fact that capitalism has benefited from the opportunities that have been presented by globalisation, for example communications, speed and efficiency.

Financial globalisation has been greatly assisted by the development of information technology, which makes possible global markets that operate in real time and the electronic transmission of funds³

World trade is increasingly dominated by MNCs that can be moved rapidly by investors from one country to another as the international financial markets are connected by computerised technology.

Culture is another manifest of globalisation. This is illustrated where television programmes, films and books are made for an international market. A good example of cultural globalisation can also be seen in the worldwide spread of taste in foods: hamburgers, pizzas and curries, through global franchises of American, Italian and Indian restaurants all over the world. The most famous food franchise that dominates the world today is the American fast food chain McDonalds. This is illustrated by Ritzer (1993) with his acclaimed book '*McDonaldization of Society.*'

...the process by which the principles of the fast-food restaurant are coming to dominate more and more sectors of American society as well as the rest of the world.⁴

On a political sphere, globalisation has seen the rise of international agencies including the World Bank, the International Monetary Fund, and World Trade Organisation regulate the global economy and therefore arguably set limits on the freedom of nation states. MNCs reduce the capacity of national governments to control activities within the borders of the state, due to the fact companies can move business elsewhere should they dislike the policies of a government.

...since the US is by far the richest country and controls the world economy (with the support of its allies and mainly unelected agencies like the International Monetary Fund,

³ Ibid

⁴ Ritzer, G. *The McDonaldization of Society*, Pine Forge Press (1993)

*World Trade Organisation), this means, in effect, that the world economy is being adapted inexorably to suit US investors and the US economy.*⁵

Although capitalism is globalising it is argued by Michael Mann “capitalism is globalising, but with a Northern face. The overall drift remains mediated by national and macro-regional differences, but their conflicts are generally resolved peacefully, by international institutions.”⁶

The United Nations (UN) and the European Union (EU) are other example of political globalisation that can be seen to bring nation states together and have a certain supra-national character. This basically means that they involve some transfer of authority from the nation state to a higher body. This is another way nations sovereignty in economic, social and political affairs for member states.

Political sociologists are often concerned with a number of issues arising out of globalisation that include the erosion of the Nation state, ecological problems and ethnic problems.

Supporters of globalisation are said to wish to turn the world into one big global market.⁷ As a result, it is argued that globalisation seems to be weakening the power of individual countries to control their own destinies, and major decisions are made on a global level. The influence of national governments is reduced. For instance several advanced countries in the OECD (Organisation for Economic Cooperation and Development- mainly Western European countries, plus Canada, Japan and the USA) have had responsibility for determining national interest rates over to their Central Banks, thereby abandoning national capital controls and eliminating the formal barriers between domestic and international markets.

⁵ Fox, J. *Postmodern Encounters: Chomsky and Globalisation*, Icon books (2001)

⁶ Mann, M. *Globalization and September 11*, *New Left Review* 12, Nov. Dec (2001)

⁷ Fox, J. *Postmodern Encounters: Chomsky and Globalisation*, Icon books (2001)

A dramatic illustration of ecological problems posed by globalisation was the explosion in 1986 at the Chernobyl nuclear power station in the former Soviet Republic of Ukraine. The consequences were not foreseeable but were felt as far as Cumbria, England. The explosion provides an example of the way globalisation is producing what Ulrich Beck (1992) calls a 'world risk society', in which the survival of the planet is threatened by technological developments.⁸ However natural hazards such as floods, hurricane and volcanoes threatened people in the past, according to Giddens the risk environment, which now confronts us 'is structured mainly by humanly created risks.'⁹

Questions of citizenship identity are important when discussing globalisation are important because the sovereignty of the nation state has been partly eroded which has led to ethnic conflict and even 'ethnic cleansing'. Ethnic conflicts have broken out in former republics of the Soviet Union, in Yugoslavia and in many of the former colonial territories in Africa. In the Islamic world religious fundamentalism has been identified with new forms of nationalism of maintaining 'traditional' identities rather than adopting a Western, especially American culture.

Although so far I have briefly explained the three forms of globalisation in relation to economic, cultural, and political there are principal analytical problems of theory of globalisation of what it is and its consequences.

David Held et al divide the different positions in the debate over globalisation into three main groups. These are Hyperglobalisers, sceptics, and Transformationalists:

According to the Hyperglobalists, globalisation is a fast growing movement that is affecting us all more and more, so that our lives are forced to take on the disciplines of the global market to survive that leads to the end of nation-states and a 'borderless world'.

⁸ Beck, U. *Risk Society: Towards a New Modernity*, Sage: London (1992)

⁹ Giddens, A. *The Consequences of Modernity*, Polity: Cambridge (1992)

Sceptic like Paul Hirst and Graham Thompson tend to view that the claims made about globalisation have been exaggerated. For instance the notion of world trade is only limited to three main blocks: Europe, Asia-Pacific and North America. Back in 1996 they wrote there was no model that existed that illustrated the global economy that the hyperglobalists talked about¹⁰

Transformationalists like Giddens see globalisation in a wider context than global economics alone. For them:

*Globalization is a central driving force behind the rapid social, political and economic changes that are reshaping modern societies and world order.*¹¹

The transformation of time-space relations means that social linkages are not merely spread over long distances but also intensified – leading to instantaneous worldwide connections. For him:

*globalization can ... 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.*¹²

So before I come to a conclusion if possible, I will discuss a few areas of globalisation theory that must be considered before a conclusion is made on the question ‘What is meant by Globalisation?’

Globalisation was initially interpreted through the sociology of Talcott Parsons as an extension of the process of modernisation. However many sociologists now regard globalisation as a process of post-modernity, according to David Harvey (1989), the modern world which emerged as a result of industrialisation and the rise of the nation state is being replaced by a post-modern society. In post-modern world, economic relationships, mass communication and mass culture are increasingly globalised.

¹⁰ Hirst, P. and Thompson G. *Globalization in Question: the International Economy and the possibilities of governance*, Cambridge, Polity Press (1996)

¹¹ Held, D. et al., *Global Transformations*, Polity Press (1999)

¹² Giddens, A. *The Consequences of Modernity*, Polity: Cambridge (1992)

In terms of culture does globalisation produce a standardisation or increased cultural diversity? However many sociologists offer the view that fragmentation of identities in contemporary societies, which according to Vattimo(1998) 'hybridity' is the key in a post-modern society or Moodod's idea of 'hyphenated' identity. However due to cultural hybridization, this has leads to greater ethnic and religious tensions of truth.

There is a continuous divide between the causes of globalisation; some believe it is the product of economic growth and integration while others see it as a cultural consequence of new electronic media of communication. Historians also comment that liberal international economic trade already existed and that globalisation is a 'new' word to express an old maybe less primitive economic model.

Definitions of globalisation are twofold, which range from optimistic views of an emerging world order that is based on universal values of consensus. Conversely there are pessimistic view, which concentrates on the negative aspects such as ecological disaster, cultural standardization and ethnic wars.

If one were to take a stance on globalisation one would agree with the work of the linguistic Noam Chomsky. His work has been admired throughout the academic world has at time aroused mixed-feelings, especially his assaults on the American government and foreign policy.

Chomsky's predictions about the world under globalisation are neither optimistic nor pessimistic. However he "recognises the scale of injustice and inequality that economic globalisation and US government cause."¹³

He has come to this conclusion by analysing many statistics, which come from a variety of sources. He states that under globalisation, most of the profits go to the elite groups, which are American investors and American MNCs.

¹³ Fox, J. *Postmodern Encounters: Chomsky and Globalisation*, Icon books (2001)

For Third World countries, involvement in globalisation, in particular through free trade and rescheduling of debt, has had disastrous effects as it makes it impossible for them to pay off their debts to the IMF and World Bank.

For the world in general, globalisation has yet to bring higher standards of living. Indications so far are that it will not do so. Global capitalism is orientated towards short-term profits that benefit only a few. Chomsky's belief that global capitalism is more focussed on the privileged individuals than on the benefit for the community as a whole, emulates my own.

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