

## THE PERIODICAL OBSERVER

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### *Taking the Globaloney out of Globalization*

*A Survey of Recent Articles*

The supermarket tabloids and daytime talk shows haven't discovered it yet, but everyone else, it seems, has—and can't stop talking about it. *It*, of course, is “globalization.” With political, economic, and cultural dimensions, its meaning is not always clear. But despite that—or because of it—globalization is sweeping all before it, according to many who themselves have been swept off their feet by the idea, or who, alternatively, are rallying the resistance.

“The forces of global integration are a great tide, inexorably wearing away the established order of things,” President Bill Clinton has proclaimed, with only slightly qualified enthusiasm. House minority leader Richard Gephardt (D.-Mo.) strikes a very different chord, calling for an effort “to build a global economy that will lift up—and not drag down—our people and all the people of the world,” an effort, he insists, that “is not protectionism or isolationism, but a new and active internationalism.”

Dividing Republicans as well as Democrats, conservatives as well as liberals, globalization has produced some extremely strange bedfellows. Joined in opposition to the North American Free Trade Agreement (NAFTA), for instance, were Jesse Jackson and Pat Buchanan, Ralph Nader and Ross Perot, labor leaders and “paleo-conservatives.” From both left and right, brickbats are hurled at NAFTA, the International Monetary Fund, and other manifestations of the malign “one world” forces that are undermining living standards and the nation-state.

Writing in the *Nation* (Dec. 15, 1997), journalist William Greider, author of *One World, Ready or Not* (1997), sounds the globalization alarm. “Like it or not, we are all in

this together now, rich nations and poor alike, all riding on the same runaway train. Globalization of markets means there's no place to hide. Americans are not going to get out of this—the continuing loss of good jobs, the long-term depression of wages—until they learn to think globally, and to devise remedies that do not depend on throwing poor people over the side.” Most economists, however, are far more sanguine, notes New York-based writer Eyal Press in a critical review of their ideas in *Lingua Franca* (Dec.–Jan. 1998). They view the “dark prophecies” of such doomsayers as Greider as “not only wrong but dangerous,” because they lend plausibility to crude protectionist siren songs, which reflect the interests of only “a narrow sector of aggrieved workers and manufacturers, not the public at large.”

Rising from the passionate war of words—and often lost to view—are some fundamental questions: Is globalization real? Is it new? How extensive is it?

“It is obvious to any casual observer of international affairs that today's world is far more interdependent than ever before. But it is not true,” writes Peter Beinart, a *New Republic* senior editor (Oct. 20, 1997). “International trade and investment have indeed been increasing since the 1950s. Yet after four decades of growing interdependence, the world is just now becoming as economically integrated as it was” in the early 20th century. Merchandise exports by the industrial countries—14 percent of their gross domestic product (GDP) in 1992—were 13 percent in 1913. Foreign direct investment, as a percentage of GDP, was in 1993 roughly what it was in 1914: about 11 percent.

“So we too live in a highly interdependent world,” Beinart observes. “The problem is the widespread American belief that economic integration” is always and inevitably a benign, unifying force for peace.

“Consider the way globalization looks from Beijing,” he says. “Americans often see East Asia as the vanguard of the new economics-dominated world. But Japan, South Korea, and Taiwan all emerged as major world traders and investors under the protection of the American military. . . . The United States has promoted growth and economic integration in East Asia, but as part of a broader American strategy to prevent any Asian power from gaining regional hegemony.” Beijing is well aware of this. “What Washington calls globalization, Beijing calls American hegemony, and this difference of perspective helps explain why China is violating globalization’s core imperative”—pursuing rather than slowing the accumulation and projection of Chinese military power.

That is not the way Susan Strange, a professor of politics and international studies at England’s University of Warwick, and many others see it. Writing in an issue of *Current History* (Nov. 1997) devoted to the subject, she maintains that globalization is undermining the nation-state. Not only has war become largely obsolete, as the desire for market shares has supplanted the lust for territory, she believes, but “the state’s power to provide economic and financial stability, to protect the vulnerable in society, and to preserve the environment has been weakened, [leaving] society . . . at the mercy of big business.”

But Linda Weiss, a professor of comparative political economy at the University of Sydney, writing in *New Left Review* (Sept.–Oct.), is skeptical. “While national economies may in some ways be highly integrated with one another, the result—with the partial exception of money markets—is not so much a globalized world (where national differences virtually disappear), but rather a more internationalized world (where national and regional differences remain substantial and national institutions remain significant).” In the chief industrialized economies—those of the United States, Japan, and the European Union—roughly 90 percent of production is still peddled in domestic markets.

Multinational corporations are the chief force behind worldwide flows of capital,

goods, and services, notes the *Economist* (Nov. 22, 1997), in the sixth of an eight-part series on globalization, but national differences remain important. “Few companies . . . are truly global. The average multinational produces more than two-thirds of its output and locates two-thirds of its employees in its home country.”

Nor, despite what some globalization theorists contend, has the state become powerless, Weiss writes. The recent trend toward fiscal conservatism is due more to the domestic pressures that governments face than to global economic forces, and even those forces need not elicit a uniform response. The notion of governmental weakness is partly the fault of political leaders who, in seeking support for unpopular policies, have portrayed retrenchment “as being somehow ‘forced’ on them by ‘global economic trends’ over which they have no control.” Globalization, comment the *New Left Review* editors, has become “a marvelous political alibi.”

But globalization is also a cultural phenomenon, observes Peter L. Berger, a sociologist at Boston University, in the *National Interest* (Fall 1997). In international business, people “dress alike, exhibit the same amicable informality, relieve tensions by similar attempts at humor, and of course most of them interact in English.” The spread of American popular culture is another form of cultural globalization (or “cultural imperialism,” in critics’ eyes).

Despite the worldwide hegemony of the Big Mac, the notion that the world is moving toward a single, universal, basically Western culture is an illusion—and a dangerous one, in the view of Samuel P. Huntington, the noted Harvard University political scientist. He has stirred up a huge controversy with his thesis about the coming “clash” of civilizations. “The time has come,” he asserts in *Foreign Affairs* (Nov.–Dec. 1996), “for the West . . . to promote the strength, coherence, and vitality of its civilization in a world of civilizations.” Maybe so. But, as Linda Weiss points out, “the new globalist orthodoxy” is not all illusion. “The sheer volume of cross-border flows, of products, people, capital and, above all, of money is impossible to dispute,” even if its implications are not. The oft-predicted demise of the nation-state may not be at hand, but, clearly, globalization is not entirely globaloney.