

## Unit 28 Globalisation

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### Contents

- 28.1 Introduction
- 28.2 Different Ideas on What Constitutes Globalisation
- 28.3 Globalisation and the Ideological Positions
- 28.4 Features of Globalisation
- 28.5 Conclusion
- 28.6 Further Reading

### Learning Objectives

Globalisation as a phenomenon has been discussed, debated, criticized, glorified very frequently and passionately by different scholars. After reading this unit

you will be able to:

- Explain the different aspects of globalisation;
- Discuss globalisation and different ideologies behind it, in terms of which it is understood;
- Describe the process of globalisation in terms of its features;
- Critically assess the interrelation between globalisation, culture and identity.

## 1.1 Introduction

You must have found that your city has more labelled clothes than ever before, brand like Nike, Reebok and others which used to be not available in India are now available. In big cities fashion trends are very similar to other big cities of the world. Even TV programs have their global imports, which are localised such as Kaun Banega Karore Pati, Indian Idol. The global influences are being felt everywhere and all over the world. Bangra and Yoga are popular in the West, as cheese, pizza and burgers have become part of our eating habits, at least in big cities and among the younger generation. Big corporations now have offices in different parts of the globe where they carry on activities, so corporations have gone global and in that sense the production processes. There are people who work in India but who don an American accent and keep American time because they work for international call centre. People are travelling evermore on work, in search of work, or migrating to seek better lives. There is definitely lot more movement of people and communication between people. A mother whose son lives in America not only is regularly in contact with her son and daughter-in-law but might travel to stay with him a good part of the year.

These changes that we are witnessing is being termed globalisation. While there are many debates on what exactly constitutes globalisation, what are its chief characteristics and where does it stem from, the changes that we are witnessing are palpable and real.

In this unit we will try and understand the process of globalisation through the various changes that are occurring in society and by following the different analyses offered by various scholars. There are many debates concerning globalisation we will also try and critically evaluate them. We will understand the term and process through the way globalisation is revealed to us in its characteristics. Lastly we will see globalisation process in the context of India.

## 28.2 Different Ideas on What Constitutes Globalisation

The term Globalisation has entered almost as a part of the vocabulary of all major disciplines, languages, cultures and nations in contemporary times. Given the increasing appeal of the term, numerous public debates and discussions on its constructive and destructive affects have been taking place in academia, political circles and in the civil society. There is an on ongoing controversy over the term Globalisation. Both enthusiasts and critics emphasise the broad range of its impact.

In this section we will take a broad sweep across a range of aspects that have been highlighted by scholars before we come on to some major debates. Let us see if we can separate some of these strands of discussion.

- One aspect which has been debated about is whether globalisation is unique to present age, wasn't the world always global? David Gordon (1988) refers the recent globalisation not as an unprecedented world

transformation but as a relatively minor phase in long term processes of capital accumulation, where as Paul Hirst and Grahame Thompson (1992) comment on recent economic transformations as creating larger trade blocs rather than forming an anti-state or non-state global economy. Almost all observers agree that global connections have been thickening for several decades, but the significance of that thickening remains contestable.

- The most common conceptualisation of globalisation is as a one-dimensional process of economic integration/interdependence that has been occurring on a very rapid pace in the current times. In this sense, R.G. Harris defines it as an economic process, i.e. 'The increasing internationalisation of the production, distribution and marketing of goods and services' (cited in Streeten 2001 :167). The two-dimensionality of the process covers economic integration facilitated by the new technology. As an example, for Thomas Friedman globalisation is 'that loose combination of free trade agreements, the Internet and the integration of financial markets that is erasing borders and uniting the world into a single, lucrative, but brutally competitive market place' (ibid: 171). Another aspect of this overwhelming economic view is that globalisation is nothing but liberalisation. Liberalisation refers to a process of removing government imposed restrictions on movements between countries in order to create an open borderless world economy. The evidence for such globalisation in recent decades can be found in the widespread reduction or even abolition of regulatory trade barriers, foreign exchange restrictions, capital controls etc.
- An aspect that many scholars are beginning to acknowledge is how globalisation involves many dimensions of society. Taking it as a multi-dimensional process, Streeten states, 'Globalisation is transforming trade, finance, employment, migration, technology, communications, the environment, social systems, ways of living, cultures, and patterns of governance' (2001 : 8). Holm and Sorensen (1995, cited in ibid) view it as 'the intensification of economic, political, social and cultural relations across borders'. A World Bank publication defines globalisation as 'the growing integration of economies and societies around the world'. This is 'a complex process that affects many aspects of our lives' (World Bank 2002: ix). A recent study by the United Nations (2002: 17), conducted by ECLAC (Economic Commission for Latin America and the Caribbean) specifically highlights the multidimensional nature of globalisation. It is noted here that the economic dimension of globalisation 'acts concomitantly with non-economic processes, which have their own momentum and therefore are not determined by economic factors' (ibid). One of the non-economic dimensions include ethical and cultural aspects which ECLAC terms as the 'globalisation of values' and refers to the gradual spread of shared ethical principles as manifested in declarations on human rights which has two main concerns: a) civil and political rights, and b) economic, social and cultural rights. The 'globalisation of values' is increasingly manifested in the aspirations and formation of a 'global civil society' whose capacity for mobilisation and the exchange of information has multiplied by the new information and communications technologies (ibid: 21).
- Some scholars see globalisation as an essential post-industrial society, where communication technologies are the defining feature. Castells looks at the present global age as essentially a net-worked society. The Sociologist Manuel Castells has distinguished a network of society in which a new space of flows exists alongside the old space of places (1989;348;1996-7). What Castells intends to explain is that due to technologically mediated conditions there will be different types of interactions possible vis-a-vis the existing interactions within the given society, such as through satellites, internet, telecommunication linkages and other digital technologies. Castells' analysis overlooks and treats the process in a

segmental manner rather than in a holistic way its nature and consequences. Invariably, in a segmental approach, analysts have studied 'financial or capital globalisation', 'telecommunication or media globalisation' and 'cultural globalisation' as separate developments, and then try to view the impact of the one on the other, for instance, 'financial or capital' globalisation upon other segments such as the 'media', 'communication' or 'culture'. This approach has two weaknesses: first, it fails to help us in comprehending the role of the residual social structural realities and their emergent properties and the way they interact with anyone of these three aspects of globalisation, be it capital, communication or culture.

- Many scholars look at globalisation as a process emanating from the West and therefore another form of westernisation. They equate globalisation with Westernisation or modernisation. This view propounds that globalisation is a dynamic process whereby the social structures of modernity are spread the world over, normally destroying pre-existent cultures and local self determination in the process (Spybey, 1996; Taylor, 2000). Globalisation in this sense is sometimes described as an imperialism of McDonald's Hollywood, Cocacolonisation, MTV generation and CNN (Schiller, 1991). As Martin Khor (1995) aptly comments that globalisation is what we in the third world have for several centuries called colonisation (Khor, 1995).
- Another aspect, which has been looked at by scholars, identifies globalisation as deterritorialisation. Following this interpretation, globalisation entails a reconfiguration of geography so that social space is no longer wholly mapped in terms of territorial places, territorial distances and territorial borders. This usage provides new insights and relatively new conditions whereby globalisation can be referred as supraterritorial relations between people. Deterritorialisation refers to a far reaching change in the nature of social space. Further, the proliferation and spread of supraterritorial - or what we can alternatively term transworld or transborder- connections brings an end to what could be called territorialism, that is a situation where social geography is entirely territorial. current history has witnessed a proliferation of social connections that are at least partly- and often quite substantially- detached from a territorial logic of the kind just described. Such phenomena cannot be situated at a fixed territorial location. They operate largely without regard of territorial distance. They substantially bypass territorial borders. The geography of these global conditions can not be understood in terms of territoriality alone; they also reside in the world as a single place- that is, in a trans world space.

#### **Box 28.01 My family and Other Globalisers**

In 1992, I wrote a book titled To-wards Globalisation. I did not realize at the time that this was going to be the history of my family.

Last week, we celebrated the wedding of my daughter, Pallavi. A brilliant student, she had won scholarships to Oxford University and the London School of Economics. In London, she met Julio, a young man from Spain. The two decided to take up jobs in Beijing, China. Last week, they came over from Beijing to Delhi to get married. The wedding guests included 70 friends from North America, Europe and China.

The may sound totally global, but arguably my elder son Shekhar has gone further. He too won a scholarship to Oxford University, and then taught for a year at a school in Colombo. Next he went to Toronto, Canada, for higher studies. There he met a German girl, Franziska.

They both got jobs with the International Monetary Fund in Washington DC, USA. This meant that they constantly travelled on IMF business to disparate countries. Shekhar advised and went on missions to Sierra Leone, Seychelles,

Kyrgyzstan and Laos. Franziska went to Rwanda, Tajikistan, and Russia. They interrupted these perambulations to get married in late 2003.

My younger son, Rustam, is only 15. Presumably he will study in Australia, marry a Nigerian girl, and settle in Peru.

Readers might think that my family was born and bred in a jet plane. The truth is more prosaic. Our ancestral home is Kargudi, a humble, obscure village in Tanjore district, Tamil Nadu. My earliest memories of it are as a house with no toilets, running water, or *pukka* road.

My father was one of six children, all of whom produced many children (I myself had three siblings). So, two generations later, the size of the Kargudi extended family (including spouses) is over 200. Of these, only three still live in the village. The rest have moved across India and across the whole world, from China to Arabia to Europe to America. This one Kargudi house has already produced 50 American citizens. So, dismiss the mutterings of those who claim that globalisation means westernization. It looks more like Aiyarisation, viewed from Kargudi.

Globalisation for me is not just the movement of goods and capital, or even of Aiyars. It is a step towards Lennon's vision of no country.

You may say I'm dreamer, but I'm not the only one. I hope one day you'll join us. And the world will be one.

(Source: SWAMINOMICS, Times of India, New Delhi, April 3, 2005 )

As we can see there is no agreed upon view as to what exactly constitutes globalisation. Globalisation literature is rife with different and contesting views. David Harvey has put some of these arguments in three categories which we will discuss, but before that think about what you have read so far and try and answer the questions in our box on Reflection and action.

#### 28.01 Reflection and Action

Reflect upon your own experiences of day to day life. List at least 10 ways in which your life is influenced by what is happening in other parts of the world. Write an essay of about two pages on "My Definition of Globalisation". You may discuss your essay with other students at your Study Centre.

#### Conceptualising Globalisation: Three Tendencies

The three tendencies that have been captured and categorized by David Harvey are as follows, we are adapting it from the way they are presented by Anthony Giddens

**The sceptics:** The sceptics, like Hirst and Thompson (1999), Boyer and Drache (1997), think that globalisation is not a new phenomenon; there have been economic interdependence earlier too. They point out to statistics of world trade in 19<sup>th</sup> century and contend that the present global trade differs only in intensity and therefore it is not new. They say that the world economy is not sufficiently integrated to constitute truly global economy. If anything, they argue trade is between three regional groups of countries- Europe, Asia-Pacific, and North America. The countries of European union, for example trade predominantly among themselves. This invalidates the notion of global economy, they argue. Many sceptics focus on the process of regionalisation. They also reject the notion that national governments and states are weakening. According to sceptics national governments play a key role in their involvement in regulating and coordinating economic activity.

**The hyperglobalisers:** The hyperglobaliser take an opposing view to that of the sceptics. They feel that globalisation is very real and its effects can be felt

everywhere. They think that globalisation sweeps across unmindful of borders and territories. A leading thinker belonging to the hyperglobaliser's camp, Kenichi Ohama believes that globalisation is leading us to a "borderless society"- a world in which market forces are more powerful than national governments (Ohama, 1990, 1995). The hyperglobalisers focus their discussion on the decreasing influence of national governments, they are not only challenged by international market forces and big corporations but also by regional and international regional institutions such as European Union, World Bank, WTO etc. These shift according to Albrow (1996) where national governments decline in influence, signals the dawn of a "global age". hyperglobalisers are also the advocates of globalisation with a neoliberal ideology with their prescription and focus on its homogenising nature. The sceptics are mainly the neo-Marxists and radicals who focus on the negative aspects of globalisation and also notice the hybridising cultural side of the process. Neo-Marxists! Marxists highlight the hegemonic character of globalisation.

**The Transformationalist:** The transformationalist take a middle position. They see globalisation touching a wide spectrum of changes that we are witnessing in modern societies. According to them while the global world is transforming many old patterns continue to exist. They see globalisation as an open and dynamic process which does not have any single source of origin or tendencies, in fact it breaks down established boundaries between internal and external, international and external. The changes many times are contradictory encompassing tendencies which operate in opposition to each other. Kellner seems to take a transformationalist view of globalisation. He does not stress on the aspect of integration. Rather, he focuses on the transformation currently occurring in different spheres of life and the emergence of webs and networks of global relations. He sees globalisation as having both negative and positive consequences, and also both homogenising and hybridising impact plus emergence of identity based defences.

### 28.3 Globalisation and The Ideological Positions

As you can see from our preceding discussion that there are varying dimensions of globalisation that have been highlighted. There are debates as to where it is leading to whether it is new or extension what has been happening for many years and as to what constitutes the core of globalisation. We discussed some of these orientations in our previous section. The process of globalisation has also generated various ideological positions. A range of ideologies, such as neo-Marxism-Leninism, post-modernism, critical theories of development, particularly those related to the impact of globalisation on ecology, human rights of the weaker sections such as women, minorities, working classes and other marginalized groups, have generated a strident debate on the social, cultural and economic consequences of globalisation. Martinelli (2003:96) places the growing literature on globalisation conceptually along three main axes which (ideologically/ politically) are put under two broad categories viz. advocates and opponents of globalisation. His categorisation is as under **Hyperglobalisers vs. sceptics**

Here, the key distinction between the two positions relates to the degree of novelty of globalisation and its impact on nation-states. **Neoliberals vs. neo-Marxists and radicals**

Here, the key points of differences are the balance between positive and negative impacts of globalisation and its truly global or western hegemonic character. **Homogenization vs. heterogeneity/ hybridization**. The focus here is on the cultural dimension of globalisation.

Here, the first axis of categorisation is regarded as the main, and the other

two as specifications. It is noted that the varied conceptualisations on globalisation differ in terms of the type and number of aspects analysed - causal dynamics, periodisation and trajectory, major actors, (differential) social impact on people, and political implications for state power and world governance. Analyses also differ in terms of the type of countries, social groups, institutions and cultural phenomena under investigation (ibid).

Broadly speaking, Further, there is another important view on globalisation which is known as 'transformationalists'. It stands somewhere in between the other two i.e. the hyperglobalisers and neo-Marxists! Marxists.

Hyperglobalisers conceptualise globalisation mainly with a focus on the economic aspects. It is affirmed that people are getting increasingly integrated into the global marketplace. Economies are being increasingly denationalised due to the formation of transnational networks of trade, finance and production. This is regarded as 'a novel condition, hardly reversible'. This process limits the range of choices of nation-states and individuals, and compels them to follow neoliberal economic policies to be able to compete in the world market. Moreover, the global economy reshapes the existing division of labour between the centre and periphery countries and between the 'North' and the 'South' in the world. It is replacing the existing relations with 'more complex patterns of hierarchy of inequality', which has winners and losers both among and within countries, and with new tacit transnational class allegiances. It is held that the benefits of globalisation outweigh the costs. The neoliberals view globalisation as the triumph of economic liberalism, i.e., the application of economic rationalism to 'nation societies'. It is affirmed that (i) markets provide the most dependable means of setting values on all goods, and (ii) economies and markets can deliver better results than states, governments and the law (see Hudson 2002 :102).

Further, there is proclaimed, in a philosophical vein, the 'end of history' and the triumph of the Western economic and political liberalism to a complete exclusion of any alternative to it (Fukuyama 1992). It is affirmed that there would be no more deep conflicts or ideological divisions in the world. The 'new world order' interdependence based on economic liberty and democratisation created both wealth and solidarity. The spread of market-oriented policies, democratic polities, and individual rights promoted the well-being of all. It did not produce only greater economic efficiency and prosperity, but also extended the idea of liberty. Globalisation is good for the poor as, besides growth, it generally raised their income and reduced the inequality between rich and poor countries (see Dollar and Kraay, in Lechner & Boli eds. 2004). There is emphasised the potential benefits of global integration, though it also had unjust consequences that need to be addressed (see Sen, in ibid). Globalisation is presented as 'a moral imperative with certain economic freedoms as basic to prosperity. Markets are seen as force that propel production, provide means of sustenance outside government and thereby also strengthen democracy (Bhagwati 2004). For the third world, participation in the ILE (interlinked economy of USA, Europe, and Japan) is considered key to prosperity, where there were no absolute winners or losers (Ohmae 2002).

But critics/sceptics view the neoliberal version of globalisation as a prescription/ideology, not a reality. Sceptics of globalisation include Neo-Marxists/Marxists and radicals. They do not consider globalisation as either beneficial to all or being irreversible. They paint a gloomy picture of increasing inequalities and dominance by the stronger economic actors. There is expressed a fear of a world ruled by profit seeking global corporations. Economic interdependence is found to make countries more vulnerable to the destructive consequences of market shifts. The social fabric/ties also get strained as the winners in the global game become detached from losers. The whole process is lopsided. It

is repressive, exploitative, and harmful to most people in most countries. Globalisation is considered a 'false dawn' (see Gray, in Lechner and Boli eds. 2004). There is loss of sovereignty and autonomous power of nation-states. Market forces are getting more powerful than the states (Strange 1996). The main concern of governments now is to compete for attracting investments. 'National governments are torn between the need to foster economic competitiveness and that of enhancing social cohesion' (Martinelli 2003).

The opponents fault the hyperglobalist thesis of demise of the nation-state for not distinguishing among states with quite different power and influence. They do not consider globalisation a novel phenomenon. They regard it as another wave of internationalisation, involving interactions among predominantly national economies. The patterns of inequality and hierarchy are continuing to prevail and the most 'third world' countries remain marginalised. The governments continue to play a key role, particularly the powerful western states, in determining economic relations. Moreover, transnational corporations are not truly global, because they have their own home state and also regional base. Some sceptics interpret the current phase of internationalisation as the byproduct of the US-initiated multilateral economic order after the Second World War (Gilpin 2000). Callinicos et al (1994) call it a new phase of western imperialism with governments operating as agents of monopoly capital. It is believed that the current process of globalisation is 'incomplete and asymmetric'. Even Soros (2004), a stalwart in global finance, regards the current global capitalist system as 'unsound and unsustainable', in fact, disintegrating due to the increasing distress at the periphery,

imminent breakdown in the global financial system/ international trade. In his view, 'market fundamentalism' is invading even non-economic spheres of life, and hence, it is felt by many scholars that there is an urgent need to 'rethink and reform the global capitalist system'.

The current phase of globalisation is labelled by neo-Marxists/Marxists as neoliberalism. Neoliberalism is affirmed by Paul Krugman. He has highlighted the doctrinal and normative/prescriptive nature of the views of the advocates of globalisation, for instance, the 'Washington consensus'. He affirms that conclusions with little basis are constantly put forth and provide the doctrinal support for policy (cited in Chomsky 1999:25). Chomsky mentions two varieties of neoliberal doctrine which characterise the modern history. "The first is the official doctrine imposed on the defenseless. The second is what we might call 'really existing free market doctrine': market discipline is good for you, but not for me, except for temporary advantage" (1991 :34,39). Further, the contemporary process of worldwide change is treated by Marxists/ neo-Marxists as the latest phase of capitalism, and variously characterised as 'global capitalism' (Kurien 1995) 'pancapitalism' (Tehrani, in Lamberton 2002:xv), 'transnational capitalism' (Rivero 2001 :40), and 'technocapitalism' (Kellner 2002:289). Amin (2003) diagnoses (the current phase of) globalisation as the third phase of imperialism - the 'collective imperialism of the Triad' (US, Europe and Japan), wherein comprador bourgeoisies are 'acting as transmission belts for transnational capital that remains a monopoly of the Triad'. Moreover, he differentiates 'active peripheries' from marginal peripheries forming part of the system. The uniqueness of the late 20th century is seriously questioned by Wallerstein (see Lechner & Boli eds. 2004). He affirms that capitalism was always global, but it is not yet fully globalised. The core of the world economy is only over 30 of the world's 200 countries.

The 'transformationalist' view represents another perspective. It differs from the understanding of both the advocates and opponents of globalisation. Sociologists generally tend to interpret globalisation as a 'process at a new level of social reality'. The term 'global society' is sometimes used to describe this 'new reality'. In the opinion of M. Albro (1990, cited by Hudson 2002),



globalisation refers to all those processes that involves incorporation of the peoples of the world into a single society, a society in which 'humanity' emerges for the first time as a 'collective actor'. The latter aspect is connected with the concept of 'globalisation' defined as 'those values that take the real world of five billion people as the object of concern, the whole earth as the physical environment, everyone living as world citizens, consumers, and producers, with a common interest in collective action to solve global problems (ibid: 1 01).

Further, for Martinelli (2003:96) globalisation implies deep transformation in the spatial organisation because of relations becoming more stretched and more intensively interconnected. There is occurring transcontinental and transregional flows and networks of activities and exchanges. This generates power relations which has major implications on decision making processes. 'New patterns of hierarchy and inequality of inclusion and exclusion are shaped, that cut across national borders'. Kellner also seems to take a transformationalist view of globalisation. He does not stress on the aspect of integration. Rather, he focuses on the transformation currently occurring in different spheres of life and the emergence of webs and networks of global relations. He sees globalisation as having both negative and positive consequences, and also both homogenising and hybridising impact plus emergence of identity based defences.

Transformationalists seem to take a middle position on globalisation. They view it as a multifaceted process with multiple causes like economic, technological, cultural, political.

This perspective does not stress on global integration. It focuses on the emergence of webs and networks of relations among individuals, groups, communities, states, international organisations and transnational actors. Globalisation is seen as leading to an 'unbundling of relationships between sovereignty, territoriality and state power'. It involves a basic restructuring of the nation-state. Moreover, 'globalisation reinforces old patterns of inequalities, but also forms new social hierarchies which penetrate all regions of the world, thus recasting the traditional patterns of inclusion and exclusion. However, significant opportunities for empowerment of individuals, communities and social groups also exist' (Martinelli 2003:98-99). It is accepted that global corporations have homogenising impact on lifestyles and consumption patterns. However, there is also observed increasing hybridisation of cultural traits and the staunch defence of specific identities. Moreover, it is affirmed, 'Globalisation brings about a variety of adjustment strategies by national policies that require a rather active state - not the neoliberal minimum government, but the 'developmental' or 'catalytic' state' (Martinelli 2003). Nation-states are one of the major actors in the emerging 'global governance as a polyarchic mixed-actor system'. There is suggested the need for democratic global governance based on the principles of universal rights and responsibilities (ibid).

Thus, it is observed that globalisation is a highly contentious concept. On one hand it is viewed as a real process of integration, interdependence across countries and peoples in the world. On other hand, it is regarded as a normative prescription, a myth. Similarly, there are widely diverging interpretations of globalisation. On one hand, there are strong advocates professing neoliberal ideology pushing forward economic/financial integration through private sector/market-led development which, according to them, would be most efficient and dependable yielding more benefits than loss to all, in the long run. On other hand, the bitter critics/sceptics holding neo-Marxist/Marxist ideology call it a new phase of western imperialism/global capitalism which, in their view, would adversely affect the weaker nation-states and peoples. There is

also a middle position adopted by the transformationalists. Their focus is on the emerging new level of social reality (global/single society) that is happening due to increasing transnational/regional flows of networks/exchanges and growing global values like human rights, world citizenship etc. But the process has, in their opinion, both positive and negative implications for different countries and peoples. What is advocated here to redress the problems is a democratic global governance and a catalytic state. These contrasting conceptualisations and theoretical paradigms need to be kept in view in the analysis focussing on any particular country and peoples, including India.

The fact that globalisation has not yet resolved some of the basic contradictions in the realms of culture, economy and human relationships and in some cases it is supposed to have contributed to internal social conflicts goes only to lend credence to such ideologies. According to the contemporary Marxist-Leninist critique, globalisation is only another manifestation of cosmopolitan capitalism with its classic imperialistic orientation remaining intact. Instead of contributing to trans-nationalism, it exposes societies and nations to endemic 'disasters' such as the recent food crisis in Africa and the onset of fundamentalism and communalism, both at the global and national levels. The acute social distresses, cultural conflicts and alienation (see, Patnaik, 1996) of the weaker and marginalized communities contribute to this process. No doubt, globalisation with its emphasis on the supremacy of the market, quest for optimization of profits by the multinational corporations, continual unemployment due to the fluctuations in economy and capitalism-friendly labour laws and control over the management or governance of globalisation by the Bretton Wood inspired institutions of the rich capitalist nations who set the agenda, policies and practices of globalisation lends credence to this critique. In fact, the Human Development Report (2002) echoes this despair and calls for reforms within the international institutions of development such as the WTO, World Bank, IMF, etc., by making them more accountable and representative.

It is said that, "nearly half the voting power in the World Bank and International Monetary Fund rests in the hands of seven countries. And though all countries have a seat and a vote in the WTO, in practice, decisions are taken in small group meetings and heavily influenced by Canada, the European Union, Japan and U.s. In 2000, 15 African countries did not have a single trade representative stationed at the WTO" (The Hindu, July 25, 2002). This political domination contributes to the acute differences in the perception as to the extent that globalisation decrease or increase the levels of economic and social inequalities within a society.

The Marxist-Leninist critique of globalisation is based on a theoretical paradigm which recognizes the role of the historical forces, systems of political economy and social structure. Yet another ideology, the post-modernist criticism of globalisation, is essentially cultural. It derives sustenance from an epistemology which rejects the idea of a system or structure, and posits human social and cultural realities in a perpetual state of symbolic transience or flux, continually in the process of making and unmaking. "It challenges the postulate of rationality (the foundation of market economy) on which most social science categories such as, 'structure', 'system' and 'change' are anchored"; Social systems, according to the post-modern reckoning, are not based on grand theories, and centralised logic and unilineal theories and history but many micro orders, (Singh, 1998: 1). Thus, in the logic of its analysis, history has no role or significance. It treats the conjuncture of events and processes largely in terms of space as 'co-happenings' and not in order of temporal succession. The diversity of existence of identities is recognized but the causality of the same is rejected.

We also witness yet another ideology about globalisation which emanates from the assorted movement of the NGOs. These NGOs represent a variety of 'interest

groups' and many institutionalized forms of activism. The issues of their concern are as diverse as human rights, ecology and sustainable development, rights of the minorities, women, tribes, working classes, etc., which seem to converge upon their opposition to globalisation for reasons some of which have a common basis, and others which are contradictory.

Their ideology in some parts may seem eclectic with the underpinnings of Marxism, post-modernism, ecological and developmental humanism and focus on human rights etc., which are articulated in a generalized form.

We do realise that at the end of this discussion that globalisation is, indeed a very complex process, which arouse very passionate discussions which either condemn it or laude it. To understand it a little better and past all this discussions let us examine the process of globalisation in the way it exhibits itself. In the following section we will look at the characteristics of globalisation in general but also in the context of Indian society.

## 28.4 Features of Globalisation

Not only is globalisation difficult to capture conceptually, but it is a complex phenomenon which touches many aspects of society. "Although globalisation is associated within big systems such as the world financial market, production and trade and telecommunications, the effects of globalisation are felt equally strongly in the private realm" (Giddens, 2001:61). Let us see if we can capture some of the important characteristics., which not only highlight the important features of globalisation but how the touch many aspects of our every day life.

**Information and communication technologies:** The use of satellites, internet, telephones , computer networking, television known as information and communication technologies-ITC -have revolutionised the way the world communicates. The traditional cable earlier on could carry less than a hundred voices but by 1997, a transoceanic cable is capable of carrying some 600, 000 voice paths, Communication satellites are expanding too, today there are 200satellites in place facilitate transfer of information around the globe. The internet has emerged as the fastest growing communication tool-some 140 million people worldwide were using the internet in 1998. more than 700 million people are projected to be using the internet by 2001. You can see this proliferation in our own country by the number of cyber cafes computers not only in big cities but also in small towns, though we lag behind some of the more developed countries. ITC is the dominant force in the global system with ramifications in all other spheres of human existence.

The expansion of ITC has brought about a **time-space compression**. You could be chatting online, through the internet, with your friend or family, who is thousands of miles way, and feel that you share your everyday travails much more than a person who is closer home like your neighbour. You could be working in India for company that is located in the US through telecommunication technologies. Although IT industry has existed in India since 1980s, it is only after the new telecom policy of 1999, which introduced private players that communication has been on the rise. The reduced rates in international calling and outsourcing by big corporations has made India on of the leading to Business Process Outsourcing (BPO), which resulted in call-centres and data processing centres.

### Box 28.2: Outsourcing

It is a process where company contracts out part of its functions, especially the company's IT related functions and operations, to outside agencies or companies, often outside the country. Many times this is done to save cost, very often the jobs are contracted out to agencies in such countries where labour and other

costs are less expensive.

Apart from this, we can see that world is ever more connected by the fact that world events, entertainment, issues are beamed to you in your living room through TV. Though you don't participate in it directly one becomes apart of global community of audience and participants. According to Anthony Giddens (2001) this shift to global outlook has two dimensions: first, "as a global community people increasingly perceive that social responsibility does not stop at national borders". One can see this global participation, in the case of recent disasters such as the Tsunami which hit India, Sri Lanka and Indonesia or similar such disasters. People express their responsibility and concern through voluntary work, donations, relief work etc. This can also be seen in people's participation, however virtual, on campaigns which concern larger human issues be it human rights or ecology and environmental concerns or political issues. Secondly, people are forging their identities through communication network, across boundaries, many scholars have pointed out this transnational identity forging whether it is among the Hindus spread across the globe or pan-Islamisation.

**Globalisation of Trade and Finance** : An important feature of globalisation is the increasing trade flows between countries. There are many dimensions to the globalisation of trade and finance- breaking down of national barriers of trade, rise of multinational companies and the rise of international financial agencies and regulatory bodies such as WTO.

Liberalisation for India essentially involved relaxation of restrictions on import duties, export restrictions, promotion of foreign investment and permissions for free flow of foreign technology and skills. Along with this, there was considerable loosening of licensing system as well as lifting of reservation on certain products. More importantly, under the dictates of World Bank and IMF, India had to reduce the role of government in many operations. Changes included cutting down subsidies for farming, cutting down fiscal deficit, disinvestment equities in public sector companies, reducing expenditure on social sector and facilitation of foreign direct investment or FDIs. Through all these measures India joined the global economy.

#### **Box 28.3 FDI and MNCs**

Foreign direct investment (FDI) is the movement of capital across national frontiers in a manner that grants the investor control over the acquired asset. Thus it is distinct from portfolio investment which may cross borders, but does not offer such control. Firms which source FDI are known as 'multinational enterprises' or Multinational Corporations (MNC or TNCs). In this case control is defined as owning 10% or greater of the ordinary shares of an incorporated firm, having 10% or more of the voting power for an unincorporated firm or development of a greenfield branch plant that is a permanent establishment of the originating firm.

The largest portion of FDI approvals in India has been in the infrastructure and core structures such as power, telecommunication, energy exploration, chemical metallurgical industries. FDI flows in India have increased substantially.

Economic liberalization and financial liberalization centers on capital movement of which FDI is major form and the major players in these flow of capital is the MNCs

An MNC is a corporation that operates in a number of countries, and has production operation facilities outside the country of their origin. Since end of World War II. According to United Nations estimates there are nearly 5000 such companies with investments outside the country. Like e-business concerns MNCs are also motivated by profit concerns, but some do believe that they are beneficial for domestic markets for generating employment opportunities, transfer technology, providing competition thereby by improving standards, quality etc. and also by paying taxes to the host country.

There are several ways in which these companies can be detrimental to host countries and people within. Very large multinationals have budgets that exceed those of many countries. They can have a powerful influence in international relations, given their large economic influence in politicians' representative districts, as well as their extensive financial resources available for public relations and political lobbying. As a result of these, they may have undue influence in the function and policy formulation of governments, which is detrimental to democracies. There is also the concern that they repatriate the profits their own countries rather than invest in host countries. MNC provide jobs but they also drive out small enterprises and jeopardise livelihood of small business. These many others make the MNC operations suspect.

Another aspect of growing trade flows in globalised world is the increasing role of trade regulating bodies such World Trade Organisation-WTO. Let us examine the role of Wto and the implication for Third World in the box below.

#### Box 28.4 WTO and the Third World

The WTO was established on January 1, 1995 to replace the General Agreement on Tariffs and Trade (GATT), a series of post-war trade treaties intended to facilitate free trade. The GATT principles and agreements were adopted by the WTO, which was charged with administering and extending them. Unlike the GATT, the WTO has a substantial institutional structure. The WTO aims to foster dialogue between nations, where governments come together and sort out the trade problems they encounter with one another, rather than engage in trade disputes. Consultation, negotiation and agreement are what the WTO emphasizes. Many WTO decisions, such as adopting agreements (and revisions to them) are determined by consensus. This does not necessarily mean that unanimity is found: only that no Member finds a decision so unacceptable that they must insist on their objection. Voting is only employed as a fall-back mechanism or in special cases. Richard Steinberg (2002) argues that although the WTO's consensus governance model provides law-based initial bargaining, trading rounds close through power-based bargaining favouring Europe and the United States, and may not lead to Pareto improvement. The most notable recent failures of consensus, at the Ministerial meetings at Seattle (1999) and Cancún (2003), Doha (2004) were due to the refusal of some developing countries to accept proposed.

The stated aim of the WTO is to promote free trade, stimulate economic growth and hence make people life more prosperous. As with any economic development, if growth proceeds in a fast or unbalanced way, it will cause structural unemployment and thus worsen poverty. The WTO also promotes economic globalization and free trade, which anti-globalization activists consider problematic. WTO treaties have been accused of a partial and unfair bias toward multinational corporations and wealthy nations.

While the WTO provides equal opportunities for nations to speak, shields governments from lobbying, and encourages good governance, small countries in the WTO are capable of wielding little influence. The WTO itself is criticized as being the tool of powerful lobbies. And while membership is voluntary, critics say that not joining places the non-participating nation under a de facto embargo, creating an international system of forced economic rules discouraging change and experimentation. Despite the WTO aim of helping the developing countries, the influential states in the WTO do focus on their own commercial interests. The needs of the developing countries are often perceived to be ignored. In addition, the issues of health, safety and environment are not principle concerns.

(Source:<http://en.wikipedia.org/wiki/WTO>)

#### Migration , Multiculturalism and Ethnic identities

People have always migrated since centuries. People migrate due to several reasons (see the unit on migration); for economic reason, to escape persecution, for personal or sentimental reason. The migration in the global age has increased exponentially. The current phase of global movement of

people is compelled by all these reasons but mainly economic. If we look around in our own country we find that it is not so rare any more to find that there is some member of the family or other who has moved for a better life.

Countries like USA, Australia, Canada and New Zealand have actively been encouraging immigration. Immigration policies of some of the countries where there is huge Indian population seems to affect the economic status of the country and the people directly connected with migrant population. This can be witnessed in the recent deportation of Indian workers in the gulf or anxiety over the scaling down of H1B visas, which are the visas that Indian technocrats go on.

There are varying perspectives on immigration in the globalisation era. The liberals, especially MNCs advocate liberalisation of immigration laws and policies. They believe that it encourages global prosperity and true completion. The protectionist who oppose them think that corporations are motivated by profit interest, wherein they exploit cheap labour. Then there are xenophobes who fear foreigners and use various arguments to thwart too liberal an immigration policy.

“The November 2005 riots in France have led some to conclude that, although reasonable immigration numbers are welcome in most societies, large numbers can cause immigrants to form closed ethnic neighborhoods that lead to social confrontation and seclusion. Most European countries have not yet limited immigration and immigrants (legal & illegal) range between 7% -20% of the population”( <http://en.wikipedia.org/wiki/Immigration>).

There is such mass movement of people across the globe, with preferred destinations of Western European countries, US and Australia by the poorer Third world inhabitants. This has significantly changed the composition of the host society, and often immigration is a controversial issue for some of these countries. There is a fear that cheaper workforce, who are willing to work for less than the prescribed wages, are replacing the locals, which they claim makes them unemployed and cuts down the standard of living etc. The other fear is that of cultural nature; it is heard most strongly in some homogenous old world (European) nations where citizenship was long tied to a person having deep historical roots in the country. Western European nations, Japan, and other countries have long been deeply concerned about their national culture being subsumed. This concern can be especially high when the immigrants are of differing race or religion than the majority.

Despite these fears and incidents of expressions of such fears (the periodic racial riots in UK and the more recent ones in France being an example) at official level and at an ideological level, countries such as Canada, UK France have tried to adopt multicultural policies.

#### Box 28.5 Multiculturalism

Looked at broadly, the term is often used to describe societies (especially nations) which have many distinct cultural groups, usually as a result of immigration. This can lead to anxiety about the stability of national identity, yet can also lead to cultural exchanges that benefit the cultural groups. Such exchanges range from major accomplishments in literature, art and philosophy to relatively token appreciation of variations in music, dress and new foods. On a smaller scale, the term can also be used to refer to specific districts in cities where people of different cultures co-exist.

(Source:<http://en.wikipedia.org/wiki/Multiculturalism>)

In terms what it constitutes in terms of government policies or approaches in dealing with immigrants, the approaches can be viewed as following

- Monoculturalism: Here the immigrant is expected to assimilate with the

national culture, in such countries the idea of cultural and nationa are conflated. Many Europeans nations thought on this lines, except UK for along time but in the recent decades some of this philosophy is under dilution because of actual presence of many immigrants who differ from them substantially-racially, ethnically and culturally.

- Melting Pot: In the United States the traditional view has been one of a melting pot where all the immigrant cultures are mixed and amalgamated without state intervention. However, many states have different language policies within the union.
- Multiculturalism: In comparison to the above two approaches, multiculturalism is a view, or policy, that immigrants, and others, should preserve their cultures with the different cultures interacting peacefully within one nation. Today, this is the official policy of Canada, Australia and the UK. Multiculturalism has been described as preserving a “cultural mosaic” of separate ethnic groups, and is contrasted to a “melting pot” that mixes them. This has also been described as the “salad bowl” model.

No country falls completely into one, or another, of these categories. For example, France has made efforts to adapt French culture to new immigrant groups, while Canada still has many policies that work to encourage assimilation. Some, such as Diane Ravitch, use the term multiculturalism differently, describing both the melting pot, and Canada’s cultural mosaic as being multicultural and refers to them as pluralistic and particularist multiculturalism. Pluralistic multiculturalism views each culture or subculture in a society as contributing unique and valuable cultural aspects to the whole culture. Particularist multiculturalism is more concerned with preserving the distinctions between cultures.

Immigration into European countries is a rather recent trend, though until the 1970s and 1980s the levels were relatively modest. Recent increases in immigration have led to the development of political parties in Europe that are almost solely concerned with limiting immigration.(source:<http://en.wikipedia.org>).

The diasporas, who leave their homeland but who still identify themselves with their cultural roots and countries of origin, have proliferated even more so in the recent past. Their attempts to preserve their cultural roots and identity has brought to fore many ethnic identity efforts. With the world being globally connected now it has become easier for communities with a sense of similar identity, however dispersed to come together. There are many transnational organization which feed in to this ethnic consciousness, be it Hindu, Muslim or sub national identities such as Telugu , Bengali etc. (you will read about this in grater detail in our elective course on Diaspora and Transnational Communities).

As you can see, Technology and changes in economy have implications for all aspects of society. We will try and understand another feature of globalization that is much debated-the cultural globalization.

### Homogenisation and Hybridisation of Culture

A very significant feature of globalisation as we mentioned earlier too is the flow of several things technology, money, people and culture, which is highly mediated by global technology and media. So we have Bollywood influencing fashion in UK, as much as MTV and other American programs influencing not only the Indians but world at large. This confluence of influence has raised questions such as; whether the world is getting homogenised by Western influences, especially America? Terms such as McDonaldisation, Coco-colaisation are used to point out dominance of giant corporation of America influencing

the cultures of the world and taking over local market.

Griffin (2004:262) takes note of the argument that globalisation has strong homogenising influences that weaken and destroy existing cultures, move towards a world culture under US hegemony. 'The American way of life, or more likely a pale imitation of it, will become the world's way of life'. However, he thinks that the emergence of a single 'world culture' is highly unlikely. 'Instead, globalisation and the associated cultural interpenetration are more likely to lead to new permutations, new combinations, new options, and new cultures' (ibid: 254). With increasing pace of globalisation, in his opinion, the idea of 'global citizenship' would gain support. But it would not pose a threat to the existing loyalties and identities - local, national, regional. It would neither supersede existing loyalties nor represent the creation of a global culture. But 'It would be a step towards recognition of the fact that globalisation affects us all and we should all have a voice in determining how the effects are managed' (ibid: 262).

Appadurai (1997) is also strongly predisposed to the view that globalisation is not the story of homogenisation. In his view, globalisation is a deeply historical, uneven and even 'Localising' process. 'Globalisation does not necessarily or even frequently imply homogenisation or Americanisation'. The geneology of cultural forms, in a theoretical vein he says, is 'about their circulation across regions, the history of these forms is about their ongoing domestication into local practice' (p.17). In case of India he talks about how history and geneology inflect one another, and how global forms take local forms. Another important phenomenon he is concerned with is that of the diaspora which is part of the cultural dynamic of urban life in most countries in the world. In this connection, the joint force of electronic mediation and mass migration 'coconstitute new sense of the global as modern and the modern as global' (p.10). The diasporic phenomenon of today, he observes as explicitly transnational - even postnational.

Singh (2002) recognises that globalisation was bound to put pressures on the Indian culture. He envisages some degree of acceleration towards homogenising of cultural forms and activities (lifestyle, dress, food etc) in the country. However, he asserts that 'the social structure and cultural system in India are intrinsically based on pluralism and diversity'. The Indian society (both caste and tribe) is segmented in communities which enjoy 'enormous cultural autonomy'. 'This provides enormous cultural resilience to communities in India to filter the effects of globalisation through refractory and prismatic adaptations' (p.64). Moreover there is observed an enhanced sense of self consciousness and awareness of identity. Those elements of globalisation are resented that encroach upon or does not promote the core cultural values of society. So, globalisation has both facets - homogenisation and (cultural) identity enhancement. In case of the Indian diaspora, he finds the trends of cultural fusion. Also in India, at the level of popular culture of music, dance, dramatic, cinema etc., the new trend is one of fusion of traditional Indian forms/ styles and western/global forms/styles. This emergent popular (fusion) culture, he regards as posing 'a threat to the indigenous local, regional or ethnic identity of cultural traditions in so far as it abstracts culture from people's rhythm of life and its natural expressiveness or vitality, and converts its new packaging into a commodity' (p.103). In this process the traditional identity deeply embedded in community life (caste, class, tribe, principles of hierarchy and reciprocity) are "metamorphosed into a faceless 'audience' ". This, he thinks, is not entirely due to globalisation, but rather 'germane in the very paradigm of modernization which we along with the rest of humanity wilfully celebrate' (ibid). As regards modernisation, Gupta (2000) talks about the process of westoxication in India.



### Global Civil society and Nation-State

Civil society is viewed as a sphere of society distinct from the state, with forms and principles of its own. The institutions of civil society include the church, education, trade unions and work and other organisations which act to a lesser or greater degree independently of the state. Therefore, civil society has been the arena of social and political protestation movements, particularly movements such as human rights, animal rights, environmentalism, trade unionism and peace movements. With global interconnectedness civil society initiatives, be it human rights or environment organizations or movements have gone beyond the local. They have created a global space. These spaces are delineated by networks of economic, social and cultural relations, and they are being occupied by conscious actors, in physically separated locations, who link together in networks of particular political and social purposes. There many international organization which network over distance traversing international boundaries. "In 1909, there were 176 private international associations, by 1951 they had multiplied to 832 and in 1985 there were at least 4615. However, such a high figure can be misleading because INGOs can be anything from the International Bottle Collectors Society, the International Committee of Catholic Nurses, to Friends of the Earth International (FOEI) and Amnesty International. But the important point is that each organisation has created a global arena, outside of purely national interests, in which common values, aims, concerns and even ideologies are discussed and acted upon. But it is the larger and better organised INGOs such as FOEI, Greenpeace, Oxfam and Amnesty which can be seen as having the greater influence on national governments and therefore the autonomy of nation-state actions" (source: [www.suite101.com/article.cfm/sociology/](http://www.suite101.com/article.cfm/sociology/)).

By undertaking campaigns beyond their own frontiers that help to change the global agenda, INGO members can bypass their own governments and act directly in global politics and thus open up new arenas for political participation. In this way, governments loose their traditional role as the sole external representatives of those they govern and this weakens, in part, their claim to legitimacy. Also, global actors, such MNCs, international regulatory organizations like WTO and financial organizations like IMF and World Bank have all produced arenas which exert influence on nation -states and function both within and without states.

This has raised questions whether the nation-state's legitimacy and authority are eroded. The extreme positions on this issue have pronounced nation states as dead. Rosenau ,does not take this extreme position but argues that there has been a shift from industrialism and international politics, where the nation-state dominated global relations, to an era of post-industrial and post-international politics where the nation-state has to share global relations with international organisations, transnational corporations and transnational social movements, making the state and its local needs subservient to global forces.

Robert Gilpin argues that the process of globalisation is the result of a permissive political order, which generates the stability needed to encourage connections, by the exercise of power between hegemonic nation-states. Therefore, the present era of global interconnectedness has been achieved due to the existence of a stable and secures world order, in which the hegemonic liberal democracies utilise military power and supremacy for economic and political purposes. Gilpin's primary factor is therefore of a political logic which views the process of globalisation as depending upon the rise and decline of hegemonic powers and the existence of a secure world order that political equilibrium produces (ibid).

Do you think the process of globalisation taking place in India is positive or negative in nature?

Write a report of one page on "the Nature of Globalisation in India." You have to give clear explanation for choosing one or the other point of view. Discuss your note with other students at your Study Centre as well as your Academic Counsellor.

## 28.6 Conclusion

The experience of Globalisation has a mixed feeling, both of enchantment as well as disenchantment. There are as many pro globalisation arguments as there are anti-globalisers. The "anti-globalisation" ( a term that is preferred by the media), group constitute many activist and public interest group who do not necessarily oppose globalisation per se , but seek to 'globalise justice', as Noam Chomsky one of the leading critics of globalisation policies, says. We have tried to present to you the different ideological positions from where various aspects of globalisation are argued. We have loosely summarised some important features of globalisation, which they we have categorised under different sections all influence and lead in to each other. As a process that is on going , globalisation literature is ever expanding and there are revisions and new perspectives that are brought forth.

## 28.7 Further Reading

Giddens, A. (1990) *The Consequences of Modernity*, Cambridge, Polity Press.

Giddens, A. (1991) *Modernity and Self-Identity*, Cambridge, Polity Press