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Globalization and International System

Field Report

Globalization is an extremely complex, multidimensional and controversial phenomenon. No wonder, there is a great deal of variety in theoretical approaches to, as well as definitions of, globalization. From the contemporary social theory perspective, globalization is seen as associated with deterritorialization, the growth of social interconnectedness and the increasing pace of social activity.¹

Robert Keohane and Joseph Nye define globalization as “a state of the world involving networks of interdependence at multi-continental distances. These networks can be linked through flows and influences of capital and goods, information and ideas, people and force, as well as environmentally and biologically relevant substances”.² They note, however, that globalization does not imply universality, homogenization or equity.³ Thus, globalization is distinguished from the concepts of westernization and modernization.

Another approach interprets globalization as “the compression of the world and the intensification of consciousness of the world as a whole”.⁴ This approach focuses on the way in which participants in the process become conscious of and give meaning to living in the world as a single place. Closely linked to globalization is therefore the “problem of globality” or the cultural terms on which coexistence in a single place becomes possible.⁵

Globalization can also be viewed as the growth and enactment of world culture. According to this approach, since at least the middle of the nineteenth century, a rationalized world institutional and cultural order has been crystallized that consists of universally applicable models that shape states, organizations, and individual identities. Conceptions of progress, sovereignty, rights, and so forth, have acquired great authority, structure the actions of states and individuals, and provide a common framework for global disputes.⁶

International relations theorists belonging to the school of political realism are mostly skeptical about globalization. Kenneth Waltz, for example, calls globalization “the fad of the 1990s”. He argues that the world is less interdependent today than is usually supposed. The international system based on nation-states as its main actors remains fundamentally intact. According to Waltz, what is referred to as “globalization” essentially reflects the growing inequality in the distribution of capabilities among states, with the United States as the predominant power.⁷

Neomarxist theory, as represented by Immanuel Wallerstein, provides a critical approach to globalization, seeing it as the process completed in the twentieth century, by which the capitalist world system spreads across the globe itself. Because this particular world system

¹ Article on globalization in the *Stanford Encyclopedia of Philosophy*.

<http://plato.stanford.edu/entries/globalization/>

² *Governance in a Globalizing World*. Ed. by Joseph N. Nye Jr. and John D. Donahue. Brookings Press, 2000. P.1.

³ *Ibid*, p. 2.

⁴ Robertson, Roland. *Globalization: Social Theory and Global Culture*. London: Sage, 1992. P.8.

⁵ *Ibid*, p. 132.

⁶ Meyer, John W., John Boli, George M. Thomas, and Francisco O. Ramirez. 1997. "World Society and the Nation-State." *American Journal of Sociology* 103(1): 144-181.

⁷ Kenneth N. Waltz. *Globalization and Governance*. In: Kenneth N. Waltz. *Realism and International Politics*. New York: Routledge, 2008.

has maintained some of its main features over several centuries, globalization does not constitute a new phenomenon. At the turn of the twenty-first century, the capitalist world economy is in crisis. Therefore, the current "ideological celebration of so-called globalization is in reality the swan song of our historical system".⁸

There are different views as to when the process of globalization started. Some believe that globalization, seen as expanding and intensifying interaction of peoples, is as old as the humanity itself.⁹ Neomarxists, such as Wallerstein, trace the origins of globalization to the advent of capitalism in Western Europe around 1500. Many scholars argue that what we are experiencing nowadays is, in fact, the second wave of globalization, while the first wave occurred in the late 19th - early 20th century, when the world was, in some respects, even more integrated than it is now.

According to Anthony Giddens, the current phase of globalization is not just a repetition of the late 19th century. Globalization now is much more intense and is largely driven by technology. The main driving force of the new globalization is the communications revolution, which started in the late 1960s and early 1970s, the first time when there was an effective communications satellite sent up above the earth.¹⁰

Globalization discourse has spawned an array of associated terms. Among them is the concept of glocalization, which means that the universal ideas and processes involved in globalization are interpreted and absorbed differently according to the vantage point and history of particular groups. In some cases, this is done strategically, for example when global marketers are adapting their products to local traditions and tastes. More generally, glocalization captures the way in which homogenization and heterogenization intertwine.¹¹

How does globalization affect the role of the nation-state in world politics? Some scholars assert that globalization considerably diminishes the powers and influence of nation-states, both in domestic and international politics. Authority is increasingly shifted away from the state to supra-state, sub-state, and, above all, non-state actors. States are sharing powers that defined their sovereignty with corporations, international bodies, and a proliferating universe of citizens groups. The main engine of this transformation is the information technology revolution, a radically expanded communications capacity that empowers individuals and groups while weakening the leverage of nation-states.¹²

However, the majority of theorists agree that it makes no sense "to proclaim the death" of the nation-state. The modern form of globalization, the argument goes, will not spell the end of the modern nation-state. It is pointed out that "over the past five centuries, technological change has progressively reduced the barriers to international integration... Yet states have become neither weaker nor less important during this odyssey. On the contrary, in the countries with the most advanced and internationally integrated economies, governments' ability to tax and redistribute incomes, regulate the economy, and monitor the activity of their citizens has increased beyond all recognition. This has been especially true over the past century".¹³ Even in

⁸ Wallerstein, Immanuel. *Utopistics: Or, Historical Choices of the Twenty-First Century*. New York: The New Press, 1998. P. 32.

⁹ These are mostly proponents of classic political realism.

¹⁰ *The Second Globalization Debate*. A Talk With Anthony Giddens.
http://www.edge.org/3rd_culture/giddens/giddens_index.html .

On technology as an underlying cause of globalization, see also *Globalization, Technology, and Philosophy*, David Tabachnick and Toivo Koivukoski, eds., Albany: State University of New York Press, 2004.

¹¹ "Glocalization: Time-Space and Homogeneity-Heterogeneity." Pp. 25-44 in M. Featherstone, S. Lash, and R. Robertson (eds.), *Global Modernities*. London: Sage, 1995. P. 40.

¹² See, for example, Jessica T. Mathews. *Power Shift*. Foreign Affairs, January/ February 1997.

¹³ Martin Wolf. *Will the Nation-State Survive Globalization?* Foreign Affairs, January/February 2001.

Western Europe, which has achieved by far the highest level of international integration ever, the nation-state is not going to wither away.¹⁴

There is also a theory which holds that the system of nation-states is not disappearing, but it argues that the state is unbundling into its separate, functionally distinct parts, forming transnational government networks. A new world order is emerging, where nation-states' parts – courts, regulatory agencies, executives, and even legislatures – are networking with their counterparts abroad, creating a dense web of relations.¹⁵

Globalization is often associated with the rise and proliferation of non-state actors such as transnational corporations¹⁶, supranational organizations¹⁷, non-governmental organizations¹⁸, transnational regions¹⁹ and sub-national units.²⁰ Among non-state agents of globalization are “global cities” like New York, London, Tokyo or Moscow. They are seen as crucial node points in global economic and political system.²¹

Globalization has its most remarkable manifestations in the sphere of economy, with globally integrated markets, production chains and multilateral regulatory bodies, such as IMF, World Bank and WTO. However, economic globalization is extremely controversial topic. The champions of economic globalization praise its positive effects, emphasizing how it benefits the entire world, both developed and developing countries. They argue that countries, which are more open to foreign trade and investment, are more likely to get wealthier.²² Some globalization proponents even assert that globalization has actually promoted economic equality and reduced global poverty.²³

Many theorists, however, point to grave deficiencies of the current form of economic globalization. According to them, it largely benefits the rich developed countries, leaving third-world countries as losers. They also stress the mismanagement of globalization by the flawed policies of Western-dominated financial institutions like IMF.²⁴

Some thinkers, such as Niall Ferguson, even find parallels between the first age of economic globalization, which lasted until 1914, and the present one. They warn that a doomsday scenario, when globalization suddenly collapses, is quite plausible.²⁵

Another hot topic for debate, both among scholars and the mass media, is how economic globalization affects energy and food security worldwide. Increasing demand for energy and changing eating habits in China, India and other fast-growing economies lead to higher food

¹⁴ See, for example, Юбер Ведрин. *Отказ от государств-наций – иллюзия. Россия в глобальной политике.* №6, ноябрь-декабрь 2007. (Juber Vedrin. *Abandoning the Nation-State is Illusion. Russia in Global Politics.* #6, November-December 2007).

¹⁵ Anne-Marie Slaughter. *The Real New World Order.* Foreign Affairs, September/ October 1997.

¹⁶ See, for example, Samuel J. Palmisano. *The Globally Integrated Enterprise.* Foreign Affairs, May/June 2006; Klaus Schwab. *Global Corporate Citizenship.* Foreign Affairs, January/February 2008; Debora L. Spar. *The Spotlight and the Bottom Line: How Multinationals Export Human Rights.* Foreign Affairs, March/April 1998.

¹⁷ See, for example, Paul Pierson. *The Path to European Integration, A Historical Institutionalist Analysis.* Comparative Political Studies, 1996, Vol. 29, No. 2, 123-163.

¹⁸ See, for example, Sidney Tarrow. *The New Transnational Activism.* Cambridge University Press, 1995.

¹⁹ See, for example, Kenichi Ohmae. *The Rise of the Region State.* Foreign Affairs, Spring 1993.

²⁰ See, for example, Francisco Aldecoa and Michael Keating, editors. *Paradiplomacy in Action: The Foreign Relations of Subnational Governments,* Routledge, 1999.

²¹ See, for example, Globalization and World Cities Research Network.

<http://www.lboro.ac.uk/gawc/index.html> .

²² Jagdish Bhagwati. *In Defense of Globalization: [How the New World Economy Is Helping Rich and Poor Alike].* Oxford, New York: Oxford University Press, 2004.

²³ David Dollar and Aart Kraay. *Spreading the Wealth.* Foreign Affairs, January/February 2002.

²⁴ Joseph Stiglitz. *Globalization and Its Discontents.* New York: W.W. Norton&Co., 2002 ; Joseph Stiglitz. *Making Globalization Work.* New York: W.W. Norton, 2006.

²⁵ Niall Ferguson. *Sinking Globalization.* Foreign Affairs, December 2005.

and gasoline prices globally, even in countries like Russia, which are themselves big producers of vital commodities.²⁶

Globalization is closely associated with such concepts as postindustrial society, information society, knowledge society and network society. In fact, information technologies and knowledge-based economy are often recognized as the main driving factors of contemporary globalization. It is argued that we live in the age of Third Industrial Revolution. During this age, it is knowledge that serves as the basis for economic progress and becomes the source of new wealth.²⁷

The simultaneous growth of the internet, mobile telephony and digital technologies - which has seen much of the working population in the developed countries migrate to the service sector - has revolutionized the role of knowledge. These technologies play an important role not only in economic development (through the spread of innovation and the productivity gains they bring about), but also in human development. Knowledge societies emphasize education, creativity and innovation. Young people are bound to play a major role because they are often among the first to use new technologies and innovative ways helping establish them as embedded features of everyday life. Ideally, nobody should be excluded from knowledge societies, where knowledge must be a public good, available to each and every individual. For the developing countries, the promise of "technological leapfrogging", of being able to skip the stages of industrial development by adopting the most advanced technologies directly and to capitalize on their tremendous potential, holds out special appeal.²⁸

The reality, however, is not so rosy. It is countries with knowledge-based economies, as well as "knowledge strata" within individual societies, which stand to gain the most. According to some scholars, the technological and intellectual innovations that "underlie the national wealth of the post-industrial nations can now be neither effectively produced, nor copied, nor (in certain cases) even used within industrial, let alone agrarian societies. Meanwhile, demand for them remains extremely high everywhere because they form the basis of any tangible progress in today's world. This is the principal reason why the gap separating the developed Western countries from the rest of the world has been recently expanding".²⁹ Thus, the global knowledge society is accompanied with the knowledge gap.³⁰

Does globalization contain elements of hegemony and hierarchy? According to neomarxism, the modern world system is inherently hierarchical, as it is dominated and controlled by the economically and militarily powerful core states. In turn, the core has its own power hierarchy. Although the US has been in relative decline since the peak of its might in the mid-twentieth century³¹, it still remains the most powerful state, or "hyperpower", which also has the greatest potential to influence or even manage globalization.

Whether this predominance is for better or worse and how it should be exercised is a fiercely debated topic. Some scholars strongly advocate the idea of American global leadership. They argue that only the West, essentially equated by them with the United States, can legitimately lead the world.³² Other theorists, such Joseph Nye, also point out the uncontested

²⁶ See, for example, Daniel Yergin. *Ensuring Energy Security*. Foreign Affairs, March/April 2006 ; Darren Ennis. *World Food Program warning on soaring food prices*. International Herald Tribune. March 6, 2008.

²⁷ Lester Thurow. *Creating Wealth. The New Rules for Individuals, Companies and Countries in a Knowledge-Based Economy*. London: Nicholas Brealey, 1999.

²⁸ *Towards Knowledge Societies (UNESCO World Report)*. UNESCO, 2005.

http://portal.unesco.org/ci/en/ev.php-URL_ID=20507&URL_DO=DO_TOPIC&URL_SECTION=201.html

²⁹ Vladislav L. Inozemtsev. *The Inevitability Of a Post-Industrial World: Concerning The Polarity Of Today's World Order*. Global FOCUS, 2001, Vol. 13, No. 2. P. 65.

³⁰ See, for example, Hans-Dieter Evers. *Knowledge society and the knowledge gap*. Paper presented at the conference on "Globalisation, Culture and Inequalities" (Kebansaan University, Malaysia, 19-21 August 2002).

³¹ Wallerstein, Immanuel. *After Liberalism*. New York: The New Press, 1995.

³² Dinesh D'Souza. *What's So Great About America*. Washington (DC): Regnery Publishing, 2002.

strength of the US as the world's number one in terms of both hard and soft power, while emphasizing the need for America to restrain its "go it alone" unilateralism and cement ties with partners, particularly Europe. Nye believes that globalization is not America's invention. Neither globalization can be monopolized by America. Though the US is the most influential champion of economic current economic globalization and its biggest beneficiary, Americans can not control globalization's future developments. It is even possible that over time globalization will cause the decline of American dominance.³³

Fareed Zakaria is more optimistic about the future of American leadership. He believes that, unlike the British Empire a century ago, the United States has the strength and dynamism to continue shaping the world - but only if it can overcome its political dysfunction and reorient U.S. policy for a world defined by the rise of other powers.³⁴

Some authors see America and its role in contemporary world politics as "fear's empire", portraying the United States as an arrogant superpower, which believes in its own infallibility and enforces its will on others.³⁵ However, some theorists argue that that the problem is not the *Pax Americana* hegemony but the lack thereof, precisely at the time when the chaotic and insecure world more than ever needs the empire. The existing imperial capabilities of the United States are considerably overstated, while Americans themselves are not ready to carry the burdens associated with maintaining the global empire.³⁶

What are the principal negative effects of globalization? It is often argued that forces of globalization, including high global interest rates, debt crises, and shock liberalizations, are associated with growing social and income inequality.³⁷ Some theorists claim that the developed nations are increasingly setting themselves apart from other countries. Trade and investment flows tend to be confined to the boundaries of the "first world" nations. The post-industrial world is shutting out the outsiders, while most of the world's countries are becoming increasingly dependent on the post-industrial world as the supplier of new technologies and information. Thus, the contemporary world is taking shape as a civilization divided, with a single center of gravity and strength represented by post-industrial societies.³⁸

Globalization also leads to globalized risks and threats. According to Robert Keohane, September 11 signifies that terrorism, or informal violence, has become globalized. The expansion of terrorism's global reach can be seen as an instance of globalization, when acts of force in one society can be initiated and controlled from very distant points of the globe. The significance of globalization of violence - as well as economically and socially - is not its absolute newness but its increasing magnitude as a result of sharp declines in the costs of global communications and transportation.³⁹

There are numerous other examples of how various illicit activities, like financial abuses, trafficking in arms, drugs and humans, exploit the opportunities of globalization.⁴⁰

Regionalism is a major phenomenon in the current world politics. How are globalization and various regionalisms related? There has long been a "stepping stone" versus

³³ Joseph S. Nye. *The Paradox of American Power. Why the World's Only Superpower Can't Go It Alone*. Oxford, New York: Oxford University Press, 2002.

³⁴ Fareed Zakaria. *The Future of American Power: How America Can Survive the Rise of the Rest*. Foreign Affairs, May/June 2008.

³⁵ See, for example, Benjamin Barber. *Fear's Empire. War, Terrorism, and Democracy*. New York, London: W.W. Norton & Co., 2003; Anatol Lieven. *America Right or Wrong. An Anatomy of American Nationalism*. New York: HarperCollins, 2004; Ziauddin Sardar, Merryl W. Davis. *Why Do People Hate America?* Cambridge: Icon Books, 2002.

³⁶ Niall Ferguson. *Colossus: The Price of America's Empire*. New York: Basic Books, 2004.

³⁷ See, for example, James K. Galbraith. *By the Numbers*. Foreign Affairs, July/August 2002.

³⁸ Vladislav L. Inozemtsev. Op. cit.

³⁹ Robert O. Keohane. *The Globalization of Informal Violence, Theories of World Politics, and the "Liberalism of Fear"*. Dialogue IO (2002), 1: 29-43. Volume 1. Issue 01 - Jan 2002.

⁴⁰ See, for example, William F. Wechsler. *Follow the Money*. Foreign Affairs, July/August 2001; Ethan B. Kapstein. *The New Global Slave Trade*. Foreign Affairs, November/December 2006. Douglas Farah, Stephen Braun. *The Merchant of Death*. Foreign Policy. November/December 2006.

“stumbling block” controversy among theorists over whether regionalization facilitates or impedes globalization.

On the one hand, there exist activities (for instance, APEC and the Pacific open regionalism) which are organized regionally but essentially imply globalization. On the other hand, regionalism can embody a political will to halt or even reverse the process of globalization in order to safeguard a degree of territorial control and cultural identity. In this respect, regionalism can be seen as a basically political response by states to a global market-driven economic process. The objective of this counteraction is to enhance security in a broad sense – economic, ecological, military and political – within the confines of the region.⁴¹ East Asian regionalism (represented by groupings such as ASEAN and ASEAN+3) is widely seen as just this type of regionalism, which is trying to hedge against negative effects of globalization, while vigorously exploiting its benefits.

The modern global system is often described in terms of the existence of three macro-regions; that is, East Asia, North America and the European Union. The latter two in turn can be seen as a single entity, which is the West, in opposition to the East, or Asia. The questions are whether the rising Asia is capable of overtaking the West and whether the Euro-Atlantic world is willing to share global dominance with Asia.⁴² However, Asia itself is far from unity and is fraught with rivalries, both in terms of power balance and socio-political-economic models, as represented, for example, by China-Japan competition for regional supremacy.

Like elsewhere, globalization has been a controversial issue in Russia. The views on the subject can be broadly divided into two categories: those opposing globalization and those that see it as an opportunity for Russia. Globalization critics claim that it essentially represents the global expansion of *Pax Americana*. They see globalization as nothing other than westernization and Americanization, the process which primarily benefits the US. Globalization is controlled and managed by the US-led capitalist forces, based on neoliberal ideology. They warn that Russia’s embrace of neoliberalism and globalization is detrimental to the country’s national interests and may have disastrous consequences.⁴³

According to another approach, globalization, while carrying with it certain risks, presents Russia with significant opportunities. Globalization is objective reality. Rather than trying to insulate itself from globalization, Russia should actively engage with it, exploit its advantages and take part in shaping its rules. If Russia sets itself apart from the globalizing world, it will lose strategically.⁴⁴

It is interesting to note that the current Russian leadership tends to view globalization in positive terms. Moscow seems to believe that contemporary economic globalization, despite its controversial implications, largely promotes Russia’s national interests, as it creates new centers of power in the world, leading to a multipolar global system and diminishing the Western influence.⁴⁵ According to Russian foreign minister Sergei Lavrov, “the newness of the situation lies in the fact that the West is losing its monopoly on the processes of globalization”.⁴⁶

⁴¹ See *Comparing Regionalisms: Implications for Global Development*. Ed. by Bjorn Hettne, Andras Inotai and Osvaldo Sunkel. Palgrave, 2001.

⁴² See, for instance, Kishore Mahbubani . *The New Asian Hemisphere: The Irresistable Shift of Global Power to the East* . PublicAffairs, 2008.

⁴³ See, for example, Г.М. Вельяминов. *Россия и глобализация*. Россия в глобальной политике. №3, май-июнь 2006. (G. Velyaminov. *Russia and Globalization*. Russia in Global Affairs. May/June 2006, #3).

⁴⁴ Василий Михеев. *Логика глобализации и интересы России*. Pro et Contra. #4. Осень 1999. (Vasilii Mikheev. *The Logic of Globalization and Russia’s Interests*. Pro et Contra. Fall 1999, #4).

⁴⁵ Обзор внешней политики РФ. Март 2007 г. МИД РФ. (*The Review of the Russian Foreign Policy*. March 2007. The Ministry of Foreign Affairs of Russia). <http://www.mid.ru>

⁴⁶ С. Лавров. *Настоящее и будущее глобальной политики: взгляд из Москвы*. Россия в глобальной политике. №2. Март-апрель 2007. (S. Lavrov. *The present and the future of global politics: a view from Moscow*. Russia in Global Politics. March/April 2007, #2).