



Understanding Social Change

Globalisation - winners and losers

Bob Kelly

If we hark back for a moment to the globalist position in particular, and raise the issues of winners and losers because that is fundamental to debates about globalisation, would it be right for me to presume that positive globalists see everyone winning and pessimistic globalists see everyone losing, I mean is that a reasonable description, Raia?

Raia Prokhovnic

Well not exactly I think. Positive globalists recognise that in the short-term there will be losers, for instance, as workers in the north lose jobs as companies move their production to cheaper centres in the south, but in general it is the case that positive globalists see everyone winning in the middle to long-term, while pessimistic globalists see everyone losing to different extents perhaps. Pessimistic globalists argue that the term globalisation is just another name for international capital extending and securing power, and exploitation at a global level. So we can identify quite easily those who pessimists would see as likely losers. In cultural and technological terms the losers are those, well to put it bluntly, without access to the internet, and more generally losers add national economies without developed financial communications, production and commercial structures. In the economics sphere the eighty-five percent of people not in advanced industrialised countries of the Third World, or the south primarily, plus the least well off in advanced industrialised countries. Widening inequalities can cause longer-term problems of poverty, resentment, social exclusion and political unrest. Pessimists identify a growing polarisation as well as the rich get richer, and the poor get poorer, with power increasingly concentrated in global corporations. So to sum up, pessimistic globalists see the poor in the south, unskilled workers in the north, and women as some of the important groups of losers from globalisation, plus all of us as sufferers of global problems like pollution.

Bob Kelly

Right, right. So in the immediate term its almost the weak and the vulnerable being even more weak and more vulnerable, but what you're hinting there is that there are implications even for the relatively affluent if pollution is going to global, then it's going to affect us all, and if inequality is going to lead to conflict, then everybody potentially will lose from globalisation. OK Grahame, what about the transformation lists' and internationalists' perspectives – how do they look at possible winners and losers?

Grahame Thompson

Well here I would just stress they both have a kind of value of a very complex matrix of winners and losers. If you've got an ongoing evolutionary process of gradually opening up national economies you're going to get an ongoing changing system of winners and losers, or matrix of winners and losers in there, so I think the transformation lists would stress that I think that they probably under-stress the continued inequalities in the system actually, because in a sense the transformation lists give a lot of scope for agencies, and multiplicities of agencies, to change things, so I think that they're more optimistic than perhaps the internationalists who would stress the continued inequalities in the international system big-time. The internationalists I think would still point to between country changes and between country inequalities largely because they stress the key role of the nation stating this, and the national territory, and here I think we've got a system of dramatic continuities actually through the last 150 years, with a rich group of countries doing well and seeming to maintain their position that the kind of, that the lead of the international system, and the larger group of less developed economies, if you like, but there's been very few interestingly big changes from the developing group into the developed group. There've been one or two big changes here,

including the East Asian economies in the post-war period – Korea, Taiwan, Hong Kong, and in East Asia instances have leapt, made this move from the less developed to the more developed group, but there's very, very few others. I mean one or two have gone the other way – Argentina, South Africa, who has become troubled middle income economies where they were in the rich group originally. But relatively there's massive continuity in the groups of countries and where they are in the relationship to other and, indeed, the divergences have grown between this, so we've actually got increased inequality I think internationally during this recent period of globalisation.

Bob Kelly

OK, moving on to our last question which is the attempt to evaluate these different theories. First of all what would you say were any of the strengths and weaknesses of the globalists' positions, Grahame?

Grahame Thompson

Well you've got, obviously your positive globalists and your negative globalists in this so we have to differentiate between them. I mean the positive globalists still see, as Raia was pointing out, a salvation in further market solutions to things, further privatisation, further liberalisation of the system, and one wonders whether, you know, that is actually either attractive or kind of viable, I mean as I was mentioning, the period of globalisation since the seventies have seen a massive increase of interdependence and integration in the national system, and not much reduction, if any, of an increase actually in inequalities internationally, so more of that, more of the same, doesn't look to me very likely to reduce the international inequalities that there are. So I think that their programme as it were of deepening the neo-liberal policy, you know, is unlikely to produce anything other than increased conflict, and increased inequalities. Now the negative globalists, the anti-globalisation movement, if you like, I mean they suffer from two problems. One is that they don't have a clear positive solution to some of these issues, they want to undermine the existing structure, they don't like big business, they don't like the institutions of international governments, they want to see them destroyed, but they don't have any idea about what you're going to put in their place, perhaps more bottom-up, kind of NGO-ish type activity, but really that doesn't seem to me to offer a strong enough solution to the problem, and they want to go back a bit to an older order, if you like, to one where there were comfortable kind of national economies that got on with each other perhaps, and this doesn't seem to me a viable or attractive kind of line anyway, so they suffer, I think in my view, from a lack of a kind of positive decision that they can put forward as solutions to these problems.

Bob Kelly

Right, so what you've effectively done is to say that the positive globalist position may not be fitting in with a lot of the evidence so you're contesting its empirical adequacy, and then I think you raised with both the positive and the pessimistic globalists that there's something perhaps not logical about their arguments, they're not particularly coherent arguments.

Grahame Thompson

Yes, I don't think the negative globalists, the anti-globalisation movement does have a logical and consistent argument, it's really let's undermine, let's just destroy this without actually providing a very clear alternative to me about what would be put in its place. The positive globalists they appeal to the evidence that they kind of rather like the evidence, it suits their purpose, but I think you can provide some salutary and some sort of sceptical evidence about whether or not these processes are going on quite in the manner in which either is these two groups

Bob Kelly

Depending which bit of evidence you select.

Grahame Thompson

Well partly that, yep.

Bob Kelly

Anything to add to that, Raia?

Raia Prokhovnic

Well it's strength of the pessimistic globalists I think that they recognise so strongly that the north has benefited at the expense of the south. There hasn't been the kind of trickle-down effect that the positive globalists predicted, and it's a weakness of both types of globalists that they understate, have too limited a concept of the role of agency, the capacity to act, before all when it isn't necessary to do so.

Bob Kelly

Right. What about the transformation lists' and internationalists' positions, Raia?

Raia Prokhovnic

I think a strength of the transformation lists' position is that they allow for more flexibility and see the future of the system as more open than the globalists do. This is the idea that in political terms national governments are not so much losing power as having to adjust to a new context in which their power and sovereignty are shared and bartered among other public and private agencies. I can see three weaknesses of the transformation lists' position. First, in the role of culture the transformation lists' case can be seen as a kind of globalist light position. They reject the cultural imperialism argument and put more significance than it deserves on things like the impact of world music as evidence of cultural flows from the developing world to the West, as well as the other way. Secondly, in economics the transformation list middle ground agrees that national economies are no longer viable as the driving force of the international economy, but reigning back from the view that market forces cannot be challenged or restrained can be seen as rather vague and indeterminate. The transformation lists' middle position also obscures the human cost that phenomena under the label of globalisation bring about, such as the social disruption and misery involved in leaving settled ways of life and becoming poorly treated migrants. And thirdly, they have a faith that globalisation can be harnessed. That's not necessarily borne out by the evidence. Also, transformation lists don't always take seriously enough the growing inequalities across the globe, and that they're developing as a result of regionalisation. Their regional focus can blind them to the scale of global inequalities. Now on the strength of the internationalists' case I've got to say that I have a lot of sympathy with the internationalists' position. It's a view which rightly emphasises the significance of continuities with international, cultural, economic and political patterns in the past, and there's a lot of factual evidence to support this view. I think the argument that the strong national economies are still very powerful world economic players is an important one to bear in mind. In terms of culture the evidence for the resilience of national cultures is very significant, and on the political front the argument about the capacity of national governments to regulate the lives of their citizens, and to manage global affairs has never been so extensive, is a good one. As far as the weakness of the internationalist case is concerned some people would say that in the face of these trans-national forces and processes internationalists misjudge the strength of the nation states, that they put too much faith in the capacities of national governments. Critics would argue that states are in fact weak, and that internationalists misguidedly trust nation states to be key agents in the system when they aren't any longer central players.

Bob Kelly

Anything to add to that, Grahame?

Grahame Thompson

I think the globalisation debate is a really important one and we can't avoid it. But I think getting back to a point that I made earlier that if globalisation begins to inflate so much that we get so many things getting underneath its intellectual umbrella it becomes an explanation for everything, everything that we can think in the kind of social, political and economic world, technology, human relations, emotional states, and so on, and it just inflates too far for me. And I think there's a danger of this and that happens, that more and more things are included under its umbrella, and as a consequence it begins to explain everything and is everywhere, well it explains nothing and is nowhere. The other point I make is that globalisation comes and goes, it's in a cycle. We may have peaked, the present round of globalisation may have peaked in my view, we may have got to a state where there isn't much capacity for growth of

further interdependence and integration. So I think we may see a retreat from globalisation actually in the future, and that's worth just kind of thinking about, I think.

Bob Kelly

We hope we've clarified the issues, we hope we've outlined some of the different approaches to globalisation, we've raised issues of possible winners and losers, and I hope we've helped you in thinking about possible strengths and weaknesses of the competing theories.