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2) ଆନ୍ତର୍ଜାତିକ ସମ୍ପର୍କ ତତ୍ତ୍ୱ ବିବରଣ

ସୌଦାମ୍ୟ କୁମାର

3) Global politics Issues and perspectives

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## LEARNING OBJECTIVES

- To understand the basic concept of globalization
- To discuss the history of globalization
- To analyse the types of globalization
- To discuss the theoretical underpinnings of globalization
- To examine the alternate perspectives of globalization

Globalization, as a macrosystemic change in the global market space, political realm and world sociocultural fabric, has attracted much attention from theorists and academicians. With the shrinkage of time and space, with national economies integrating with global economies, with perforated borders and a redefined notion of sovereignty, globalization has reconfigured and reconceptualized the prevailing theorizations. Within the broader discourse, on one hand, there are the hyperglobalists, trumpeting the world of a new global dynamics under the forces of globalization, and on the other hand are the sceptics, who uphold the centrality and importance of the state. Between these two, a third view emerges in the form of the transformationalists, who try to take a middle path between the two opposing views and argue for reconceptualizing the notion of the nation state and not its demise. The present chapter is an attempt to understand the varied nuances of the concept of globalization and to explore its alternative perspectives.

## Understanding Globalization

Globalization has emerged as a catch phrase in recent decade, attracting attention of academicians worldwide. It is understood as a multi-role, multi-layered phenomenon which has manifested itself in

political, economic, cultural, military and ideological sphere of human existence. Owing to the progress in information and communication technology, the forces of globalization have helped in transforming the world into a global village where conditions of common consumptions of benefit occur.

## Meaning and Definition

The meaning and definition of globalization, its historical trajectory and its influence on statehood have been a subject of discourse and have drawn an open-ended debate. Ramesh B. Karky could not have stated the position better when he said succinctly, that it is hard to get a single definition of globalization (Karky 2009, 75). The term has been defined and explained within the academic circle in diverse ways. A brief explanation could be as follows:

## Globalization as the Narrowing of Time and Space

With the advent of information and communication technologies and of the modern transport system, distances are getting shorter and events in one part of the world reach other parts instantaneously. In this way, globalization has helped in transforming the world into one global society. This theory regarding globalization as the 'compression of time and space' is upheld by many thinkers, such as James Mittelman, Tomas Larsson, Walters, Roland Robertson, and so on.

### BOX 1.1: Globalization: Key Definitions

According to Mittelman (2006, 64), globalization can be defined as 'a compression of time and space in a way that events in one part of the world have instantaneous effects on distant locations'.

Sharma and Bareth (2004, 10) hold, 'In the era of globalization, geographical distances are waning away and territorial boundaries are no longer impediments'.

In the same way, Walters (1995, 3) conceives of globalization as 'a social process in which geographic obstacles to social and cultural arrangements lose importance and where people are becoming increasingly aware that they lose importance'.

Swedish journalist Tomas Larsson, in his book *The Race to the Top: The Real Story of Globalization* (2001, 9) states that 'globalization is the process of world shrinkage, of distances getting shorter, things moving closer. It pertains to the increasing ease with which somebody on one side of the world can interact, to mutual benefit, with somebody on the other side of the world'.

In the words of Robertson (1992, 8), globalization is also defined as a 'compression of the world and intensification of consciousness of the world as a whole'.

## **Globalization as Global Flow of Goods, Products, Services, Technology, Ideas, etc.**

Globalization could also be defined as an intensification of the global flows of goods, products, services, technology, ideas, and so on, owing to the development of modern transportation and means of communication (Mittelman 2006, 64). In this regard, in 2000, the International Monetary Fund (IMF) identified four basic aspects of globalization (IMF 2000). These aspects are: flow of trade and transactions, increasing capital and investment movements, rapid migration and movement of people, and dissemination of knowledge.

## **Globalization as Intensification of World Social Relations**

Globalization is also defined as the intensification of social relations across the globe. According to Jan Aart Scholte, it refers to processes whereby many social relations become relatively delinked from territorial geography (Onoja et al. 2004, 6). Anthony Giddens argues in this regard that, due to intensification of worldwide social relations, local happenings get shaped by events occurring many miles away and vice versa (Giddens 1990, 64). Steve Smith and John Baylis also consider globalization as the process of increasing interconnectedness between societies such that events in one part of the world exhibit effects on peoples and societies far away (Onoja et al. 2004, 6).

Thus, one way of understanding globalization is by referring to it as a process where intense interdependence occurs between people all around this planet. People get linked together, economically and socially, by trade, investments and governance. These links are spurred by market liberalization and information, communication and transportation technologies (ILO n.d.).

## **Globalization as Internationalization**

Globalization can also be understood in terms of trans-boundary relations between nations, marked by intensive transactions and interdependence among them. This leads to the creation of a global world in which a cross-border flow of messages, ideas, merchandise, money, investments, pollutants and people occurs between nation states. On this premise, certain authors, like Hirst and Thompson, consider the global as a subset of the international, and thus globalization is considered as an intense form of internationalization (Scholte 2005, 55). However, to equate both the terms sometimes seems objectionable, since internationalization considers world social relations only in terms of political units. As such, it ignores other modes of organization, governance, identity, etc., which stand important in understanding the process of globalization.

## **Globalization as Universalization**

Globalization is a phenomenon which facilitates spreading of various objects and experiences to people at all corners of the earth, thus making them 'worldwide' (Scholte 2005, 57). Or, in other words, understanding globalization as universalization includes a process wherein there occurs a convergence of

cultural, economic, legal and political spheres worldwide. This creates conditions for standardization and homogenization. However, cultural protectionism opposes globalization in this regard.

Having glanced at these various aspects of globalization, we can converge on one operational definition and understanding of this concept, which is all-encompassing and inclusive.

Globalization not only signifies a cross-border flow of goods, products, services, technology, ideas, etc., but also exhibits intensification of world social relations. With the advancement of information and communication technologies and a modern transport system, and a subsequent narrowing of time and distance, this process manifests the transformation of the world into one global society. The emergence of one global society indicates the abolition of state-imposed regulatory and authoritative mechanisms. Thus, in the neo-liberalist perspective, the phenomenon of globalization entails all the three processes of liberalization, privatization and deregulation.

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## History of Globalization

Historicizing the process of globalization is a challenge since it involves a complex interaction among the economic, political, sociocultural and biological factors at different time scales of human history. Thus, the debate centres around the chronology or the timeline of the origin of this composite phenomenon. Scholars differ on such concerns as: 'Is the spread of global relations new or contemporary? Or did the trend start several generations, centuries or even millennia ago? Or is globalization a cyclical phenomenon that comes and goes from time to time?' (Scholte 2005, 19). However, the chronology of the phenomenon varies with the varied definitions that scholars adopt.

For those who define globalization in terms of internationalization or liberalization, it is a recurrent phenomenon which might have occurred previously in different points of human history. In this regard, Ian Clark has distinguished 'alternating phases of "globalization" and "fragmentation" in international history' (Scholte 2005, 19). Studies have further highlighted that the transport of merchandise, investment, migration among different parts of the world, in proportionate terms, was relatively the same in the late nineteenth century as in 2000. On this ground, some scholars argue that contemporary globalization is nothing new.

While agreeing that globalization has a long history, some other scholars view its trajectory as linear rather than cyclical. This set of scholars traces back the history of globalization to ancient civilizations. Scholars such as Andre Gunder Frank and Barry Gills argue that 'the existence of the same world system in which we live stretches back at least 5,000 years' (Frank and Gills 1993, 3). They trace the earliest forms of globalization to the trade link between the Sumerian civilization and the Indus valley civilization. In the later ages, evidences suggest that there were not only strong trading ties between countries such as India, Egypt, Greece and the Roman Empire, but that regular business links were also established between the Parthian empire, the Roman Empire and the Han dynasty. Trade routes such as the Silk Road facilitated the trade links tremendously. The Islamic period in the medieval age, when the Jewish and Muslim trades started venturing out for trade purposes, emerged as yet important epoch in the history of globalization. The introduction of the postal service in China and the invention of paper gave a further fillip to this process. Expeditions carried out by scholars such as Columbus and Vasco da Gama led to the discovery of new countries, which facilitated further trade links and interconnectedness around the globe. In fact, some view the period after 1500 as inaugurating 'a genuinely global epoch of

world history'. They see globalization in relation to the 'big bang' significance of 1492, when Christopher Columbus stumbled on the Americas in search of spices, and 1498, when Vasco da Gama made an end run around Africa and snatched monopoly rents away from the Arab and Venetian spice traders (Bentley 1996, 768-769). In fact, these were two important and historical events. But still, scholars such as James Tracy of the early modern world expressed their scepticism about the 1490s big bang theory (Bentley 1996, 749-770).

According to Bentley, 'even before 1500, trade networks reached almost all regions of Eurasia and sub-Saharan Africa and large volumes of commerce encouraged specialisation of agricultural and industrial production' (Bentley 1999, 7). Frank also believes that 'there was a single global world economy with a worldwide division of labour and multilateral trade from 1500 onward' (Frank 1998, 52).

Another view which seems relevant here is the role of African countries such as Ghana in facilitating the early development of Western European capitalism through providing gold, slaves and raw materials in the early sixteenth century. The gold provided by West African countries such as Ghana was necessary and even helped Europe's long-distance trade with Arab and Asian countries (Howard 1978, 17). According to J. D. Fage, 'by the beginning of 16th century about 100,000 pounds worth of gold was travelling annually from Ghana to Portugal, whereas, Sylvia Harrop believes it was around 350,000 pounds per annum' (Howard 1978, 28). Therefore, it seems that around the sixteenth century, the world witnessed the emergence of a European world economy based upon the capitalist mode of production. However, critics of this theory do believe that long-distance trade has been overemphasized by students of the early modern period and that the international economy was poorly integrated before 1800.

The exchange of merchandise and trade relations within the world were further accelerated with the advent of the Industrial Revolution in the nineteenth century. 'In this fashion, Roland Robertson has spoken of a "germination phase" of globalization between the early fifteenth and the mid-eighteenth centuries and a "take off" period from the middle of the nineteenth century' (Scholte 2005, 19). Within this phase, the processes of industrialization and colonization made countries around the world into consumers of the European market.

Tracing globalization to recent decades, scholars such as Michael Porter and the world systems theorist Christopher Chase-Dunn have situated the commencement of globalization in the late nineteenth century. For them, globalization in its true sense emerged after the Second World War, when Afro-Asian countries became independent and started framing their own economic system and trade relations with rest of the world. The establishment of the United Nations (UN) and World Trade Organization (WTO) emerged as milestones in the history of globalization. Thus, free trade was facilitated and organizations such as the WTO provided a unique platform to settle trade and commercial disputes.

Some others have linked the dawn of globalization with the advent of jet aeroplanes and the mushrooming of computer networks. In this light, they have linked this process to the present times. 'From such a perspective, current history is experiencing a "first global revolution" and a sudden leap to new realities' (Scholte 2005, 20).

As far as the future course of globalization is concerned, scholars again have offered divergent views. The first perspective in this regard is that the twenty-first century will witness the continuation of this overarching process. It is not necessary that the rate of this process should accelerate, but it will go along. A second perspective in this regard suggests that the process will get arrested or decelerated once it reaches a particular tableland. The third prediction considers globalization as a cyclical process which will witness rising global interconnectedness succeeded by another phase of descent. Consequently, the last perspective anticipates the process of 'de-globalization', under the forces of nationalist and regional forces.

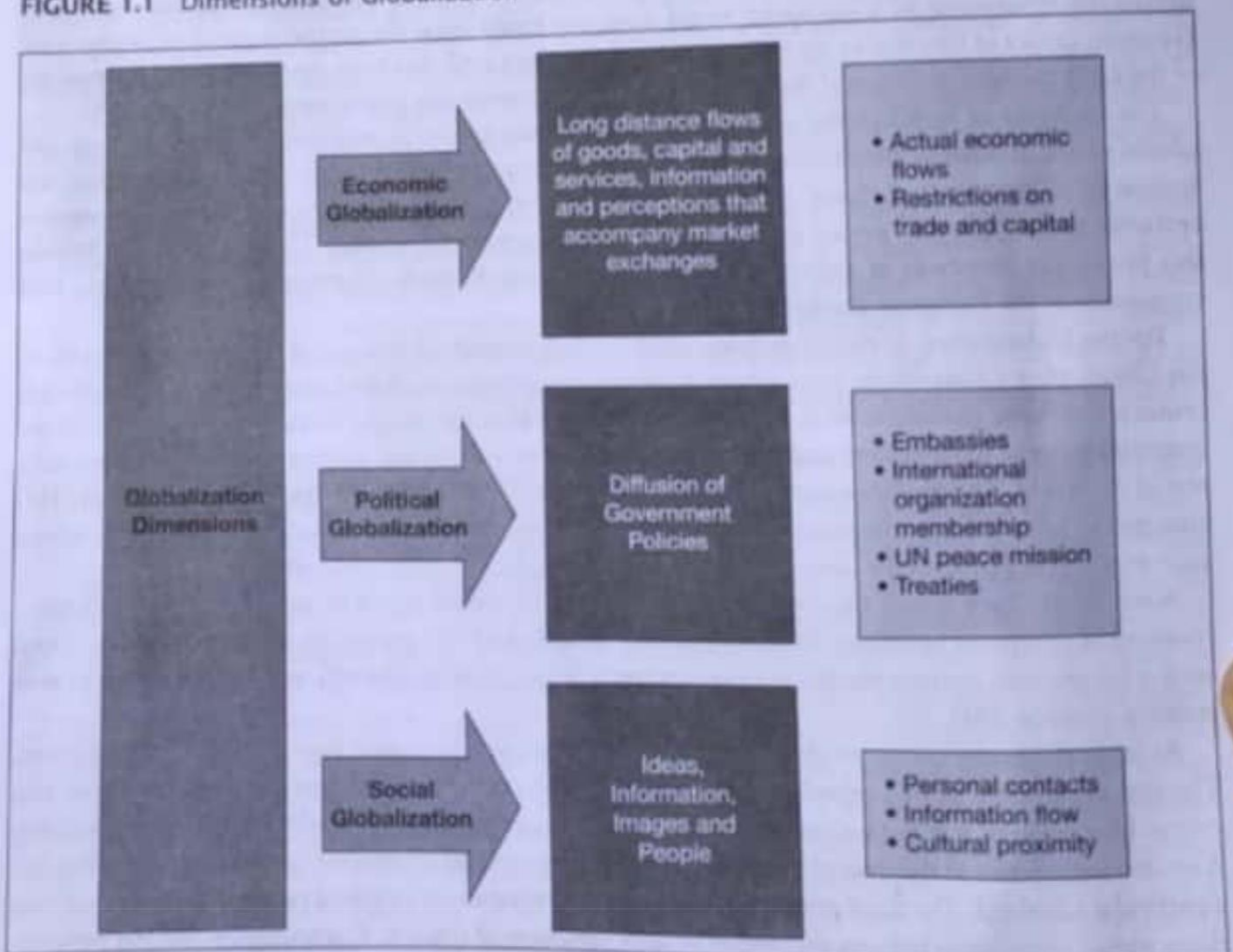
Thus, the history and future course of globalization are mired in deep-seated controversies and remain open to debate.

## Dimensions of Globalization

### Economic Globalization

Economic globalization involves four distinct factors (Figure 1.1): production, distribution, management, and trade and finance (Sørensen 1998, 83–100). The key features of economic globalization are: First, there is integration of the national economies due to the mushrooming of multinational corporations (MNCs) and transnational corporations (TNCs). Actually, this took place in the 1960s and 1970s,

FIGURE 1.1 Dimensions of Globalization



Source: [www.slideshare.net](http://www.slideshare.net) (modified).



when American MNCs started progressing immensely. The pace of the world economy further accelerated with the growth of Japanese and West European MNCs, and foreign direct investments (FDIs) arising from them. In a relatively short span, newly industrialized countries such as Taiwan and South Korea also emerged as key players in the global economy. Thus, with the rise of MNCs, TNCs and FDIs, national economies got integrated with global economy. However, one important implication of economic globalization is the increasing power of MNCs in such a way that power gets shifted from the states to these MNCs (Strange 1996, 365-369).

Second, there is an important transformation in financial markets and systems, which is often termed as financial globalization. Under massive economic integration, financial flows have increased, including portfolio-type transactions. As an effect of this, national capital becomes integrated with international financial capital and gets affected by it. For instance, stock-market trading in the New York Stock Exchange affects financial hubs such as Tokyo and Hong Kong. Another caveat of financial globalization is the growing interconnectivity of world cities, not nations. This process further gets accelerated with the development of information and communication technology. An ill effect of this could be that national economies become vulnerable to global economic turbulence. For instance, the financial crisis in East Asia (1997-1998) and US sub-prime crisis not only affected the economy of that region, but many countries worldwide as well. This clearly illustrates the fact that under the aegis of globalization, it becomes difficult for the states to control trans-boundary financial movement and keep economic sovereignty intact.

Third, economic derivatives such as markets, commodities, production and business organization have all attained a global perspective. This results in the process of economic liberalization, which is marked by liberalization of trade, facilitated by internationalization of production and markets, swift global movement of people and material, and global competition.

However, it has often been argued that economic globalization and its related processes have kept the economic sovereignty of the states at crossroads. The mushrooming of MNCs, business process outsourcing (BPOs) and multilateral economic pacts urging free trade under the WTO regime has no longer kept economic sovereignty an exclusive phenomenon of nation states. Elaborating, we can say that in the era of globalization, with the flooding of global products, national economies have become part of global economies. As a result, national governments are losing control of national economic policies and their own economic future.

The growing hegemony of the Global North over the Global South through multilateral institutions such as the IMF and the World Bank further endangers the economic sovereignty of the developing world. The economic policymaking of the developing South gets influenced by these global bodies.

In extreme arguments, economic globalization is considered to put an end to the system of independent sovereign states and thus leads to the erosion, loss and diminution of nation states. This argument is explicitly presented in publications such as *The End of the Nation State* (Ohmae 1995) and *The Retreat of the State* (Strange 1996). A possible reason for this could be that growing economic globalization signals the supremacy or triumph of the market over the nation state and of economics over politics (Haas and Litan 1998, 2-6).

## Political Globalization

Political globalization is interpreted as 'the shifting reach of political power, authority and forms of rule' (Held and McGrew 1998, 219-243). Political globalization could be understood in the following ways:

First, it represents a process wherein the political relations between countries become closely and deeply linked (Held and McGrew 1998, 219–243). Due to this, domestic policies get affected by international policies. Under the process of globalization, the distinction between domestic and international policies has become insignificant.

Second, political globalization also means the emergence of international organizations and regimes, transnational bodies and non-state actors whose activities spill on to the international sphere. This in turn affects the authority of the nation states (Held and McGrew 1998, 219–243). In other words, political globalization indicates institutionalization of international political structures (Chase-Dunn 1999, 187–215). In the era of complex interdependence, the non-state actors—or as Rosenau (1990, 327) calls them, 'sovereignty-free' actors—such as MNCs, international governmental and non-governmental organizations and ethnic groups influence the state's authority (Keohane and Nye 1989).

Third, political globalization demonstrates the existence of global governance at the international level, which includes the emergence of both specialized and general international organizations. This phenomenon has been termed 'global governance' by Craig Murphy (1994) and others. The general organizations that have emerged at a global level include the Concert of Europe, the League of Nations and the United Nations (Chase-Dunn 1999, 187–215). Thus, political globalization indicates the emergence of global institutions for addressing global issues. It also refers to the development of 'global civil societies' which work on global issues, sometimes in isolation, sometimes through collaboration with each other and sometimes through international organizations such as the UN (Bretherton 1996, 8–9).

Fourth, under the rising tide of political globalization, now issues in global politics are no longer confined to geopolitical concerns only, that is, security and territorial issues. Rather, its study has expanded to include non-security issues (which are sometimes referred as low politics), namely, economic, social and environmental questions.

Fifth, with the integration of national and global politics, the present era of political globalization involves the emergence of regional and global law, which in turn poses a challenge to state sovereignty (Held and McGrew 1998, 219–243).

Thus, we can argue that national boundaries are no longer intact and are perforated in this era of globalization, thereby placing political sovereignty in peril. In such a situation, the economic and political policies also get influenced by supranational factors and no longer remain the exclusive domain of democratic nation states.

At the same time, in this era of globalization, the centralized nation state is giving way to both supranational and subnational institutions. This signifies a major change in the traditional notion of the nation state. Also, the role of the nation state in a global world has become largely a regulatory one. While the domestic role of the nation state remains largely unchanged, states that were previously isolated are now forced to engage with one another to set international commerce policies.

## Cultural Globalization

Cultural globalization means the intensification and expansion of cultural flows across the globe (Steger 2009, 11). This includes a free flow of cultural norms, values, ideas, lifestyle, food habits and so on, across national borders.

This process is marked by the common consumption of cultures that have been diffused by the Internet, popular culture, media and international travel. Cultural globalization thus involves the formation of shared norms and knowledge with which people associate their individual and collective cultural

identities (Rothlauf and de Gruyter 2014, 3). This free flow of cultural norms, values and ideas across the globe makes it clear that globalization can affect the cultural sphere of human existence in multiple ways.

First, it can have a heterogenizing effect at the cultural level, wherein due to the expansion of information and communication technology, the cultural uniqueness of diverse regions of the world might be recognized and accepted by other societies and regions. This process also enriches and enhances cultural diversity around the globe.

Second, the same information and communication technology revolution can also posit a homogenizing effect at the cultural level. Within this process, the mighty culture affects the local culture and even becomes the dominant culture of that particular region. This may be seen in terms of the overwhelming expansion of the cultural norms and ideas of the Global North over the Global South. This results in the loss of individual or local cultures.

Apart from these two, another phenomenon of cultural hybridization has also evolved. This means that at times, diverse cultures get fused or hybridized and assume altogether a new shape.

Thus, in the era of globalization, cultural sovereignty is being transformed under the rising tide of an uninterrupted inflow of ideas and products from across the territorial border and their subsequent amalgamation into local and regional taste.

Cultural globalization can be best understood by analysing the new phenomenon of 'McDonaldization'. It is a process of the growing dominance of the principles of fast-food restaurants all around the world. On one hand, the growing chains of McDonald's across the world reflect the homogenizing effect of cultural globalization. On the other hand, McDonald's is probably one of the best examples of how TNCs adapt their global brand and products to the local marketplace and customize their menus to suit local tastes in various countries. This phenomenon is referred to as 'glocalization' (global+local). Despite having nearly 70 million customers daily in over 30,000 restaurants in nearly 120 countries worldwide, McDonald's is constantly trying to expand and increase its market share. The following is a list of some ways that McDonald's has adapted its brand and products to increase its market share:

- In Muslim countries, pork has been removed from the menu.
- In Hindu countries, beef has been removed from the menu.
- In Muslim countries, halal food is used and in Jewish countries, kosher food is used.
- Certain local festivals or customs may be celebrated, that is, during Ramadan in Muslim countries, McDonald's will offer iftar buffets at the breaking of fast.
- The types of burgers/products are changed to local tastes, that is, there is McRice in Indonesia and McAloo Tikki in India.

This phenomenon of TNCs adapting themselves to local culture and taste is the relative inverse of Americanization, which aims at suppressing the local preferences in favour of goods dictated by foreign entities.

The effect of globalization on cultural sovereignty can therefore be understood on two planes: it could lead to a narrowing of sovereignty in the sense that expansion of a dominant culture in different regions of the world could be a threat to the authenticity of local goods and taste.

On the other hand, cultural globalization has also led to the expanding of sovereignty, in the sense that a local culture, lifestyle or taste has tried to influence global products and brands. For example, food brands such as KFC or McDonald's have tried to modify or introduce new food forms, like 'paneertika' or 'alotika', suiting the Indian palate or tastes. This amalgamation of global food forms with regional

taste has not only changed the global predominant taste and form but has also modified the authentic local or desi taste so as to meet consumer demands and appetite.

An attack on cultural sovereignty in this era of globalization can also be understood by analysing the new phenomenon of 'fusions', which has become an interesting field of analysis. Cultural practices including traditional music, dance, recipes, lifestyles and styles of dressing can be lost or turned into a fusion of traditions under the forces of globalization. Globalization is now expanding its scope such that the term often includes hybrid subgenres such as 'world fusion', 'global fusion', 'ethnic fusion', 'fusion music', 'fusion dance', etc.

## Globalization of Ideas

The globalization of ideas is another important dimension of the process of globalization. It signifies the free flow of social, economic, political and cultural ideas all across the globe due to compression of time and space. The globalization of ideas posits two interesting effects. First, the free flow of ideas within diverse regions could help in generating a cosmopolitan culture (Bretherton 1996, 9–10). Second, with the globalization of ideas, new notions have emerged in the international scenario, namely, global warming, global citizenship, world citizenship, world peace, international security and international trade, which appeal at a global level.

## Military/Security Globalization

Military globalization was defined by David Held as the process which embodies:

- a. an expanding network of worldwide military ties and relations among the political units of the world,
- b. key military technological innovations (from steamships to satellites), which over time, have reconstituted the world into a single geostrategic space (Held et al. 1999, 88),
- c. globalization of the war system,
- d. and the global system of arms production and transfers, which means that arms get produced and transferred globally within different nations (Held et al. 1999, 89).

For Robert Keohane and Joseph Nye, in this era of complex interdependence, military globalization also implies firmer integration of the armed forces around the world into the global military system (Keohane and Nye 1989, 196). All these processes are linked to technological development, which further creates a condition of interdependence and complexity at the global level (Krishnan 2008, 158).

Another dimension of military globalization is that states are becoming more sensitive to and conscious of security and military developments in other regions of the world, due to increasing financial, trade and economic relations (Chan 2000, 391–403; Held and McGrew 1998, 230).

Actually, globalization has widened the scope of security and, in this regard, has redefined the traditional agenda of national security. Traditionally, national security is understood as 'the acquisition, deployment and use of military force to achieve national goals' (Held and McGrew 1998, 226). But now, globalization has changed the entire notion of 'security'. International security, in this regard, now also includes the entire gamut of environmental issues such as global warming, ozone depletion and acid rain.

were once exported by the colonial power of Britain to these colonies. While doing so, these sports are surpassing the traditional sports of these former colonies. What's more, these former colonial territories still remain under Western domination, especially in the cultural sphere. All this has led to the origin of a new form of colonialism, called 'neocolonialism'.

As far as the postcolonialist view on globalization is concerned, it does not consider globalization as a benign or beneficial process for the developing world or the former colonial territories. The reason is that it considers globalization as an offshoot of colonialism itself. For postcolonialists, globalization is an exploitative mechanism to fulfil the ambitions of powerful countries which were once colonial powers. These powerful countries are influencing the developing world in political, social and economic spheres. This influence is perpetuated by institutions such as the IMF, the World Bank and other supranational institutions which influence the policymaking of the developing countries. For postcolonialists, globalization is an unequal process which leads to unequal resource sharing and distribution.

Postcolonialists even argue that through the process of globalization, as distances are getting shorter and interconnectedness is increasing across the globe, the dominant culture of Western world might spread across the globe and erode the local and indigenous cultures of the developing world. This phenomenon is called cultural imperialism. Postcolonialists also believe that this could lead to the replacement of local cultures by one single standard culture, also called 'cultural homogenization'.

A severe criticism of postcolonialists could be that they conceive the differences between the East and the West or the developing and the developed world as unbridgeable and their interests as irreconcilable. In doing so, they ignore all possibilities of 'universal aspirations' and 'universal interests'.

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## Alternative Perspectives on Globalization

There is a massive discourse within the academic circle regarding any single definition of globalization, its characteristics, classifications, impact, causes, and so on. At this juncture, there are three schools of thought, or alternative perspectives, for decoding the process of globalization.

These are: the hyperglobalists, the transformationalists and the sceptics. Each school of thought assesses the distinctive features of globalization from different perspectives.

### Hyperglobalists

Hyperglobalists such as Ohmae and R. Reich are very enthusiastic about the overwhelming effect of the process of globalization. For them, globalization, and the subsequent global economy, has a profound impact on politics, markets, ideas and the world at large. Ohmae argues, 'Today's world economy is genuinely borderless. Information, capital and innovation flow all over the world at top speed, enabled by technology and fuelled by consumers' desire for access to the best and the least expensive products' (Ohmae 1995, inside front cover). In the words of Reich, 'We are living through the transformation that will rearrange the politics and economics of the coming century. There will be no national products or technologies, no national corporations, no national industries. There will no longer be national economies' (Reich 1992, 3). For them, globalization is a progressive and socially desirable process, without any precedent in the history of human civilization. Also, its effect is legitimate and irrepressible in terms of creating a world social and economic order, which surpasses national borders.

According to them, with the rising global market and technological progress, the significance of the nation state is declining. They argue that the phenomenon of globalization creates conditions of global civilization. This means, markets get integrated at the apex global level, MNCs become carriers of economic growth, ideas gets globalized and prevailing hierarchical structures get deconstructed. Hyperglobalists argue that under these conditions, the role of the state as the supreme decision-making authority in both domestic and international spheres gets taken over by international institutions.

Hyperglobalists view the future course of human civilization under the forces of globalization. They predict that the world will transform into a fully integrated global society, with a common set of values, ideas, culture, economy, and so on. In other words, the heterogeneous cultures will get diluted under the liberal cultural forces and get homogenized. In this sense, a well-known assumption about the 'end of history' is generated, which implies that the modern global capitalism along with liberal democracy will represent the last stage of socio-economic evolution (Fukuyama 1992).

The aforementioned approach thus provides a deterministic character to globalization. 'Globalization is seen as a kind of final stage in the spontaneous and self-enforcing process of creating a global society, as the most efficient model of society, which stops the further process of selection of types of socio-economic order' (Stefanović 2008, 265). This conception of globalization as an all-pervasive phenomenon with overwhelming influence is even reflected in the works of liberalism-oriented authors such as Theodore Levitt and Thomas Friedman as well as proponents of neoclassical economic theory such as J. D. Sachs, Friedman and others.

## Sceptics

As opposed to the hyperglobalists, the sceptics, such as P. Hirst and G. Thompson consider globalization as largely a myth. For them, the arguments of the hyperglobalists regarding the furore of globalization are merely an exaggeration, and the spread of global trade has been uneven, being concentrated in the major developed economies of Europe, the Asia-Pacific and North America.

### BOX 1.3: Yoshihiro Francis Fukuyama

Yoshihiro Francis Fukuyama (born 27 October 1952), an American political scientist and political economist, is the Olivier Nomellini Senior Fellow at the Freeman Spogli Institute for International Studies (FSI) and the Mosbacher Director of FSI's Center on Democracy, Development, and the Rule of Law (CDDRL).

Dr Fukuyama has written widely on issues relating to democratization and the international political economy. His book *The End of History and the Last Man*, was published by Free Press in 1992 and has appeared in over 20 foreign editions. Fukuyama is known for this book, which argued that the worldwide spread of liberal democracy and the free-market capitalism of the West and its lifestyle may signal the end point of humanity's sociocultural evolution and become the final form of human government. Dr Fukuyama predicted the eventual global triumph of political and economic liberalism. However, his subsequent book *Trust: The Social Virtues and the Creation of Prosperity* (1995) modified his earlier position to acknowledge that culture cannot be cleanly separated from economics.

Source: <https://cddrl.fsi.stanford.edu/people/fukuyama>.

This group of theoreticians, who express scepticism with regard to the ubiquity of the process of globalization, poses a strong critique of globalization. For them, the level of liberalization, openness and integration of the world economy is not unprecedented, as argued by hyperglobalists.

Sceptics believe that nation states and national economies still hold significance and play a seminal role in promoting liberalization and cross-border activity. Many economic and political policies which are crucial for the existence and nurturing of citizens are still performed by nation states.

As opposed to the hyperglobalist argument that national economies are losing their significance within global economies, sceptics argue that the international economy is an aggregate of nationally located economies. In fact, according to them, the international economy is still determined by national economies (Hirst and Thompson 1999, 10).

At the same time, they strongly oppose the view of the hyperglobalists that globalization is giving birth to a world society or a world economy. According to them, along with the rise of overarching global institutions, the world is witnessing the emergence of regional bodies which are shaping world politics in their own unique way. 'The creation of regional blocks as the essential characteristic of the world economy offers argumentation that the world economy is less integrated than it was in the late nineteenth century' (Held and McGrew 2007, 5).

Sceptics also raise doubts on the homogenizing capability of globalization and its forces as far as social relations, culture and ideas are concerned. According to them, the possibility of heterogeneity and, at times, hybridization also exists. In fact, globalization has provided new space for the assertion of identity and resistance within civil society. Huntington, in this regard, opines that the possibility of a single unified world is being reduced. A possible reason could be the rise of radical resistance within individual cultures, which in the end can lead to a conflict of civilizations (Huntington 1997).

Thus, scepticism is expressed not only in terms of the presence and impact of globalization, but also in terms of sustainability of the unification which it produces at the global level (Stefanović 2008, 267).

## **Transformationalists**

In between these two extreme positions is the third school of thought, represented by scholars such as James N. Rosenau, Giddens, Scholte, Manuel Castells and Gregorio Walerstein.

They assume that globalization plays a tremendous role in restructuring the world order and in creating rapid economic, political and social changes. In the words of Held and McGrew, 'Globalization denotes the intensification of worldwide social relations and interactions such that distant events acquire very localised impacts and vice versa' (Held and McGrew 2007, 2). Through globalization, individuals' day-to-day activities are increasingly influenced by events happening on the other side of the world. Conversely, local lifestyle habits also tend to get global attention (Holmes 2009, 134).

Transformationalists thus are more moderate and assume a centrist position as far as the presence and effect of globalization process are concerned. For these scholars, though globalization has been a distinctive and significant development in the contemporary world, its effect, scale and consequences need to be evaluated in a qualified and controlled way. For them, it is not the only process which has transformed human history. Scholte argues that the process of globalization unfolds alongside and is closely inter-linked with other major social trends, such as shifts in the structures of production, governance, identity and knowledge (Scholte 2005, 19).

The argument of the transformationalists is that through globalization, the world not only witnesses the emergence of a new 'sovereignty regime' but also experiences the emergence of powerful new

non-territorial forms of economic and political organizations in the global domain, such as MNCs, transnational social movements, international regulatory agencies, and so on. In this sense, the world order can no longer be conceived as purely state-centric or even primarily state-governed, as authority has become increasingly diffused among public and private agencies at the local, national, regional and global levels (Held et al. 2000, 9).

Globalization, according to this school, may create new networks and dissolve old ones. As Held argues in this regard, under the forces of globalization, relationships among nations and people will be reconfigured and power relationships will get restructured (Parker 2005, 21). They thus take a middle course and argue that the process of globalization will not lead to the end of nation states, but rather a reconstruction of nation states.

Out of all three, the views of the transformationalists seems most balanced and poised.

### Concluding Observations

Globalization may be understood as a worldwide movement, characterized by intense interdependence and interaction among nations, which constitutes a phenomenal effect on the economy, cultures, political systems and also physical well-being of people at large. Economically, it is an act or process of creating a global world, marked by an increasingly integrated economy, facilitated by free trade, free flow of capital and availability of a cheap labour market, aided by the intense development of information technology. In other words, it enables the development of a globally integrated economic system. Culturally, it facilitates the interaction and interpenetration of ideas, norms, values and ways of life among nations. Politically, it creates conditions for governance at the supranational level, above national and regional levels. Within this multidimensional aspect of globalization, the role of the state and its position in global politics gets manifested by alternative perspective holders, namely, hyperglobalists, sceptics and transformationalists. Amidst the two extreme perspectives—one arguing the demise of the nation state within the aegis of globalization, and the other upholding the existence and significance of the state system—the moderate view of the transformationalists appears most accurate. In fact, the process of globalization has not ended the existence of nation states; rather, it has created conditions wherein new patterns have evolved, state functions have been restructured and power relations reconfigured.

### Summary

- The phenomenon of globalization may be understood in diverse ways. It may be interpreted as an intensification of world social relations or the narrowing of time and space or as a global flow of goods, products, services, technology and ideas. Some scholars explain this process in terms of internationalization, liberalization and universalization.
- Deciphering the historical trajectory of globalization is a challenge, since scholars remain divergent on this question. For some, globalization is a recurrent phenomenon, while for some it exhibits a linear trajectory. Some sets of scholars trace back the history of globalization to ancient civilizations, while some considers it a new phenomenon.