

CONTEMPORARY GLOBALISATION

Who are the real beneficiaries of globalisation today?

By *Khaldun Abdul Malik*

IT IS increasingly funny to see the way in which human beings have a glaring tendency of tearing one deity down in favour of another. We are told by scholars, intellectuals, writers and most, especially the media that there are forces at work, as we speak, that is slowly in some cases, and quickly in others, surely shaping the world in which we live towards greater uniformity in one form or another (ranging from the soothsaying Ayah Pin to Harvard-educated suits, backed by nation states, figures such as Alan Greenspan, Lawrence Summers and the like), which in the end (and I suppose it would truly be the end!) would lead to one utopia or another. This type of fideistic obsession is not novel, for we are always looking for prophets, in one form or another.

This prophetic tendency is not of recent origin. Over the past 200 years, many leading social theorists have held the belief that modern development can have only one outcome – a view shared by Karl Marx, Herbert Spencer and Auguste Comte. The advance of science and technology, they felt, was leading to a single type of social organisation, and unless there was an active resistance through reversion to pre-modern forms of social organisations, societies were

bound to converge in a global system. Comte predicted that it would be a kind of technocracy; Marx believed it would be egalitarian communism, while Spencer, laissez faire capitalism. In each case, the common thread was a version of industrial society in which scarcity in economic and social life would be overcome. While their methods were different, each was convinced that industrialisation would engender universal prosperity.

Similar trains of thought were also held by numerous social theorists in the twentieth century. In the thirties, for example, F A Hayek held a point of view similar to Spencer's notion of the free market as the endpoint of social evolution, while English social theorists Sydney and Beatrice Webb saw the Soviet Union as a blueprint for universal society in the future. Later, commentators like Daniel Bell who

theorised about the 'end of ideology' projected that centrally planned economies and market-based affluent Western societies would be integrated into a management led mixed economy. Recent years have seen the rise of ideas which suggests that there is a growing convergence amongst societies worldwide towards 'democratic capitalism'.

Is this true? Industrialisation is spreading but at vastly different rates, in different places, leading to very different consequences. The redrawing of the national map of Africa and Eastern Europe over the past decade or so speaks of the failure of states and its replacement by anarchic forces. Consequently, some states have remained

strongly authoritarian. Russia, for example, instead of embracing liberal democracy and aligning itself with the affluent West, has reconstituted itself as

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a hyper modern version of traditional Russian authoritarianism. And even America has co-opted itself towards a mix of protectionism, a spiraling federal deficit and crony capitalism.

Supporters of globalisation may feel that global market forces are, though at different rates, creating the types of social and political conditions which coerce societies into the same path of development. This assumption of convergence can be found in the writings of influential management gurus, such as Kenichi Ohmae – which embodies what may be called the business utopian model of globalisation, as well as those theorists of cosmopolitan governance who hold the view that the development of supra-national institutions are withering away national systems of governments. Similarly, anti-capitalist movements are founded on the premise that the divergent patterns of development of the past have been replaced by a new repressive global system. Both supporters and critics of globalisation assume that it creates similar conditions wherever it spreads, and accept that global market forces are ineluctably forcing societies onto the same path of development.


But what does this imply? Change is inevitable but progress is not. Globalisation gurus often speak of the inevitable melting pot, of the Global Village, of the economic, social, cultural

and political homogenisation of the world as the forces of global capitalism marches towards its inevitable conclusion. Yet as Daniel Cohen argued recently, the facts themselves do not necessarily bear this out. As he sees it, contemporary globalisation is part of an ongoing process that started during the sixteenth century. But what is unique about the contemporary process is that it occurs largely in the realm of virtual reality and images. Nineteenth century globalisation featured large-scale immigration and demographic changes, whilst the present phase involves mainly commodities and images.

These claims bear themselves out statistically. It's true that goods today are manufactured and marketed on a global scale but those who live in affluent countries encounter other nations primarily through the media and exotic vacations. Despite the politically controversial migration of poor people into Western Europe and the US, immigrants still only make up 3% of the world's population as opposed to 10% during the second decade of the twentieth century. Even though trade has expanded substantially over the past few decades, much of it occurs between rich countries. The 15 longstanding members of the EU make up around 40% of global commerce, but almost 70% of that is traded within Europe itself. As Cohen himself puts it, 'in wealthy countries,

globalization is largely imaginary'. Similarly, the belief that financial globalisation is promoting economic development in poorer countries is also delusive. The way the global financial market is structured today, there are few incentives to ensure that poor countries can become productive.

However, the reason for this is not just to do with unfair terms of trade (though this is true to some extent) but perhaps, more importantly, poor countries simply have very little that rich countries want or need. The poor of the world unfortunately, not so much exploited by globalisation, but the reality is that they are neglected and forgotten. Ironically, the media is emblazoned with images of prosperity and wealth; yet for a large part of the viewing public this is a continuous reminder of what they lack. The current phase of globalisation as John Gray asserts, 'universalises the demand for a better life without providing the means to satisfy it'.

As Chalmers Johnson put so forcefully, 'Globalisation is a cover for American Imperialism but the beneficiaries are not the American people at the expense of foreigners but corporate executives at the expense of the working class and poor people wherever they may be'. 

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