

INTERNATIONAL RELATIONS CORE LECTURES

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'GLOBALISATION'

DAVID WILLIAMS

Department of Politics and International Relations

david.williams@politics.ox.ac.uk

INTRODUCTION

The plan of this lecture:

1. First we will look at debates about what 'globalisation' actually means.
2. Second, we will look at some of the evidence for the existence of globalisation.

I then want to develop four more sceptical arguments/positions.

1. Why it is happening?
2. The impact of 'globalisation' on the state.
3. I want to raise some sceptical points about International Relations as an academic discipline.
4. Finally, I will raise some questions about the politics of globalisation.

WHAT IS 'GLOBALISATION'?

A globalised world

Some definitions:

- 'Globalisation refers to all those processes by which the peoples of the world are incorporated into a single world society, global society' (Martin Albrow).
- 'Globalisation can ... be defined as the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa' (Anthony Giddens).
- 'Globalisation refers to processes whereby many social relations become relatively delinked from territorial geography, so that human lives are increasingly played out in the world as a single place' (Jan Art Scholte).

A internationalised world

- 'Fundamentally characterised by exchange between relatively distinct national economies and in which many outcomes, such as the competitive performance of firms ... are substantially determined by processes occurring at the national level' (Hirst and Thompson).

A Westernising world

- 'Globalisation is what we in the Third World have for several centuries called colonisation' (Martin Khor)

EVIDENCE?

The evidence will not tell us which is right.

- First, the evidence itself is disputed. Different ways of measuring the ratio of exports to GDP. See graphs, and Hirst and Thompson for more information.
- Second, arguments for and against globalisation are less about impartially assessing the evidence available and more to do with advancing certain political or ideological positions.

Evidence for a globalised world

International finance

- International capital flows between G7 countries doubled since 1970.
- Significant rise in cross-border transactions in equities and bonds – particularly in 1990s. See graph. But again, look at Japan here.
- Foreign securities now make up about one-quarter of all of the holdings of Britain pension funds.
- Also been explosive growth in borrowing on international capital markets. Between 1976-1980 about US\$95.6bn was raised compared to well over US\$2000bn in 1997.

Multinational companies

- 45 000 MNCs in the world.
- They control something like \$3.2trillion dollars for foreign direct investment, and something like \$7trillion dollars of total (domestic and international) sales.
- The hundred largest MNCs control something like \$2trillion dollars of world trade – this is itself roughly one-third of the total world trade.
- Also look at the share of manufacturing produced by foreign enterprises. See graph Again – Japan and Germany.

cultural globalisation?

- The communications revolution, internet, consumerism.

Counter-evidence?

Is it global?

- The richest 50 economies in the world account for 15% of world population and about 80% of world GNP. In contrast the 60 poorest countries in the world make up 56% of world population and about 5.5% of GNP.
- The gap between the rich and poor is getting wider under so-called globalisation.
- The USA and Canada, Western Europe and Japan together account for fully two-thirds of global trade, and 60% of FDI.
- The industrialised countries have on average something like 400 main fixed phone lines for every 1000 people – while developing countries have on average about 40 and Sub-Saharan Africa has something like 3.

Is it really new?

- MNCs are not new. East India Company. Nor is there political influence.
- Trade openness is not new (depending of course on how you measure it!).
- International Capital flows as a % of GDP two times higher in 1913 than they are today.
- More global migration in the past.

Cultural globalisation?

- There are many, many people and countries who reject western or American values and culture.
- Beyond this obvious point it is unclear whether globalisation really is leading to the erosion of national cultures.

So what should we make of our three models or ‘ideal-types in the light of this evidence. Well, as I have already suggested, I am not sure there is very much we can say with any certainty. What we can do is ask other kinds of questions.

I want to ask four other questions:

1. Who or what driving it
2. What is impact on state
3. IR and globalisation
4. Politics of globalisation

WHO OR WHAT IS DRIVING ‘GLOBALISATION’

Technological changes (transport, communications etc.). The development of the internet is often pointed to.

But:

- powerful states.
- MNCs.
- International organisations
- Liberal or ‘neo-liberal’ economics.
- Celebration of transnationalism, ‘cosmopolitanism’.
- There is also a particular vision of the self. On one hand self-creating, rootless, choosing. On the other self-monitoring, ‘hardworking’, adaptive.
- A ‘globalising elite’

To the extent that globalisation is happening it is being driven by the same kinds of agents and forces that have always shaped international politics.

‘GLOBALISATION’ AND THE STATE

‘Eclipse of the state’?

- States are less able to control what goes on in their borders
- But the bulk of the regulation of international economic activity is domestic. The US SEC is the most powerful regulatory body in international finance.
- Expansion of regulatory agenda. Off-shore financial centres have become latest targets of regulatory drive,
- International organisations (WTO, IMF, standards bodies) influenced by states.

Convergence?

- On one side is the argument that that state policy is having to be adapted to the demands of international markets and MNC’s. The ‘race to the bottom’.
- But, many European states have maintained a relatively higher level of government provision of services than is the case in America. In addition there

remain disputes between major states over how best to regulate and control global finance.

The claims of the state?

- De-nationalisation.
- This seems to me to be a classic liberal dream.

So, if we ask about the role of the state under globalisation, we find again, I think, that not very much has changed.

‘GLOBALISATION AND THE STUDY OF INTERNATIONAL RELATIONS’

‘Globalisation’ has become an academic growth industry. See graph. ‘Globalisation’ has become the latest academic fad.

It might simply be that all the talk of globalisation is really bound up with the economic boom of the 1990s.

THE POLITICS OF ‘GLOBALISATION’

Every time you hear or read the word you should be asking not is it true, but why is it being used.

SUGGESTED READING

David Held et. al., Global Transformations: Politics, Economic and Culture (1999).

Paul Hirst and Grahame Thompson, Globalization in Question, 2nd ed. (1999).

Colin Hay and David Marsh (eds.), Demystifying Globalization (2000).

Jan Art Scholte, Globalization: A Critical Introduction (2000).

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