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# GLOBALIZATION

## Capitalism and its Alternatives

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LESLIE SKLAIR

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### COMPETING CONCEPTIONS OF GLOBALIZATION

There is no single agreed definition of globalization, indeed, some argue that its significance has been much exaggerated. As the ever-increasing numbers of books and articles discussing different aspects of it suggest, it appears to be an idea whose time has come in sociology in particular and in the social sciences in general. Waters (1995: 1) was being too cautious when he suggested that it may be 'the concept of the 1990s'. Arguments about globalization look set to last well into the twenty-first century."

One problem in understanding much of the globalization literature, as I pointed out in Chapter 1, is that not all those who use the term distinguish it clearly enough from internationalization, and some writers appear to use the terms interchangeably. In this book a clear distinction will be drawn between the inter-national, the transnational, and the global. The hyphen in inter-national is to signify that this conception of globalization is founded on the existing even if changing system of states. The transnational signifies the emergence of forces and institutions not founded on the state system though they are constrained by and simultaneously transcend it in specific ways. The global signifies an already achieved state of globalization but, in my view, this is still fairly uncommon. Thus, for example, most major transnational corporations are certainly globalizing, but few if any are actually global yet, in the sense that they can operate entirely free of states and the inter-state system. However, the power of these globalizing corporations and the transnational capitalist class that owns and controls them all over the world ensures the hegemony of capitalist globalization in the present era (Sklair 2001).

These issues are difficult to theorize and to research empirically. The social sciences are largely based on concepts of society that identify the unit of analysis with a particular country (for example, British, Japanese, US, Russian, Indian society), sub-systems within countries (British education, the Japanese economy, American culture, Russian politics, Indian religion) or comparisons between single countries and groups of them (modern Britain and traditional India, declining America and ascendant Japan or vice versa, rich and poor countries, countries of the North and the South). This general approach, state-centrism, is still useful in many respects and there are clearly good reasons for it. Not the least of these is that most historical and contemporary sociological data has been collected on nation-states. However, most globalization theorists argue that the nation-state is no longer the only important unit of analysis and some argue that it is now less important in some fundamental respects than other, globalizing, forces. These globalizing forces include mass media and the corporations that own and control them, transnational corporations (some of which are richer than the majority of countries) and even social movements that spread ideas like global environmental responsibility, universal

human rights, and the worldwide call for democracy and human dignity. Sassen expresses the tentative nature of this new perspective well: 'My working hypothesis is that while globalization leaves national territory basically unaltered, it is having pronounced effects on the exclusive territoriality of the national state—that is, its effects are not on the boundaries of national territory as such but on the institutional encasements of the national territory' (Sassen 2000b: 372).

Yearley (1996: ch. 1) identifies two main obstacles to making sociological sense of globalization, namely the connection between the discipline of sociology and the nation-state, and the fact that countries differ significantly in their geographies. Despite these difficulties (really elaborations of the local-global problem which will be discussed below) he makes the telling point that a focus on the environment encourages us to work down to the global from the universal, a necessary corrective to state-centrist conceptions which work up to the global from the nation-state or even from individualistic notions of global consciousness.

The actual study of globalization revolves primarily around two main classes of phenomena that have become increasingly significant in the last few decades. These are, first, the emergence of a global economy based on new systems of production, finance, and consumption driven by globalizing transnational corporations (TNC) (Dunning 1997, Dicken 1998). The second is the idea of global culture, focused on transformations in the global scope of particular types of TNC, those who own and control the mass media (Herman and McChesney 1997), notably television channels and the transnational advertising agencies. This is often connected with the spread of particular patterns of consumption and a culture and ideology of consumerism at the global level. While not all globalization researchers entirely accept the existence of a global economy or a global culture, most accept that however we define globalization, significant economic, political, and culture-ideology changes are taking place all over the world because of it.

The largest TNCs have assets and annual sales far in excess of the GNP of most of the countries in the world. Fewer than sixty countries out a total of around 200 have GNPs of more than \$US20 billion (World Bank 2001). By contrast, the *Fortune* Global 500 (hereafter FG500)<sup>11</sup> list of the biggest TNCs by turnover, published in July 2001, reports that 245 had annual revenues in excess of \$20 billion (the top fifty-one exceeded \$50 billion). Thus, in this important sense such well-known names as Exxon Mobil, Wal-Mart Stores, and General Motors (the top three), plus Shell, Toyota, Unilever, Volkswagen, Nestlé, Sony, Pepsico, Coca-Cola, Toshiba, and the huge Japanese trading houses (and many other corporations most people have never heard of) have more economic power at their disposal than the majority of the countries in the world. Another, perhaps more effective, measure is the comparison between corporate revenues and state revenues (what governments raise in taxes and other receipts). While the six biggest are states, thirty-five of the top fifty are, in fact, corporations (see Figure 3.1). These figures prove little in themselves; they simply indicate the gigantism of TNCs relative to most countries.

Not only have TNCs grown enormously in size in recent decades but their global reach has expanded dramatically. Many major TNCs (for example, IBM, Microsoft, Mitsubishi, Samsung, Nestlé, ICI, Unilever, and Dow Chemical) regularly earn more than half of their revenues outside their countries of origin.<sup>12</sup> The FG500 includes many companies from the Third World, for example in 2001 the national oil companies of Brazil (Petrobras), India (Indian Oil), Mexico (Pemex), Malaysia (Petronas), and Venezuela (PDVSA), owned by

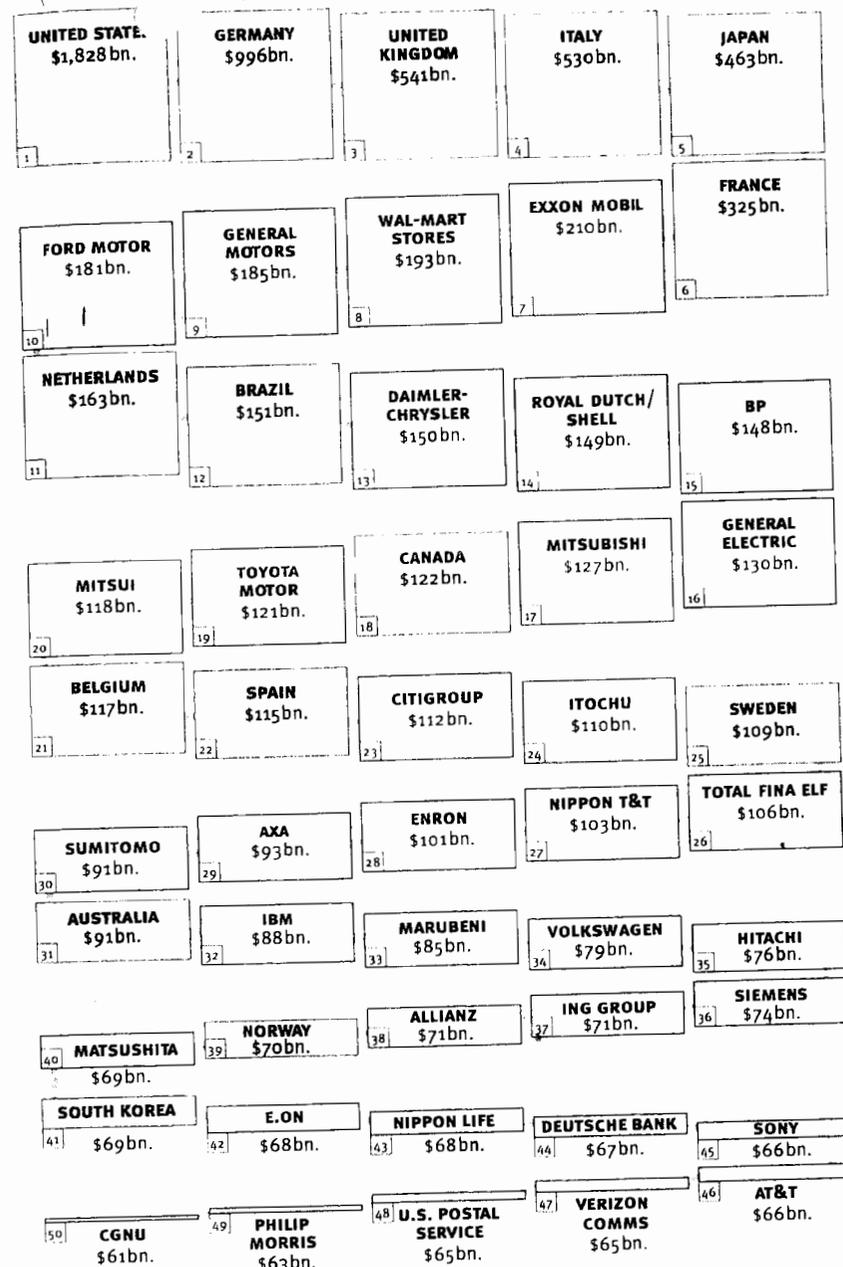


Figure 3.1 World's biggest economic entities by revenues (in US\$ bn., 2000)  
 Source: [www.odci.gov/cia/publications/factbook/indexgeo.html](http://www.odci.gov/cia/publications/factbook/indexgeo.html) (state budgets) accessed summer 2001; corporate revenues from *Fortune* Global 500 (23 July 2001) from an idea of Charles Gray.

the state but usually run like private corporations; banks in Brazil (Banco Bradesco and Banco do Brasil) and China (Industrial and Commercial Bank of China, and Agricultural Bank of China), and an electronics company from Singapore (Flextronics). The Korean manufacturing and trading conglomerates (*chaebol*) are well represented (eleven in the 2001 list) and some, for example Hyundai and Samsung, have attained global brand-name status. Major Chinese state corporations, eleven in 2001 (plus one TNC based in Hong Kong), are also becoming prominent (Sklair and Robbins 2002).

Those who are sceptical about globalization argue that the facts that most TNCs are legally domiciled in the USA, Japan, and Europe and that they trade and invest mainly between themselves means that the world economy is still best analysed in terms of national corporations. The global economy, they claim, is a myth (for example, Hirst and Thompson 1996). But this deduction entirely ignores the well-established fact that an increasing number of corporations operating outside their countries of origin see themselves as globalizing, as is obvious if we read their annual reports and other publications rather than focus exclusively on aggregate data on foreign investment.<sup>13</sup> You cannot simply assume that all TNCs headquartered in the USA, or Japan, or any other country, somehow express a national interest. They do not; they primarily express the interests of those who own and control them, even if historical patterns of TNC development have differed from country to country and region to region. Analysing globalization as a relatively recent phenomenon, originating from the 1960s, allows us to see more clearly the tensions between traditional inter-national patterns of TNC development and new transnational corporate structures and dynamics. It is also important to realize that, even in state-centrist terms, a relatively small investment for a major TNC can result in a relatively large measure of economic presence in a small, poor country or in a poor region or community in a larger and less poor country.

The second central phenomenon of globalization is the global diffusion and increasingly concentrated ownership and control of the electronic mass media, particularly television (Herman and McChesney 1997, Barker 1997). The number of TV sets per capita grew so rapidly in Third World countries during the last decades of the twentieth century (from fewer than ten per thousand population in 1970 to sixty per 1,000 in 1993, according to UNESCO) that many researchers argued that a globalizing effect because of the mass media was taking place, even in the Third World (see, for example, Sussman and Lent 1991, Balnaves *et al.* 2001). However, this still leaves many households without regular access. In India, for example, it was estimated that of one billion population in 2000 only about half of the households in the country had television sets (about 70 million) but about 40 per cent of those are connected to the channels offered by tens of thousands of cable operators.

Ownership and control of television, including satellite and cable systems, and associated media like newspaper, magazine and book publishing, films, video, tapes and compact discs and DVD, and a wide variety of other marketing media, are concentrated in relatively few very large TNCs. The predominance of US-based corporations is being challenged by Japanese, European, and Australian groups globally, and even by corporations based in the Third World, like the Brazilian media empire of TV Globo (Nordenstreng and Schiller 1993, Herman and McChesney 1997: ch. 6). The mass media, particularly television, spreads the culture-ideology of consumerism, but not in the same ways and not evenly throughout the world.

The remainder of this chapter will present the main approaches that social scientists have adopted to study globalization, offering a critique of each of them and laying the foundations for the argument that while each has its own merits, the most theoretically coherent and empirically convincing approach is the one elaborated in this book: global systems theory based on transnational practices.

There are several ways to categorize theory and research on globalization. One approach is to compare mono-causal with multi-causal explanations of the phenomenon, as does McGrew (1992). This is a useful way of looking at the problem but it has two main drawbacks. First, it ends up by putting in the same bag thinkers with entirely different types of explanations, for example those who see globalization as a consequence of the development of material-technological forces and those who see it as a consequence of ideological and/or cultural forces. Second, few if any thinkers present an entirely mono-causal explanation of anything; most of the thinkers McGrew identifies as mono-causal do try to show the relevance of a variety of factors even if they tend to prioritize some factors over others, while those he identifies as multi-causal do not always argue that everything causes everything else. They, too, prioritize, though perhaps to a lesser extent than the former group. Globalization, by its very nature, is a big and complex subject.

A second approach is to compare the disciplinary focus of globalization studies. This is certainly an interesting and fruitful avenue to explore: each discipline has made distinctive contributions to the study of globalization (to some extent all the social sciences have contributed to the debate, but in addition to sociology international relations, geography and political economy can be singled out). These contributions are commonly borrowed by sociologists of globalization, and vice versa, and this will be reflected in my own categorization.

A third approach focuses on attitudes to globalization, as in Held *et al.* (1999) who distinguish three types. These are hyperglobalists (those who see globalization as a dominant and unstoppable phenomenon and predict the end of the nation-state), sceptics (those who deny the novelty and to some extent the existence of globalization, the global economy, and so on), and transformationalists (those who accept globalization and see widespread predictable and unpredictable effects—their own position). The problem with the transformationalist thesis, unsurprisingly, is that it tries to explain almost everything in terms of almost everything else. It is certainly comprehensive, but it lacks conceptual specificity (being very eclectic) and historical specificity (seeing globalization in almost every historical period).

All of these classifications are useful for a variety of purposes, but I have chosen to categorize approaches to globalization on the basis of who or what is said to be driving globalization. This gives four research clusters in which groups of scholars are working on similar research problems, either in direct contact with each other or, more commonly, in indirect contact. Given the relative novelty of globalization as a problem area in social science, with the exception of the world-system school, none of these approaches has really solidified into a commonly agreed set of propositions or has an institutional form.

The four sources of globalization research are:

- the world-systems approach;
- the global culture approach;

- the global polity and society approach;
- the global capitalism approach.

### WORLD-SYSTEMS

The world-systems approach is based on the distinction between core, semi-peripheral, and peripheral countries in terms of their changing roles in the international division of labour dominated by the capitalist world-system. World-systems as a model in social science research, inspired by the work of Immanuel Wallerstein, has been developed in a large and continually expanding body of literature since the 1970s (see Wallerstein 1974, 1980, 1988; and Shannon 1996, and Hall 2000 for good overviews).

Unlike the other approaches it is not only a collection of academic writings but also a highly institutionalized academic enterprise. It is based at the Braudel Center for the Study of Economies, Historical Systems, and Civilizations (named for the great French historian Fernand Braudel) at Binghamton University (NY state) established by Wallerstein, with several other outposts, notably a new Center for Interdisciplinary Research on World-Systems directed by Chase-Dunn at the University of California Riverside. The Braudel Center is noted for a lively interchange between permanent and visiting scholars within a structure of interrelated research projects, including joint academic ventures with the Max Planck-Institut in Germany and the Maison des Sciences de l'Homme in France. The results of these projects frequently appear in the *Journal of the Center, Review*, first published in 1977. The world-systems theorists have also established a section in the American Sociological Association, *Political Economy of the World-System*, which organizes regular conferences and publications. Its newsletter is a useful guide that complements material from the Braudel Center on the activities of the world-systems network of theorists and researchers, and it has a book series.<sup>14</sup> Though the work of world-systems theorists cannot be said to be fully a part of the globalization literature as such (see King 1991), the institutionalization of the world-systems approach undoubtedly prepared the ground for globalization in the social sciences.

In some senses, Wallerstein and his school could rightly claim to have been global all along—after all, what could be more global than the world-system? However, there is no specific concept of the global in most world-systems literature. Reference to the global comes mainly from critics and, significantly, can be traced to the long-standing problems that the world-system model has had with cultural issues. Wallerstein's essay on 'Culture as the Ideological Battleground of the Modern World-System', the critique by Boyne, and Wallerstein's attempt to rescue his position under the title of 'Culture is the World-System' (all in Featherstone 1990), illustrate the problem well. Two further shortcomings of world-systems theory have been critically exposed. It is said, first, to neglect class struggle and, second, to distort the history of capitalism and thus the progressive role of capitalism in development (see Shannon 1996: chs. 6–7). Though argument continues on all these points, for more than twenty years this school of thought has been the most systematic available for the analysis of the global system, and those working within its orbit have produced and continue to produce an impressive array of theory and research.

The world-systems approach, like the dependency approach, has always had difficulty in dealing with development, or at least industrialization in the Third World. Wallerstein elaborated the concept of the semi-periphery, and this idea has been picked up by many

scholars as a useful tool in analysing the so-called Newly Industrializing Countries (NICs) and, increasingly, those countries that are on the fringes of the First World, but not exactly in the Third World, like Ireland, Portugal, and the Balkan states (see O'Hearn 1998 on the 'Celtic Tiger'). Critics of world-systems theory have suggested that the idea of the semi-periphery is an ad hoc invention to deal with those cases that do not fit neatly into the core-periphery framework. This criticism is strengthened to some extent by the observation that much creative work in this genre in recent years has been precisely in the elaboration of dependent development in the countries of the semi-periphery.

An implicit attempt to make connections between the dependency theory and world-systems was formulated on the basis of an influential conceptual innovation, the new international division of labour (NIDL) theory, particularly as elaborated by Fröbel and his colleagues (1980). This theory drew attention to the consequences of changes in global production strategies of the TNCs since the 1960s. In common with Wallerstein and the world-systems theorists, the proponents of the NIDL share a general conception of the capitalist world-system divided into core, semi-periphery, and periphery in which a division of labour has evolved to maximize the profits of transnational corporations and to solve the problems of the major capitalist societies. In common with the dependentistas the NIDL theorists see little prospect for any genuine Third World development in these changes in global capitalist strategies. The idea of the new international division of labour excited a great deal of research interest in the 1970s and 1980s (for example, the volumes edited by Nash and Fernandez-Kelly 1983; Sanderson 1985) but has been overtaken by the wider and less state-centric debates around globalization (see Roberts and Hite 2000: Part IV).

The theory of the new international division of labour was criticized for its uncompromising condemnation of TNC operations in the Third World, on the grounds that there is not very much that is new about it, and that it relies on an empirical base that is far too limited. Much of this criticism appears quite justified. Nevertheless, the activities of TNCs wherever they are and in whatever industry, are increasingly being integrated into global processes of supply, production, and marketing. The theorists of the new international division of labour rendered great service by highlighting these phenomena even if they did so in a rather one-sided and state-centrist manner. By concentrating too much on the TNCs' search for cheap labour, the NIDL failed to connect economic with political and culture-ideology transnational practices. It is true that much foreign investment is for the domestic markets of host countries, and that the export-processing industries that are at the centre of the NIDL thesis account for only a small part of TNC foreign investment in the Third World but, as I have argued for the cases of Ireland, China, and Mexico (Sklair 1988b, 1991, 1993), the symbolic significance of export-oriented development strategies is extremely important in the contemporary global system. To this extent, the neo-Marxist, world-systems, and NIDL theorists are in general agreement.

Chase-Dunn, in his suggestively entitled book, *Global Formation* (1989), does try to take the argument a stage further by arguing for a dual logic approach to economy and polity. At the economic level, he argues, a global logic of the world economy prevails whereas at the level of politics a state-centred logic of the world-system prevails. However, as the world economy is basically still explicable only in terms of national economies (countries

of the core, semi-periphery, and periphery), Chase-Dunn's formulation largely reproduces the problems of Wallerstein's state-centrist analysis.

There is, therefore, no distinctively global dimension in the world-systems model; it appears locked into the inter-national focus that it has always emphasized. Wallerstein himself rarely if ever uses the word globalization. For him, the economics of the model rests on the inter-national division of labour that distinguishes core, semi-periphery, and periphery countries. The politics are mostly bound up with anti-systemic movements and superpower struggles. And the cultural, in so far as it is dealt with at all, covers debates about the national and the universal and the concept of civilization(s) in the social sciences. Many critics are not convinced that the world-systems model, usually considered to be economistic (that is, reducing all questions to economic factors) can deal with cultural issues adequately. Wolff tellingly comments on the way in which the concept of culture was inserted into Wallerstein's world-system model: 'An economism which gallantly switches its attentions to the operations of culture is still economism' (in King 1991: 168). Wallerstein's attempts to theorize race and nationalism in terms of the geoculture of the world-system (Wallerstein 1991: part II) might be seen as a dilution of his economism, but few would argue that cultural factors are an important part of the analysis.

There is one main exception to the state-centrism of world-systems theory, namely research on the idea of commodity chains (networks of labour, production, and marketing of goods). This work has shifted attention away from the national to the transnational to some extent (Gereffi and Korzeniewicz 1994), reinforced by a new focus on value chains (Gereffi and Kaplinsky 2001). However, in general, the global and the international are generally used interchangeably by world-systems theorists.<sup>15</sup> This is certainly one possible use of global but it seems quite superfluous, given that the idea of the international is so common in the social science literature. Nevertheless, whatever the fate of world-systems analysis, it is unlikely that ideas of globalization would have spread so quickly and deeply in sociology and related disciplines without the impetus it gave to looking at the whole world.

### GLOBAL CULTURE

A second model of globalization derives specifically from research on the globalization of culture. The global culture approach argues that globalization is driven by a homogenizing mass media-based culture, and that this threatens national and/or local cultures and identities. As we shall see below, this is complementary to rather than in contradiction with the global polity and society approach, which focuses more on ideas of an emerging global consciousness and their implications for global community, governance, and security.

The first major statement of the global culture approach to globalization was a collection of articles in book form from the journal *Theory, Culture and Society* (TCS) edited by Featherstone (1990) under the title *Global Culture*. While it does not have the institutional solidity of the Braudel Center, TCS has also brought together groups of like-minded scholars through the journal and conferences, which has resulted in an intellectual critical mass for the development of a culturalist approach to globalization. Of the writers associated with TCS who have made notable contributions to this effort,

Robertson, who has been credited with introducing the term globalization into sociology (Waters 1995: 2), and Appadurai are probably the most influential.<sup>16</sup>

Appadurai has developed a fivefold conceptual framework for the analysis of global cultural flows. His categories are ethnoscapas (flows of people), mediascapas (flows of images), technoscapas (flows of machinery), finanscapas (flows of money), and ideoscapas (flows of ideas). This formulation has proved a useful tool for some researchers grappling to organize large masses of empirical research findings, for example, in the absorbing study by Olds (2001) of urban mega-projects in Vancouver and Shanghai.

Although these researchers cannot be identified as a school in the same way as world-systems researchers can be, there are some common themes running through their works. First, they are all interested in the question of how specific identities can survive in the face of an emerging global culture. Second, they tend to prioritize the cultural over the political and/or the economic. A distinctive feature of this model is that it problematizes the existence of global culture, as a reality, a possibility, or a fantasy. The inspiration for this debate is the emergence of what Marshall McLuhan famously called the global village, the very rapid growth that has taken place over the last few decades in the scope and scale of the mass media (McLuhan 1987). The basic idea is that the spread of the mass media, especially television and now the Internet, means that everyone in the world can be exposed to the same images, almost instantaneously. This, the argument goes, turns the whole world into a sort of global village. The debate has been enlivened by studies of the cultures of globalization (Jameson and Miyoshi 1998) in the plural, and attempts to connect globalization, modernity, and post-colonialism (see Lazarus 1999).

A subset of the global culture approach, characterized as globo-localism, derives from a group of scholars from various social science backgrounds whose main concern is to try to make sense of the multifaceted and enormously complex web of local-global relations. There is a good deal of overlap between this and the globalization of culture model, but the globo-local researchers tend to emphasize the territorial dimension. There is no single common theoretical position in the work of these theorists (see, for example, Mlinar 1992). What unites them is the urge to theorize and research questions of what happens to territorial identities (within and across countries) in a globalizing world.<sup>17</sup>

The fundamental problem with the cultural approach to globalization (indeed the cultural approach to anything) is that it is cultural, and always risks losing sight of the material realities that lie behind the cultural and symbolic phenomena that are being researched. Guerlain expresses this well:

One day culturalists claim that Japanese culture explains the economic successes of Japan and then a few years later culture also explains the setbacks. Soon everyone is likely to explain Chinese successes by some cultural characteristic of China, though these same cultural traits were there too when China was written off as a communist basket case. Indeed if tomorrow Indonesia or Brazil came to be major international players their culture, indeed their diversity - which is no less impressive than the American one - would become an explanation and a model for other countries to emulate. (Guerlain 1997: 50)

Without doubt, the main research question for cultural globalization is the autonomy of local cultures in the face of an advancing global culture. Competing claims of local cultures against the forces of globalization have forced themselves onto the sociological,

cultural, and political agendas all over the world. This is largely continuous with the focus of the third globalization model based on the idea of global polity and society.

### GLOBAL POLITY AND SOCIETY

Inspiration for this general conception of globalization is often located in the pictures of planet earth sent back by space explorers. A classic statement of this was the report of Apollo XIV astronaut Edgar Mitchell in 1971: 'It was a beautiful, harmonious, peaceful-looking planet, blue with white clouds, and one that gave you a deep sense . . . of home, of being, of identity. It is what I prefer to call instant global consciousness.'<sup>18</sup> This individualistic conception of global consciousness, derived from simply being in or gazing at the world (usually via the media) can be contrasted with a collective conception derived from being with and mobilizing fellow human beings to solve global problems (see Chapters 10–11 below).

Had astronaut Mitchell penetrated a little through the clouds he would also have seen horrific wars in Vietnam and other parts of Asia, bloody repression by various dictatorial regimes in Africa and Latin America, dead and maimed bodies as a result of sectarian terrorism in Britain and Ireland, as well as a terrible toll of human misery from hunger, disease, legal and illegal drug abuse, and carnage on roads all round the world as automobile cultures intensified their own peculiar structures of globalization.

Global polity and society theorists argue that the concept of global polity and/or society has become a believable idea only in the modern age and, in particular, science, technology, industry, and universal values are increasingly creating a world that is different from any past age. The globalization literature is full of discussions of the decreasing power and significance of the nation-state and the increasing significance (if not actually power) of supra-national and global institutions and systems of belief. For these theorists, while globalization itself can have many causes, the most desirable driver for the future will be the organization of global governance through, for some, global civil society.

A significant literature connects globalization with modernity, around the theme that modernity has become a progressively global phenomenon. Ideas of space-time distanciation (Giddens 1990) and of time-space compression (Harvey 1989) were generated to illustrate how processes of globalization compress, stretch, and deepen space-time for people all over the world thus creating some of the conditions for a global polity and society.

Giddens, in particular, developed these themes in his analysis of the relations between globalization and modernity. He defined globalization in terms of four dimensions, the nation-state system, the world military order, the international division of labour, and the world capitalist economy. He explains globalization as a consequence of modernity itself and characterizes the transformation of key social relations in terms of globalizing tendencies of modernity and localized events in daily life. The transnational or global society thrust of Giddens's concept of globalization is clear from his reference to emergent forms of world interdependence and planetary consciousness.

In his attempt to order the field of globalization studies, Spybey (1996) contrasts the view that 'modernity is inherently globalizing' (Giddens 1990: 63) with the view that globalization pre-dates modernity (Robertson 1992). While Spybey comes down in favour of Giddens's thesis that globalization is best conceptualized as reflexive modernization,

he is less clear about why these differences matter and, in the end, as with so many debates in the social sciences, the main protagonists seem to be saying more or less the same things in rather different languages. However, there is one important point in this debate that is separable from the often convoluted arguments about modernity and postmodernity. Is globalization a new name for a relatively old phenomenon (which appears to be the argument of Robertson and, paradoxically, many globo-sceptics)? Is it a relatively new, largely twentieth-century phenomenon but a form of modernity (the argument of Giddens)? Or is it very new and primarily a consequence of post-1960s capitalism (the argument of this book)?

Why does this matter? It matters because if we want to understand our own lives and the lives of those around us, in our families, communities, local regions, countries, supra-national regions, and, ultimately, how we relate to the global, then it is absolutely fundamental that we are clear about the extent to which the many different structures within which we live are the same in the most important respects as they have been, or are different. Hirst and Thompson, in their attempt to demonstrate that globalization is a myth and that the global economy does not really exist, argue unconvincingly that there is 'no fundamental difference between the international submarine telegraph cable method of financial transactions [of the early twentieth century] and contemporary electronic systems' (Hirst and Thompson 1996: 197). The fundamental difference is, precisely, in the way that the electronics revolution (a post-1960s phenomenon) has transformed the quantitative possibilities of transferring cash and money capital into qualitatively new forms of corporate and personal financing, entrepreneurship, and, crucially, the system of credit on which the global culture-ideology of consumerism largely rests. These phenomena are all new and fundamental for understanding not only what is happening in the rich countries, but in social groups anywhere who have a part to play in this global system. In this sense, ideas of a global polity and society are very provocative, but while it is relatively easy to establish empirically the objective dimensions of globalization as they involve the large majority of the world's population, the idea of global polity and/or global society, based on subjective relationships to globalization, planetary consciousness, and the like, is highly speculative.

There appears to be, however, a real psychological need for many progressive writers to believe in the possibilities of a global society (which I share). As McGrew (1992) shows, this theme is elaborated by scholars grappling with the apparent contradictions between globalization and local disruption and strife based on ethnic and other particularistic loyalties. It is in this type of approach that a growing appreciation of the ethical problems of globalization is particularly to be found. The reason for this is simple: now that humankind is vulnerable to destruction through nuclear, and toxic catastrophes, a democratic and just human society on the global level, however utopian, seems to be the best long-term guarantee of the continued survival of humanity.

### GLOBAL CAPITALISM

A fourth approach locates the main driver of globalization in the structures of an ever-more globalizing capitalism (for example, Ross and Trachte 1990, McMichael 2000, Robinson 1996, and my own work). While all of these writers and others who could be identified with this approach develop their own specific analyses of globalization, they all

strive towards a concept of the global that involves more than the relations between nation-states and state-centrist explanations of national economies competing against each other.

Ross and Trachte focus specifically on capitalism as a social system which can best be analysed on three levels, namely the level of the internal logic of the system (inspired by Marx and Adam Smith), the structural level of historical development, and the level of the specific social formation, or society. They explain the deindustrialization of some of the heartland regions of capitalism and the transformations of the Third World in these terms and argue that the globalization of the capitalist system is deeply connected to the capitalist crises of the 1970s and after. This leads them to conclude that 'We are only at the beginning of the global era' (Ross and Trachte 1990: 230), a prediction that looked far-fetched in 1990 but sounds commonplace today.

McMichael (2000) focuses on the issue of Third World development and provides both theoretical and empirical support for the thesis that globalization is a qualitatively new phenomenon and not simply a quantitative expansion of older trends. He contrasts the Development Project of the late 1940s up to the early 1970s, modelled on the parallel development of national economies under an international development regime, with the Globalization Project from the 1980s onwards, modelled on development through integration into a globalized world market and directed by a public-private coalition of Global Managers. He explains: 'As economic activity became embedded more deeply in global enterprise, the reach of the global economy strengthened at the expense of national economies. This situation was not unique to the 1980s, but the mechanisms of the debt regime institutionalized the power and authority of global management within states' very organization and procedures. This was the turning point in the story of development' (McMichael 2000: 139).

To these writers on globalization and capitalism we can add other Marx-inspired scholars who see capitalism as a global system, but do not have any specific concepts of globalization. The most important of these is the geographer, David Harvey, whose Marxist analysis of modernity and postmodernity is significant for the attempt to build a bridge between the debates around economic and cultural globalization (Harvey 1989, especially ch. 15). However, it should be noted that most Marx-inclined writers appear to be very sceptical about the value of globalization as a concept, preferring to see it as yet another mystification thrown up by capitalist ideologues to confuse the masses (see, for example, Petras and Veltmeyer 2000).

I locate my own work since 1990 within the Marx-inspired conception of globalization. In the first version of this book in 1990 I proposed a more explicit model of the global capitalism model within a framework for analysis of globalization, namely global systems theory, based on the concept of transnational practices, practices that originate with non-state actors and cross state borders. They are analytically distinguished in three spheres: economic, political, and culture-ideology. The research agenda of this theory is concerned with how TNCs, the transnational capitalist class, and the culture-ideology of consumerism operate to transform the world in terms of the global capitalist project. In this book, the argument is taken further into alternative forms of globalization. These will be discussed in the following chapters.

### SUMMING UP THE APPROACHES

This selective account of the state of globalization studies to date has focused on what distinguishes transnational (globalizing) from national and inter-national forces, processes, and institutions. It is almost exclusively based on the European and North American literature and it does not preclude the possibility of other and quite different conceptions of globalization being developed elsewhere. Despite the view, particularly evident in the accounts of global culture theorists (see Waters 1995) that globalization is more or less the same as Westernization or Americanization or McDonaldization (Ritzer 1996), more and more critics are beginning to deconstruct this one-way traffic bias in the globalization literature (see Guerlain 1997). This critique is well represented in the empirical cases and analytical points of those who are 'Interrogating Theories of the Global' (in King 1991: ch. 6), contributions in Jameson and Miyoshi (1998), and in the post-colonial critique (surveyed in Lazarus 1999), all of who provide necessary correctives to European-North American orthodoxies. Mittelman's (2000) development of the concept of a global division of labour and power is also relevant here. These and others are doing important research on globalization, though their work does not necessarily fit into the four approaches identified above. It is very likely that an introduction to globalization studies to be written ten years from now will reflect non-Western perspectives much more strongly.<sup>19</sup>

Each of the four approaches to globalization has its own distinctive strengths and weaknesses. The world-system model tends to be economicist (minimizing the importance of political and cultural factors), but as globalization is often interpreted in terms of economic actors and economic institutions, this does seem to be a realistic approach. The globalization of culture model, on the other hand, tends to be culturalist (minimizing economic factors), but as much of the criticism of globalization comes from those who focus on the negative effects of homogenizing mass media and marketing on local and indigenous cultures, the culturalist approach has many adherents. The global polity and society approach tends to be both optimistic and all-inclusive, an excellent combination for the production of world-views, but less satisfactory for social science research programmes. Finally, the global capitalism model, by prioritizing the capitalist global system and paying less attention to other global forces, runs the risk of appearing one-sided. However, two questions remain: how important is that one side (global capitalism)? And, what, exactly, is wrong with capitalist globalization? These are the central questions that this book poses and tries to answer.

The answer to the first question is implicit on almost every page in the book. Global capitalism, driven by the TNCs, organized politically through the transnational capitalist class, and fuelled by the culture-ideology of consumerism, is the most potent force for change in the world today. This is hardly a controversial proposition. The second question is more problematic. Attitudes to capitalist globalization range from happy fatalism (things are getting better all the time) through optimistic fatalism (things will surely get better for those who are hurting) to depressed fatalism (things will get worse for those who are hurting and may never get much better but there is nothing anyone can do about it). However, Marx-inspired crisis theory suggests that the problems with capitalism are a consequence of contradictions within the capitalist mode of production itself. Global system theory complements this argument by globalizing it. As capitalism globalizes, its

crises intensify. Two main crises can be identified, the crisis of class polarization and the crisis of ecological unsustainability.<sup>29</sup>

## THE CLASS POLARIZATION CRISIS

The crisis of class polarization—the growing numbers of the very rich and the very poor and the widening gaps between them—is at the focus of radical critiques of capitalist globalization. Singer attacks this question in terms of inequality:

inequality appears at the very center of the major issues of our time: international exploitation, racism, gender discrimination, and the hierarchical division of labor. And when polarization rhymes with stagnation, it is no longer possible to pretend that, because of the expanding pie, equality is irrelevant. Egalitarianism—not to be confused with levelling and uniformity—must be at the very heart of any progressive project. (Singer 1999: 6)

What makes this a *class* crisis? The facts are as follows. According to the World Bank, agencies of the UN, and most other sources, between 1970 and 2000 the distribution of income on a per capita basis between the richest and the poorest countries and between groups within most countries became more unequal (Korzeniewicz and Moran 1997). The UNDP presented a sobering historical perspective in its 2000 Report: 'Global inequalities in income increased in the 20th century by orders of magnitude out of proportion to anything experienced before. The distance between the incomes of the richest and poorest country was about 3 to 1 in 1820, 35 to 1 in 1950, 44 to 1 in 1973 and 72 to 1 in 1992' (UNDP 2000a: 6). No doubt the exact proportions can be challenged (see Atkinson and Bourguignon 2000) but the recent trend is undeniable. The usual way to measure inequalities within countries is by comparing deciles (10 per cent) or quintiles (20 per cent) of the total distribution of incomes. The top 10 per cent of the world's income earners got relatively more and the bottom 10 per cent got relatively less, while the average per capita income (gross national product divided by population) roughly doubled in the last quarter of the twentieth century. Was the whole world becoming richer or poorer? The rich in most countries certainly became richer, both relative to the poor and absolutely. Relative to the rich the poor were becoming poorer, while some of them were becoming richer in absolute terms. Other groups of poor people, notably landless peasants, including many women and their children, and the families of the urban unemployed, became absolutely poorer in this period too.

UN Research Institute for Social Development (UNRISD 2000: table 1.3) estimated that the numbers of people living on less than \$1 per day had increased from 1,196,500,000 in 1987 to 1,214,200,000 in 1998. Reductions had been recorded in East Asia and the Pacific, the Middle East and North Africa, increases in postcommunist Europe and Central Asia, Latin America, Caribbean, South Asia and sub-Saharan Africa. 'The incidence of poverty has increased in the past few years not because the world as a whole is getting poorer, but because the benefits of growth have been unevenly spread. There has been a striking increase in inequality' (UNRISD 2000: 11).

Most countries for which there is data appeared to have made some progress between 1975 and 2000, but in different ways. The exceptions are in sub-Saharan Africa (because of

HIV/AIDS) and in postcommunist Europe (because of economic stagnation). The different criteria that UNDP generated for developing (HPI-1) and industrialized (HPI-2) countries permit a finer analysis of world poverty. Data on eighty-five Third World countries illustrates a wide range of deprivation among them. For example, 3.9 per cent of the population of Uruguay were in severe poverty in the late 1990s compared with 64.7 per cent in Niger. Overall, the HPI-1 measure of more than one-third of the developing countries exceeded 33 per cent (that is, at least one-third of the people in these countries were in extreme poverty). Variations between the general HDI measure and HPI-1 show that while Mexico and Trinidad and Tobago, for example, shared the same HDI, Mexico had double the proportion in extreme poverty; and while Guatemala and Tanzania differed widely on HDI, they had the same proportion in extreme poverty (29 per cent).

HPI-2 (industrialized country) rankings showed that Norway, Sweden, and Netherlands had the lowest proportions in poverty (but still around 7–8 per cent of their populations), while the UK, Ireland, and the USA, despite very high overall HDI scores, had around 15 per cent in poverty. Disparities also exist within countries, between regions and districts, especially between urban and rural communities (poverty levels are often double in rural compared with urban areas, and large differences exist between provinces in China). Many ethnic and language groups (e.g. Mayan communities in Guatemala, African males in South Africa, scheduled tribes in India, and San speakers in Namibia) suffer relative deprivation. Imaginative research in Vietnam in the early 1990s showed that members of ethnic minorities were typically up to twice as far from post offices, schools, hospitals, and district centres as members of the ethnic majority (UNDP 2000a: 32). The Gender Index (GDI) for 143 countries is lower in every case than HDI, proving that gender inequality is more or less universal. However, some countries have improved their positions on this measure, though this might be due to men losing some of their advantages as much as women doing better.

In a grim report on human poverty UNDP lists the income or consumption share of the poorest 20 per cent of the population in fourteen countries in four continents. On these figures, the people in the poorest quintile in Brazil who share just 2.5 per cent of total income appear to be worst off. Comparable figures for South Africa are 2.9, for Russia 4.2, and for Thailand 5.6. In words that echo the empirical reality that underlies what I am conceptualizing as the crisis of class polarization, UNDP concludes: 'Economic growth cannot be accelerated enough to overcome the handicap of too much income directed to the rich. Income does not trickle down; it only circulates among elite groups' (UNDP 2000b: 43). The poorest people in the world suffer on many counts. For example, with respect to clean water and sanitation:

When the International Drinking Water Supply and Sanitation Decade started in 1981, it was estimated that 2.4 billion people needed both an improved water supply and improved sanitation [equivalent to facilities for 660,000 people per day for ten years, while actual numbers provided for were 370,000 and 200,000 per day] ... The corresponding figures for the 1990s, the decade of Safe Water 2000, were 220,000 per day with improved water and 210,000 per day with improved sanitation. (Mara and Feacham 2001: 13–14)

The numbers served are impressive, but far from adequate to solve the problems. In 2001 it was estimated that over 1 billion people still lack adequate water supply, with most of the growth likely to occur in urban areas. Mara and Feacham suggest that providing

access by 2025 to all of them is a possible target. However, 2.4 billion people need improved sanitation (most of these in rural areas). To meet this projected need proper toilets will have to be provided for 460,000 people every day for the next twenty-five years. This level of provision is not feasible.

Faced with such overwhelming evidence from a variety of sources, even the WTO Annual Report for 1998 had to admit the reality of polarization, albeit in a convoluted statement: 'Empirical evidence tends to show that trade liberalization may entail non-trivial adjustment costs for certain groups' (quoted in Hines 2000: 157). Non-trivial adjustment costs meant that in Mexico, for example, real incomes of workers were estimated to have declined by 84.6 per cent between 1976 and 1998. In 1981 the minimum wage bought 38 kilos of tortillas (the staple food of the poor), by January 2000 only 9.3 kilos. The Independent Peasants Union estimated that 26 million rural dwellers (one quarter of the population) could not afford an adequate diet. Meanwhile, foreign investment, social polarization, and crime boom and welfare provision collapses. Mexican society is becoming increasingly militarized, with gated communities, armed guards, and invasive police and military power (Ochoa and Wilson 2001). This description can be reproduced in many Third World countries, as the World Bank, UNRISD, and UNDP reports cited above confirm.

Poverty in the Third World is now relatively well known to the reasonably informed lay reader. What is less well known is that in the First World, particularly in the USA and some parts of Europe, and more recently in Japan, the economic position of many workers and the workless poor has deteriorated since the 1960s as the HDI-2 data shows (see Walker 1999 for a snapshot of the situation). Thomas (2001) argues convincingly that the neo-liberal vision of global governance and development cannot provide human security (satisfaction of basic needs) and as poverty and inequality deepen this represents a crisis for the system. As we have seen, there is plenty of evidence for the crisis, though it is important also to recognize the significance of the other side of the crisis, the growing numbers of the very rich (Bhalla 1998).<sup>21</sup> Box 3.1 illustrates the dramatic extent of polarization between rich and poor for a number of Third World countries with respect to health and education.

The distinctiveness of the class polarization thesis is that it recognizes both increasing emiseration and increasing enrichment, thus in all countries, rich and poor, privileged communities are to be found. In Douala, a large city in Cameroon, Denver (the reference is to the TV show *Dynasty*) is an upmarket neighbourhood that 'aims to be the preferred place of residence of the newly rich: young entrepreneurs, businessmen, corporate executives, and high-level administrators in the Ministry of Finance' (Monga 2000: 205). This Denver stands in stark contrast to the nearby settlement of Bepanda Yon-yon, typical of squalid neighbourhoods all over Africa. The key symbol of the difference, Monga reports, is the air conditioner.

As Dockemdorff *et al.* (2000) demonstrate, despite the success of Santiago de Chile as a modern business metropolis, there is severe residential polarization in terms of poverty (many of the poor work in the formal sector by the way), education, infrastructure, and other services. 'The new location trends for office buildings are perhaps the most significant example of segregation. Ninety-six per cent of the total office space constructed between 1990 and 1998 is shared between [the richest] five of the 34 comunas. . . . This shows how the globalization process is restructuring cities, by creating new service zones

### Box 3.1 Polarization in health and education in Third World societies (late 1990s)

- In Sao Paulo (Brazil) and Accra (Ghana) death rates from infectious disease are twice as high for those living in the poorest areas compared with the richest areas.
- In the Philippines, South Africa, and Nepal infant mortality rate for the poorest 20% of children is twice as high as for the richest 20%.
- In NE and SE Brazil the under-5 mortality rate for the poorest 20% of children is over six times that of the richest 20% of children.
- In Peru, rates of underweight and stunting amongst the poorest 20% are about five times those amongst the richest 20%.
- In Indonesia only 21% of births of the rural poor and 49% of births of the urban poor were attended by medical personnel, compared with 78% and 93% for the rural and urban rich.
- 59% of deaths among the poorest 20% of the world population were caused by communicable diseases, for the rich 8%.
- In India, 15–19-year-olds from the richest 20% of households have completed on average ten years of schooling, children from the poorest 40% of households have on average no schooling.
- 39% of poor 6–14-year-olds in Nigeria were in school, compared with 91% of rich 6–14s; in Madagascar, 47% compared with 90%.
- In Ecuador, 75% of households among the poorest fifth lack piped water, compared with 12% among the richest fifth.
- In Sao Paulo the 9% living in the richest areas consume five times as much water per capita as the 41% living in the poorest areas; in Accra water consumption per capita is three times higher for the one-third of people living in the richest areas compared to those living in the poorest areas.
- In Guatemala, the richest 20% of under-5s have a 47% rate of stunting, whereas the poorest 20% have a 70% rate of stunting; 25% of the richest 20% of children under 5 are underweight, compared with 41% of the poorest 20%.
- In Morocco, 15% of the wealthiest under-5s quintile suffer from stunting, 39% of the poorest quintile; 6% of the richest children under 5 in Morocco are underweight and 23% of the poorest are underweight.
- In Peru, 10% of the richest children under 5 suffer from stunting, compared with 51% of the poorest; 5% of the wealthiest quintile of children under 5 are underweight, 22% of the poorest.

Source: adapted from <http://worldbank.com/poverty/date/trends/social.pdf>

with new location patterns, complemented by high quality infrastructure' (Dockemdorff *et al.* 2000: 179). While the proportions may be extreme, the pattern is familiar (compare Marcuse and van Kempen 2000: ch. 12).

Mexico, Chile, and Cameroon are not untypical. The way that capitalist globalization tries to cope with the crisis of class polarization is put very starkly but in terms that many will recognize by Tehranian (1999: 15): 'Pancapitalism has found an ingenious solution to these problems: gated ghettos, factories, and residential communities. In Mexico City, New York, Los Angeles, Chicago, Bombay, and Calcutta, the ghettos for the poor are more or less defined and cordoned off geographically. It is unsafe for outsiders to wander of into these areas.'<sup>22</sup> Residential segregation is, of course, nothing new, but the increase of high-security housing for the rich, often electronically protected against the poor, is a feature of many societies. For example, Blakely and Snyder (1997) show that by 1997 about 9 million Americans were living in gated communities of various types. Chaplin (1999)

goes some way to provide a convincing explanation for this. The middle and upper classes (she is writing of India, but it is generally true) have little interest in putting pressure on their municipal authorities to provide services for the urban poor and certainly would not want to pay for the expensive infrastructure involved. In cities in India, as well as in Brazil and other deeply divided countries, quite luxurious enclaves coexist uneasily with slum and ghettos. This polarization provokes several distinct political responses, and models of the passive poor, the surviving poor, the politically active poor, and the resisting poor have been generated to explain these (Bayat 2000).

Another indication of widening gaps between the new rich and the very poor is the increasingly important phenomenon of tourism within Asia, Latin America, and Africa (see Ghimire 2001). Not unnaturally, as more and more people in the Third World become richer they will want to spend at least some of their money on leisure. In Chapters 7 and 9 the spread of the culture-ideology of consumerism in the Third World and in China is discussed, and the growth of internal tourism is a component of this facet of the spread of capitalist globalization.

Similarly, the digital divide highlights polarization between richer and poorer in terms of access to electronic technologies, particularly the Internet (Mansell and Wehn 1998, Main 2001). In regional terms there is plenty of evidence of the digital divide. In 1998, North America had 168 times more Internet hosts than Africa, and Africa had 396 times more people per host than North America (Madon 2000: 86; see also M'Bayo 1997). Lists comparing the connectivity of different countries are common, but state-centrism, as usual, can be misleading. In the USA, for example, there is a definite hierarchy of Internet use, not all cities are network cities there (Townsend 2001) and neither are they in most other countries (see also, Graham 1999). Within communities, it is obvious that some groups have more access than others, even in the USA where the relative affordability of home Internet use means that around 60 per cent had access in 2001. On the other hand, in some parts of the Third World there is a good deal of pathbreaking research taking place on cheap, user-friendly electronics. For example, scientists in India have developed a palmtop, the Simputer, with software that translates English into a variety of Indian languages ([www.simputer.org](http://www.simputer.org)). This runs on AAA batteries and gives relatively inexpensive online access. In Brazil, the government is developing a Computador Popular (the locals call it the Volkscoputer) that will cut the cost of basic computing. But these machines will still cost around \$200, beyond the means of most people in these countries, though the Simputer is designed for communal use.

Despite these and many other initiatives there is clearly a polarization crisis on a global scale. But is this a class crisis? As most of the evidence makes clear it is the lack of economic resources that is the main reason why so many of the poor are getting poorer while access to economic resources explains why the rich are getting richer. While there are more poor women than men, more poor members of some ethnic minorities than of the majority groups, and more poor people in rural than urban areas, their relative poverty is not due to their gender, their ethnicity, or their location but to their lack of access to education, well-paying jobs, land, fair prices for their crops, and to their poor health, malnutrition, and hunger. That the children of the very poor generally find it very difficult to escape from poverty themselves goes a long way towards explaining why these cycles of deprivation are so difficult to break down. It is their relationship to the means of production, to capital in its various forms, that locks most of the poor into

### Box 3.2 Polarization in the USA

- The *Washington Post* carried an article on 1 March, 1998, saying that the richest 1% of the US population possesses more wealth than the total wealth of 90% of the total population.
- The bottom 25% of US families witnessed a 9% decline in income between 1979 and 1995, with the richest 25% of families enjoying a 26% increase during the period, according to a *USA Today* report in 1997.
- The income of the richest 5% of families was 5.7 times that for the bottom 20% of families in 1995.
- Official statistics released in 1997 show that the top 20% of US families shared 49% of the country's total income in 1996, with the income level for the bottom 20% families falling by 1.8%.
- The current income level for the top 20% of the population is nine times more than the figure for the bottom 20%, up significantly from the 3.5 times figure in 1979. In addition, some 75% of American workers earn less today than in 1979.
- 16% of the US population lived below the poverty line in 1974, with the figure rising to 19% in 1997.
- Results from the most recent census show a disparity in the economic status of blacks, with the average net property value of black families standing at only a tenth of the level for white families. A *USA Today* article published in April 1997 noted that the income level for Afro-American families stands at only 63% of the level for white families.

The *Wall Street Journal* (3 Sept. 1997) reported that the income level for a black person is 19% lower than that for a white person with the same education level. It also noted that the proportion of poverty-stricken black families is 15% higher than for poor white families, with the total number of the former more than double the figure for the latter.

Source: adapted from 'Human Rights Records in the United States' (Ren Yanshi, Beijing, 1 March 1999)  
[http://mprofaca.cronet.com/hr\\_in\\_usa.html](http://mprofaca.cronet.com/hr_in_usa.html)

poverty, thus it is at its base a class crisis. As Box 3.2 illustrates, class polarization appears to be as true for one of the richest and best-endowed societies in the world, the USA (ironically the source is from China), as it is for poorer countries.

## THE CRISIS OF ECOLOGICAL UNSUSTAINABILITY

While the literature on all aspects of globalization has been expanding very rapidly in the last decade, it is probably no exaggeration to say that the literature on global environmental change has led the way. Much of this literature highlights what Held *et al.* in their survey of globalization describe as 'a catastrophe in the making' (1999: ch. 8).

The facts of ecological stress at the planetary level are clear, though their significance is not universally agreed. Scientific research, the mass publicity that it attracted, and consequent state and private funding, combined to provide a framework for the study of global environmental change in the context of sustainable development (World Resources Institute 1992; McManus 1996). Some advances have been made, for example in the control of CFC gases and some stewardship of some parts of the atmosphere, oceans, forests, and other natural resources, though argument still rages over the so-called global commons (Redclift and Woodgate 1995: vol. ii, part I). Nevertheless, in an unprecedented joint millennium report, with the ominous subtitle *People and Ecosystems: the Fraying Web of*

**Table 3.1** Indicators of ecological crisis

	Agro	Coastal	Forest	Fresh Water	Grassland
Food/Fibre production	Decreasing (Good)	Decreasing (Fair)	Increasing (Good)	Mixed (Good)	Decreasing (Fair)
Water Quality	Decreasing (Poor)	Mixed (Fair)	Decreasing (Fair)	Decreasing (Poor)	(Not assessed)
Water Quantity	Decreasing (Fair)	(Not assessed)	Decreasing (Fair)	Decreasing (Fair)	(Not assessed)
Biodiversity	Decreasing (Poor)	Decreasing (Fair)	Decreasing (Poor)	Decreasing (Bad)	Decreasing (Fair)
Carbon Storage	Mixed (Fair)	(Not assessed)	Decreasing (Fair)	(Not assessed)	Decreasing (Good)
Recreation	(Not assessed)	Unknown (Good)	(Not assessed)	(Not assessed)	Decreasing (Good)
Shoreline Protection	(Not assessed)	Decreasing (Poor)	(Not assessed)	(Not assessed)	(Not assessed)
Wood Fuel Production	(Not assessed)	(Not assessed)	Unknown (Fair)	(Not assessed)	(Not assessed)

Note: decreasing/mixed/increasing refer to condition of ecosystem; text in brackets refers to the estimated capacity of the ecosystem for sustainability.

Source: data compiled from 'The Ecosystem Scorecard' *World Resources 2000-01*, reprinted by permission of the publisher.

Life, UNDP, UNEP, World Bank, and the World Resources Institute all but acknowledge that the present global system is unsustainable, though the fact that it is a capitalist system is ignored (World Resources Institute 2000). Table 3.1, taken from this report, presents some key indicators of ecological crisis.

Agricultural lands, rainforests and other wooded areas, grasslands, and sources of fresh water are all at risk. Many rivers and other aquatic ecosystems are suffering severe ecological distress. The most dramatic cases are that of the Aral Sea where of twenty-four pre-existing fish species twenty have already disappeared, and the Rhine River where forty-four species became rare or disappeared between 1890 and 1975. Other rivers (the Colorado, Danube, Pearl River) also show signs of severe stress because of biodiversity loss, change of species composition, and loss of fisheries (World Resources Institute 2000: 115). Table 3.2 illustrates this last point for the oceans, the unsustainability of fisheries in the world's oceans at the present rate of exploitation. Ocean fishing is a very important source of food and income for poor people living near coastlines and the overfishing by large commercial fleets increases the pressure on the livelihoods of the poor.

While the details of the impending ecological crisis are not widely known, most people appear to be more aware of human impacts on the environment than ever before. This is due to at least three major factors.

(i) A series of high-profile international meetings since the 1970s, notably the United Nations Conference on Environment and Development in Rio in 1992 and the controversy over the implementation of the Kyoto agreement on global climate change, have made it difficult for intellectual and political elites to ignore the crisis. This is clear from even a casual look at daily papers and magazines and TV all over the world. To take just

**Table 3.2** State of the world's ocean fisheries

Ocean	Status of the fisheries	Fully fished by:
Atlantic Ocean	I-F	1983
North-east Atlantic	OV	1983
North-west Atlantic	OV	1971
Eastern Central Atlantic	OV	1984
Western Central Atlantic	OV	1987
South-east Atlantic	OV	1978
South-west Atlantic	I	1997
Pacific Ocean	I-F	1999
North-east Pacific	OV	1990
North-west Pacific	I	1998
Eastern Central Pacific	OV	1988
Western Central Pacific	I	2003
South-east Pacific	I	2001
South-west Pacific	OV	1991
Indian Ocean	I	
Eastern Indian	I	2037
Western Indian	I	2051
Mediterranean and the Black Sea	F	
Antarctic	OV	1980

Note: OV, Overfished; F, Fully fished; I, Catch is increasing.

Source: Adapted from tables in *World Resources 2000-01*, reprinted by permission of the publisher.

one example from the academic research sphere, in the introduction to a special number of the *Journal of Social Issues* on 'Promoting Environmentalism', Zelezny and Schultz (2000) document the increasingly critical treatment of the environment in several special issues since the 1960s. Then, the main problem was conceptualized as the effects of the physical environment on human beings, now the focus is on what we are doing to the environment. The number of academic journals and research institutes on the environment has accelerated rapidly since the 1960s, reflected in the impressive three volumes on *Sociology of the Environment* edited by Redcliff and Woodgate (1995).

(ii) There is clearly a growing disquiet about daily environmental degradation, serious incidents, and the difficulty of making environmental choices. The destruction of the ozone layer, decreasing biodiversity, worsening land, air, and water pollution in many places; sudden environmental catastrophes such as those at Bhopal and Chernobyl, devastating oil spills; floods, droughts, and hurricanes attributed to global warming; and advice on what we have to do to save the planet, are regularly reported in the mass media and popular scientific publications (see Brower and Leon 1999).

(iii) The rise in the last few decades of green movements in the North (McCormick 1992; Vig and Axelrod 1999) and the South (Wignaraja 1993, Goldfrank et al. 1999: part III) exerts a continuous pressure for action on the environment. The significance of the increasing convergence of environmental campaigns and movements around the world lies in the recognition that there are winners and losers in most struggles over the

environment (see Redclift and Woodgate 1995: vol. iii). Dwivedi (2001: 16) correctly points up the common perception of the differences between activists in the North and the South: 'it is not as much life-styles as life chances that constitute the battleground of environmental politics in the South.' He cites the movements around Chipko and the Narmada dam in India, the Chico dam in the Philippines, rubber tappers in Brazil, the Zapatistas, the Ogoni in Nigeria, and Green Belt activists in Kenya. Forsyth (2001) takes the argument a little further in his analysis of environmental movements in Thailand. His research demonstrates that environmentalism (in South-East Asia at least) cannot simply be dismissed as a pastime of the urban elite. He distinguishes three categories of environmental issues: green (wildlife, forestry, wilderness, etc.); brown (industrial and urban pollution); and a growing discourse of 'red-green' environmentalism (poverty reduction and social development as environmental priorities). Using newspaper framings of environmental conflicts from the *Bangkok Post* (an English language paper but written mainly for Thais) from the 1980s and 1990s, he shows the centrality of deforestation for all groups, but each framed the issues in a different way.<sup>24</sup> Those pursuing the red-green agenda on reforestation (and dams) highlighted threats to farming communities, acknowledging that environmental issues have winners and losers, and these tend to be class-based.

O'Brien and Leichenko (2000), in their assessment of the impacts of climate change, develop the winners and losers approach (this is, of course, a very general proposition) into the concept of double exposure, when some regions, sectors, ecosystems, and social groups are exposed simultaneously to adverse impacts from climate change and economic globalization. This usefully combines the analysis of the crises of class polarization and ecological unsustainability (though they do not use these terms). As they observe, winners can eventually become losers, though losers usually remain losers.<sup>24</sup>

While many TNCs (both the major globalizing corporations and smaller consumer-sensitive companies) have begun to institutionalize in-house mechanisms for dealing with resource and pollution issues, many other TNCs, their subcontracting partners, and local firms ignore good practice in production and waste disposal, even where required to do so by law, and pose ongoing threats to the global environment. More generally, the role of capitalist globalization in promoting unsustainable patterns of consumption with little thought for the environmental consequences has been critically scrutinized (Durning 1992, Redclift 1996). This latter issue raises fundamental questions about the capitalist global project and the central place of consumption, for both economic growth and ideological credibility. Even Wallerstein (in Goldfrank *et al.* 1999: 7) has come to the conclusion that 'the implementation of significant ecological measures, seriously carried out, could well serve as the coup de grace to the viability of the capitalist system'.<sup>25</sup>

Global capitalism, through the unceasing public pronouncements of members of the transnational capitalist class, acknowledges many of these issues, but as problems to be solved rather than crises. Corporate executives, world leaders, those who run the major international institutions, globalizing professionals, the mainstream mass media, all accept that the rich are getting richer, some of the poor are getting poorer, and the gaps between the rich and the poor are widening in our globalizing world. This is rarely seen as a class polarization crisis, but that is what it is. Summits and conferences are held, expert commissions are established, targets are set, Action Programmes are put into

practice, some targets are missed and some are achieved, and the process grinds on. Public representatives of the transnational capitalist class accept that there are environmental problems and that something has to be done about them. The transnational capitalist class even accommodates some mild criticism of consumerism and globalization, but the fatal connection between the capitalist mode of production and the holistic ecological crisis is almost entirely suppressed. Addiction research might help us to understand the psychological processes involved in burying what most of us know to be true about class polarization and ecological unsustainability to the deepest reaches of the unconscious. This analysis from India makes the point well:

Since independence a preference for gigantism has come to dominate our development paradigm. Our planners, politicians and experts have opted wholesale for large dams and gigantic industrial units, and have dug mines and exploited forests in pursuit of their elitist vision of progress and development. The cumulative ill-effects of all this development are now assuming disastrous proportions for a large section of the population, particularly for its most depressed strata—the tribals, the peasants and labourers—along with the already depleting natural resource base and our scarce financial resources. (Action Committee for National Rally against Destructive Development (1989), quoted in Dwivedi 1998: 148)<sup>26</sup>

The following chapters will set out the role of capitalist globalization in the creation and intensification of these crises. In order to do this, it is necessary to focus on the significance of transnational corporations for capitalist globalization.

#### NOTES

1. In an interesting critique of state-centrism, Radice (2000) points out that much of the argument against globalization as such rests on a rather naive progressive nationalism. To which I can add that if Ohmae had not existed then globo-sceptics would have had to invent him!
2. See Owen and Sutcliffe (1972), with its still useful annotated bibliography; and the more recent survey by Brewer (1990).
3. 'Rosa Luxemburg stands at the apex of the attempt to make operational the Marxist concept of class as the primary social referent, and to break once and for all the old alternative stranglehold of nation. In this respect her contribution is second to none' (Nett 1969: 519). This is precisely what the theory of socialist globalization attempts to do, but in order to do this, the Marxist concept of class needs to be globalized (see Sklair 2001: ch. 2).
4. This is a very bare summary. For a balanced account of modernization theory and its main critics, see the textbook by Harrison (1988). Some of the main sources are reprinted in Roberts and Hite (2000: part II).
5. It is interesting to note that the widespread criticisms of modernization theory and the inadequacy of the traditional/modern dichotomy appeared to have been forgotten by subsequent theorists of modernity. Notable in this respect is the attempt to theorize globalization as late and reflexive modernity (Giddens 1990); see also Lazarus (1999).
6. The best single source for these views is the book of readings edited by Eisenstadt (1970). See also Harrison (1988).
7. There are several excellent guides to this literature, notably Kay (1989) for a distinctive Latin American perspective. Packenham (1992) usefully discusses the politics of dependency theory, and Frank (1984) has a large bibliography, for and against.
8. See, in general, Moody (1998). I look in more detail at the bauxite-aluminium and the power industry in Chapter 4. My own research in the 1980s and early 1990s attempted to establish criteria for evaluating positive and negative developmental effects of TNC investment in the Third World (Sklair 1991, 1993) and Sklair (1994).

9. Beeson (2000) presents an interesting analysis of attempted selective delinking in Malaysia.
10. Lechner and Boli (2000) usefully reproduce fifty-four basic sources. See also two comprehensive multi-disciplinary surveys, Scholte (2000) and Held et al. (1999) and the collection edited by Smith and Guarnizo (1998). In addition to the multitude of US and Euro-centred publications on globalization, see Jameson and Miyoshi (1998) and the post-colonialist analysis in Lazarus (1999). The extensive bibliographies in these and other sources cited in the text complement the brief interpretation of competing conceptions of globalization that follows.
11. *Fortune* magazine publishes annual lists of the biggest TNCs in the USA and around the world, ranked by revenues. Other sources do the same, but the *Fortune* 500 and Global 500 labels have stuck. The cut-off point for entry to the FG500 in 2001 was \$10.3 billion.
12. While important, this measure is not a decisive indicator of whether a TNC is globalizing for the simple reason that the enormous size of the domestic market of some countries (notably the G7) means that TNCs domiciled in these countries may have huge amounts of foreign earnings from a relatively small proportion of their total revenues. For an attempt to construct measures of the extent to which TNCs are globalizing, see Sklair (2001).
13. All parts of all economies are clearly not equally globalizing. However, there is evidence that sourcing, production, and marketing processes within TNCs are being deterritorialized from countries of origin and operate in a globalizing economic system. This is the real issue for economic globalization (Dicken 1998, Sklair 2001, Gereffi and Kaplinsky 2001).
14. See Hall (2000); and also the *Journal of World-Systems Research* ([csf.colorado.edu/wsystems/jwsr.html](http://csf.colorado.edu/wsystems/jwsr.html)).
15. It may be the case that radical social scientists from the USA, so conscious of the power and ruthlessness of the American state, have difficulty in abandoning state-centrism entirely.
16. Both have chapters in Featherstone (1990). See also Robertson (1992) and Appadurai (1996).
17. The textbook by Scholte (2000), for example, is organized in terms of the triad of globalization, superterritorialization, and territorialization.
18. This is quoted in many different places. My source is, significantly, from the back page of the 25th Anniversary Issue of *Earthmatters*, the magazine of Friends of the Earth, UK. The quote is superimposed on a very cloudy map of planet earth.
19. See also the special issues of *Third World Quarterly* on globalization (21/2 2000), *International Sociology* (journal of the International Sociological Association) and *Global Networks* (journal of the Global Studies Association). All have lively websites.
20. Marxist economists will protest that the main crisis of capitalism is the falling rate of profit, though there has always been controversy even among Marxists over this (see *Historical Materialism* issues 4 and 5, 1999, Brenner 2001). Even if the rate of profit does decline it will not destroy capitalism, though its effects, class polarization and ecological unsustainability, could. For the roots of the debate on legitimation crisis, see Habermas (1976).
21. See also Vandersluis and Yeros (2000), an interesting collection that condemns globalization for failing to realize humanist ideals, a theme revisited in Chapter 10 below.
22. The fantasies of popular culture, for example Ridley Scott's film *Blade Runner* and Tom Wolf's novel *Bonfire of the Vanities*, express fears about the crisis very well. The relationships between globalization, polarization, and crime are explored by Findlay (1999).
23. See also Holzer (2001) on the significance of environmental framing.
24. Rubinoff (2001) similarly shows how the global demand for prawns (shrimp) has created unprecedented prosperity for some aquaculturalists at the cost of serious disruption to the traditional ecological balance in Goan coastal villages.
25. Hughes (2000) makes a relatively convincing argument that Marx was aware of the potential ecological crisis of capitalism. See also O'Connor (1994), Redclift and Woodgate (1995: vol.i, part II), and the journal *Capitalism, Nature, Socialism*.
26. According to research on how far the media was meeting its obligations to report on basic education needs in India, in one year's newspaper articles 8,550 were on foreign investment, 3,430 on foreign trade, 990 on education, and only 60 on rural primary education (cited in UNDP 2000a: 104).