Globalization and Comparative Civilizations: Looking Backward to See the Future

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"Globalization," a complex phenomenon that enthralls the news media worldwide, simultaneously inspires both optimism and fear among the general public. Talk abounds at all levels of society regarding "globalization," but there seems to be little consensus regarding its nature, extent and impact. The proponents of globalization paint an excessively glowing picture of the benefits that nations receive from participating in the process, while critics of globalization dwell excessively on the negative consequences, some that are real and some imagined. Supporters of globalization argue that it is a force for greater-good, offering economic growth and prosperity to people around the world. Economists and politicians, particularly those from the industrialized West, appear to have an overly optimistic view of the economic consequences derived from globalization, while other pundits, including comparative civilizationalists, envision a dichotomy between what is touted as "global civilization" and an equally illusionary historical notion of "civilization."

The present paper will demonstrate that, based upon the most recent analyses regarding the nature and impact of globalization, particularly its economic impact, the prevailing perceptions of globalization have engendered excessive optimism in its supporters and excessive fears in its detractors. The advocates of global civilization consider that the worldwide integration of people, ideas and economies worldwide will result in major benefits to all, but those benefits tend to disappear when the theories are subjected to detailed assessment. At the same time, the opponents of globalization fail to appreciate the magnitude of the cultural diversity that continues to prevail worldwide. A preponderance of people around the globe continues to think in terms of nationalism, national culture and national boundaries. Ironically, the recent methodology utilized by the champions of globalization to measure the extent and impact of global integration is based upon a "comparative study" of national states.

Although little consensus exist on the nature of globalization, Mark Findlay, an Australian criminologist, reflects the views shared by many...
when he states in his most recent publication, *The Globalisation of Crime* (1999), that in its simplest terms globalization "... is the collapsing of time and space—the process whereby, through mass communication, multinational commerce, internationalized politics and transnational regulations, we seem to be moving inexorably toward a single culture." Other sources define globalization in terms of a world that has become interconnected by markets which have resulted in a diminishing of the significance of national borders.

The remainder of this paper will comment on the extent to which national boundaries have actually disappeared and the world is moving "inexorably" toward a "single culture." However, at this point one can say that a more accurate description of globalization, as found in the sources used for this paper, would be that it "describes capitalism in the age of electronics."

Before engaging in more substantive matters regarding the issue of globalization, one should put to rest a passing observation that Mark Findlay included in the text previously mentioned. Findlay noted in the introduction to his work that one of the most obvious indicators of movement toward a single culture "... is the modern, universal cultural iconography ..." As any international traveler can attest, fast-food marketing has engulfed the entire globe, but to play upon a phrase, "the ubiquitous Coca-Cola sign does not a culture make." Such a mundane observation fails to appreciate the complexities that academics associate with the term "culture." The modern, universal iconography to which Findlay refers, such as the international presence of MacDonald's, Starbucks Coffee Shops, and Pizza Huts, clearly reflects an expansion of global capitalism, but, for most academics, falls far short of reflecting the evolution of a "single culture" or a global civilization.

A large number of contemporary academic and media publications that deal with the topic of globalization describe the phenomena in terms of the "integration" of national economies into a global economy, which, in turn, results in a significant growth in what is perhaps best described as global capitalism. Nations desiring to "integrate" their economy and participate in the regulated process of global capitalism, must first agree to a "liberalization" of their domestic economy. Thus, in practice, participating nations must reduce, significantly, protective tariffs and national controls that could impede the development of a free market in goods, services and finances. The enticement for developing countries, or nations in transition, such as Russia, to subscribe to the "Openness" policy and forego any protection of their fledgling
economies comes from a simple, but enticing, promise made by the industriized powers: International economic integration, which merges a national economy into the global trading system, will drastically improve national economic performance. Stuart Eizenstat, who served as the American Under Secretary of State for Economic, Business and Agricultural Affairs under former President Clinton, stated in a strongly worded address in support of globalization that “By any measure, globalization—the unprecedented rapid flow of private capital, ideas, technology, goods, and services—is a net benefit to all countries.”

Eizenstat, a champion of economic liberalization, maintains that the opening of once-sheltered states and untapped markets has helped nations and people around the globe. Entrepreneurs, he argues, who have taken advantage of trade liberalization to set up their own export business have benefitted immensely. The supporters of globalization maintain that real income in developing countries is 50 per cent higher than it was fifteen years ago and they also maintain that, over the past twenty years, the poverty rate in Asia has been cut in half.

The growth of globalized trade resulted largely from the General Agreement on Tariffs and Trade (GATT) negotiations held between 1948 and 1994. Initially, the twenty-three participating nations limited the liberalization of trade agreements to agriculture and textile products, where industrialized and developing nations alike reduced the subsidies they paid to producers in their own countries and reduced the tariffs on imported goods. Theoretically, as countries reduce their tariffs and non-tariff barriers to trade and open up to international capital flows, national economic growth follows, which in turn reduces poverty and improves the quality of life for the vast majority of the citizens of all participating countries, especially those in developing nations.

In an attempt to accelerate the growth of “free trade,” the Uruguay Round of GATT (1986-1994) created the World Trade Organization (WTO) in 1994. The WTO officially assumed the functions of GATT in January of 1995, when the 128 nations that were contracting parties to the 1994 GATT agreement eventually transferred membership to the WTO. From its inception, the function of the WTO has been to promote the benefits nations derive from the liberalization of their domestic economic policies and to encourage nonparticipating countries to become involved in the globalized economy. The WTO has worked to expedite “Free Trade,” to achieve increased trade liberalization through negotiations, and to settle trade disputes between countries. Although the WTO styles itself as a “...rules based multilateral trading system that
protects small nations from the economic powers . . . ," it will be demonstrated below that, increasingly, developing countries consider themselves to be at the mercy of the larger trading nations.12

The advocates of globalization also maintain that the benefits nations receive from liberalized trade policies are further enhanced by the "globalization of production." Globalized production has resulted primarily from developments in technology which make it possible for companies to move their operations to new, usually third-world, countries. Although there is usually a loss in production when companies relocate in developing countries, the reduced labor cost more than compensates for the loss. The theory behind globalized production maintains that developing countries benefit in two ways when new businesses come to be associated with their domestic economy. First, there are benefits to be derived from the inflow of foreign investments, a term used by globalizationists to mean the creation of new industries that are wholly owned by foreign corporations, and, second, benefits from the inflow of portfolio investments, which refers to companies partially owned by foreign investors. One of the primary consequences of the globalization of trade and production has been the growth of Transnational Corporations (TNCs) which now account for 70 percent of the world's trade and 80 percent of all foreign investments.13 The chief investors attracted by the TNCs are mutual funds, speculative "hedge" funds and pension funds. The impact of pension funds on the global economy is indicated in a 1991 study that showed that the top one hundred U.S., European and Japanese pension funds managed a third of the world's global income.

The success of globalized trade and production rests in large measure on the advances made in information technology (IT) and electronic communications, whereby TNCs can now coordinate trade and production both within and between production units located at distant sites. Indeed, the transport of goods between different parts of TNCs is itself a major contributor to the success of economic globalization. A third of all trade conducted across national borders now takes place within individual TNCs.14 The rapid growth of globalized production resulted in the creation of The General Agreement on Trade in Services (GATS), a sister agency to the WTO, which helps to regulate the globalization of production as it seeks to safeguard services and intellectual property (as opposed to regulating the buying and selling of tangible goods). In 1995 annual trades in services exceeded $1 trillion (all dollar amounts cited in this paper are in U.S. dollars), almost a quarter of
all the world trade. With the rapid growth and obvious success of globalized production there arose an obvious need to protect such services as telecommunications, banking, data processing, distribution and transportation. The industrialized nations would like to make GATS regulations more comprehensive, but the developing countries are resisting.\footnote{15}

Returning to our primary consideration of globalism as the spread of capitalism, in the form of globalized trade and production in the age of electronics, it is important to note that globalization has been carried forward in large measure by Transnational Corporations, with the WTO, World Bank and the International Monetary Fund (IMF), serving to facilitate the process. Much of the optimism espoused by pro-globalizationists rest upon their firm belief that the world is moving toward a global economy where national borders cease to matter.\footnote{16} In place of national governments, according to the theory, it is TNCs, and their supporting agencies (WTO, WB, IMF), that drive globalization. As evidenced by the statistics previously cited, the champions of globalization can advance a very impressive list of accomplishments by TNCs. Due to the impact of TNCs, in the past decade world trade alone has grown at an average annual rate of 6.6\% and in the year 2001 is expected to add between $200 and $500 billion to the global income.\footnote{17} Further evidence of the impact of TNCs is reflected in the statistic that, worldwide, twenty-seven million people—ninety-seven percent of them women—now work in export processing zones (EPZs). Export Processing Zones are areas dedicated to production for the export market, with special incentives, such as low taxes and tariffs, and a good infrastructure, used to attract foreign investors.

While the numbers regarding trade, production and employment generated by the TNCs sound impressive on the surface, they must be viewed in their proper perspective. Indeed, while TNCs are responsible for 70 per cent of the world trade and 80 per cent of the foreign investment, they employ only 3 per cent of the world’s labor force: a negligible proportion. These numbers pale even further when compared to the one billion people around the world who cannot find full-time work.

Just as the numbers generated by globalizationists in reference to the success of TNCs in shaping a “global civilization” are deceiving, so too are their claims of a diminishing significance of national states and national boundaries. Evidence of the persistence of nationalism amidst the growing global capitalism can be found in a recent confrontation that erupted between the United States and China, which, in Spring
2001, dominated international news for weeks. To appreciate fully the example to be cited, it should first be noted that last year the United States imported $52 billion in goods from China, which it retailed at such stores as Wal-Mart, and conversely, the number of McDonald’s restaurants in China grew to more than three hundred. Although China now ranks fourth among trading partners for the United States, the growth of markets between the two countries did little to mollify either side when tensions arose regarding the midair collision over the South China Sea on April 1, 2001. Based upon the reaction from Chinese officials when a U.S. surveillance plane and a Chinese fighter aircraft collided, it would be hard to support the claims of pro-globalizationists, that the merging of national economies into a global economy will diminish the sanctity of national sovereignty.

It should be noted that globalization rest on twin foundations: technology and the “liberalization” of domestic protectionist policies internationally. By way of elucidation, this means simply that all nations desiring to integrate their national economy into the global economy must agree to unrestricted “free trade” and uncensored information and communication networks. However, recent evidence reveals that several countries who once supported the “liberalization” policies associated with globalization are now restricting Internet access for their citizens. In a number of cases, heads of state justify their censorship of electronic communications on what they perceive to be an inherent danger to their national culture. With 80 per cent of all electronic transactions being carried out in English, many nations have come to view the Internet as an engine driving U.S. cultural hegemony. Evidence of censorship can be seen in the recent decision of Israel and several of the European countries to ban Yahoo! from their Internet servers because the presence of Nazi paraphernalia on Yahoo! conflicts with their own national laws prohibiting the dissemination of Nazi propaganda and paraphernalia. Although the U.S. and Yahoo! protested the ban, the absence of a centralized, global authority with sufficient power to enforce agreements, meant that objecting parties had little recourse.

While organizations such as the WTO, the World Bank, and the IMF have been effective in facilitating the growth of international trade and production, it should be noted that with regard to industrialized nations, these organizations are strictly “facilitators” and not “regulators.” They lack both the power and the authority to regulate independent actions taken by major industrialized nations. The South China Sea air collision and the increasing censorship of Internet transmissions, are a couple of
examples of recent events that undermine the claims of some scholars that the world is moving "inexorably toward a single culture."

Perhaps the best example of how actors on the global stage actually remain free agents when self-interest, or national interest becomes involved, was the recent decision of President George Bush to withdraw U.S. support of the Kyoto Treaty regarding "global warming." The Kyoto pact calls for industrial nations to limit sharply greenhouse gases that result from burning fossil fuels, which contribute to global warming. President Bush opted not to implement the treaty unless underdeveloped nations were also forced to comply. In the words of Bush, "To exempt most of the world is not a treaty the President thinks is in the best interest of the United States." Clearly, President Bush based his decision on the weakening of the U.S. economy and his judgment that it was an inappropriate time for the U.S. to limit its use of fossil fuel.

Additional examples could be given, but the point is obvious: Nations continue to make decisions based upon national, self-interest rather than the common good of a global civilization. The independent actions of nation-states, which are actually on the increase, belies the claims of such people as Mark Findlay that a single world culture is evolving. What is important to note is that when a country refuses to observe agreements reached through some form of a global consensus, there is no regulator authority to enforce compliance. Consequently, given the traditional notion of what constitutes a "civilization," one can say there is no global civilization because, simply put, there is no centralized global authority. What some scholars perceive to be a global civilization or movement toward a single culture, is better described as a loosely knit economic consortium, in which faceless TNCs dominate and whose interests are advanced, whether consciously or unconsciously, by a few facilitating agencies, such as the World Trade Organization and the International Monetary Fund.

The examples cited above tend to suggest that countries, national cultures and national boundaries remain paramount within the global process. Not only do nations continue to guard their autonomy with regards to electronic communications and liberalized protectionist policies, but, as will be demonstrated in what follows, the entire premise on which globalization is poised, i.e., technological advancement and liberalized protectionist policies, is inconceivable without nations that have a strong political, economic, social and intellectual infrastructure. As will be demonstrated in what follows, neither technological advancement nor the liberalization of domestic economic policies, can
succeed without the support of strong, national governments. With very few exceptions, advocates of globalization exaggerate the formative and sustaining powers of TNCs and they minimize the importance of the role played by strong, national governments in the success of globalization. Not only are nation-states crucial to the globalization process, but the nation must have an extremely strong political infrastructure if globalization is to fulfill its promise of national prosperity.

Although more will be said on political infrastructures later, it should be noted at this point that no one is better prepared to discuss the importance of a strong, political infrastructure for nation-states than comparative civilizationalists. Contrary to the beliefs of some civilizationalists that globalization has created a dichotomy between the creation of a Global Civilization and the traditional concepts of civilization, globalization has actually placed upon the civilizationist an increased burden of reinforcing the understanding of the roles played by a strong centralized authority, such as a national state, in the civilization process.

One of the difficulties in dealing with the issue of “globalization” is that, until recently, most of the theses on the topic rested on anecdotal information. There existed little data on which to measure the extent of globalization. As we see reflected in Michael Findlay’s definition of globalization, a consensus exists that globalization, whether economic, political, cultural or environmental is defined by increasing levels of interdependence over vast distances. However, how does one determine the extent to which a country has become embedded in the global economy and the effects of such involvement? Although most historians reject the notion of scientific history, there is some justification to the British physicist, Lord Kelvin’s, observation that “when you can measure what you are speaking about and express it in numbers, you know something about it, but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind.”

In an attempt to measure the extent of globalization, the A. T. Kearney/Foreign Policy Magazine recently developed what it calls the “Globalization Index,” which breaks globalization down into its most important component parts. The Index seeks to determine, on a country-to-country basis, the level of personal contacts across national borders by combining data on international travel, international phone calls, cross-border remittances and other transfers. It charts the World Wide Web by assessing not only its growing number of users, but also the...
number of Internet hosts and secure servers through which they communicate, find information, and conduct business. In short, the index determines the “most wired” countries in the world and seeks to show how this has impacted their economies.

The “Globalization Index,” as well as the advocates of global civilization, see an irrefutable link between the growth of information technology and the rise of globalization. The Internet makes it cheaper to design products; reduces the need for vast inventories; provides for better means to target, communicate with, and service customers, and helps companies to remove layers of bureaucratic fat. Increased automation also has challenged the need for a highly skilled and highly paid workforce, making it possible for companies to move their operations to new countries, often in the developing world, where unskilled workers can perform the job. As noted above, what the companies loses in productivity, they make up for in lower hourly wages.

As industrialized countries move companies into third world regions, the start-up of production in new areas of the world involves investment in the host country. Consequently, increased foreign investment evolved as a natural corollary to the development of communications technology. Direct foreign investments have expanded twenty-fold in the past twenty-five years, from $21.5 billion in 1973 to $400 billion in 1997. The “Globalization Index” actually tracks the movements of money by tabulating inward and outward directed foreign investment and portfolio capital flows, as well as the income payments and receipts. For example, the use of the Internet has permitted nations to sustain deeper levels of economic integration through which financial markets use electronic capabilities to move $1.5 trillion dollars around the world every day. In the past twenty years in the United States, cross-border flow of bonds and equities are fifty-four times higher than they were in 1970; Japan’s is fifty-five times higher and Germany’s is sixty times higher. Such figures have kindled excessive optimism among some corporate CEOs, such as the former Citicorp Chairman, Walter Wriston who has proclaimed that globalization is fast creating a world “tied together in a single electronic market moving faster than the speed of light.”

Several conditions revealed by the “Globalization Index” need to be noted. First, using the criteria established by the Index, the most globalized countries in the world are small nations. It should be repeated that what the success of globalization requires the most are technology and the liberalization of domestic economic policies. In cases such
as the Netherlands, Sweden, and Switzerland there are relatively small domestic markets that need to be protected by tariffs and the number of highly educated workers have given rise to truly global companies capable of competing anywhere in the world. Singapore, the most globalized nation in the world, can attribute its premiere spot to high levels of trade, foreign investment and portfolio investments. Singapore has the highest number of foreign visitors (three times its population), and the highest rate of electronic contact with the outside world. However, Singapore’s ranking as the number one globalized region is in jeopardy due to its tight controls over Internet development, and to its failure to endorse a regional free-trade agreement.

The Netherlands also ranks high on the “Globalization Index” due in large measure to the Dutch having invested heavily in other countries and foreign capital flow into their own economy. The Dutch have accomplished these goals by riding the wave of the Internet development and by passing legislation that stripped all regulations regarding market controls (protective tariffs, etc.). The success of countries standing atop the “Globalization Index” can be attributed to the “openness” they adopted with regard to world trade: An openness to electronic information sources, to foreign capital, and to eliminating protectionist controls over domestic markets.

It should be noted that the countries that have experienced the greatest benefits from globalization are those who are in a position to benefit from global communications technologies. The “most wired” nations, such as the Scandinavian countries, the U.S. and Canada, stand to gain the most from economic integration. Scandinavia exemplifies the changing face of global integration as Sweden, Finland and Norway now utilize their manufacturing prowess to capitalize on the information technology boom, while further opening their countries to trade and investment flows. The market capitalization of Nokia, Finland’s global telecommunications giant, is now higher than the country’s gross domestic product. In contrast to small countries that can most readily deregulate protectionist polices at home and are in the vanguard of IT, stand such areas as continental Europe, where political complexity and the lack of Internet connectedness create an unfavorable climate for economic integration. Many nations remain stalled at lower levels on the “Globalization Index” due to their inability to meet the requirements needed for global integration. The indications are that the gap between those nations at the top and those at the lower levels will continue to increase.
Whether success in the high-tech sector alone produces noticeable economy-wide gains, depends largely on the size of the population and the level of education of the country. Advocates of the success of globalization cite India as one of the major success stories of a large country entering the global market. Without question Bangalore, India, has become famous for supplying software engineers to computer centers around the world. However, the figures alone make it obvious that in large countries like India, building a successful high-tech industry is like throwing a pebble into an ocean. The software companies in India employ about 340,000 of the country’s one billion people, while 50 per cent of the population remains illiterate. India’s example may be countered by that of China, which first developed its infrastructure, such as educating its masses of children to use modern technology, before it committed massive resources to the task of entering the global market.

Without question, not all countries have shared equally in the transition to the new global economy. The benefits of globalization have been unevenly distributed around the world. In 1997 of the recorded $150 billion in foreign direct investment, the top dozen recipient countries took 80 per cent of foreign investment leaving $30 billion to share amongst 136 developing countries. When trade distribution is considered, the developing countries suffer even more. Approximately 70 per cent of the new wealth generated by trade liberalization will go to the rich countries in the North, while the rest is to be shared between Latin America, China and the “upper income” countries in East Asia. The world’s least developed countries actually may lose up to $600 million a year, while sub-Saharan Africa is set to lose $1.2 billion a year.

While developing countries have been willing—perhaps too willing—to liberalize their domestic economic policy in order to enter the global market, most lack the technological sophistication to benefit from globalization. A major problem is that the economic activity related to information and communications technologies is mostly concentrated in the industrialized world. “The digital divide between developed and emerging-market countries is now more like a digital abyss.” How to bridge this digital abyss separating developing economies from the industrial nations is a major mystery, for limited resources pose a virtually insurmountable dilemma. Malaysia attempted to develop its IT capabilities by spending more than $3.6 billion on its Multimedia Super Corridor while at the same time 70 per cent of its schools lacked computer facilities and almost 10 per cent of the population lacked electricity. As Malaysia has demonstrated, there is little that developing nations
can do with Internet development until they address fundamental concerns about infrastructures.24

Other examples can be given of the problems that the digital abyss has caused in developing countries. In Chile, one of the most prosperous emerging markets, most of the country lacks the proper telephone connections for access to the Internet. Africa lacks adequate telecommunications for most of the continent, and the Republic of the Congo has no direct link to the Internet. In Jamaica, numerous computers sit idle in grade schools because they lack the proper telephone communications system.

While the world's poorest countries need to benefit from globalization, the threats seem to outweigh the opportunities. Even the WTO agrees that not all countries are benefitting equally from globalization, but it also maintains that countries are being "marginalized" not by globalization but by their resistance to free trade. [Marginalization is defined as exclusion from the global economy, notably through insufficient foreign investments or through local businesses not being able to survive the competition from more powerful TNCs.] The WTO argues that the degree of "openness" within a country determines the degree of success from globalization.

In contrast to the views expressed by the WTO, Benjamin Mkapa, President of Tanzania has commented that "The prospects of integrating our countries to the global economy is extremely dim . . . the industries as we have will be affected by imported products that run our companies out of business."35 Small farmers and local businesses now face direct competition from the world's most powerful companies, while governments which try to protect them from such competition are accused of undermining "free trade."

Other world leaders disagree with the WTO's assessment of globalization and the problems experienced by developing nations. Martin Khors, Director of the Third World Network, expressed a growing concern regarding globalization at the opening session of the Millennium Form, UN General Assembly Hall, New York, May 22, 2000.36 According to Khors, "In truth, the essence of globalization is the push by big companies and financial institutions to have more power, to grow bigger through the taking over of others, and making more profits." As Khors accurately states, for developing countries, "marginalization," which results from an "openness" to trade, is a major problem. Khors goes on to say that the "liberalization of domestic economic policies, which result in an openness to trade, has resulted in a new form of colo-
It is true, as Khors observes, that most of the pro-globalization countries advocating a liberalization of economic standards are countries who were at one time victims of colonialism. When the current industrialized nations were in the first phase of establishing their independence and escaping the bonds of colonialism, these countries instituted measures to boost their weak domestic economy, domestic firms, banks and farms, and defended themselves from big, foreign predators. These same countries now want to break down protectionist barriers in developing nations so they can take over the local firms and farms.

One can find evidence to support Khors’ assertion of globalized colonialism in some very surprising places. In a recent address entitled “U.S. Perspective on Globalization,” Stuart Eizenstat, whom we mentioned above, made the statement that, “unlocking the potential of developing nations is crucial to the future of the global economy. They offer enormous, untapped markets for our goods and services . . .” Whether it was intended to be so or not, Eizenstat’s statement is a classic endorsement of colonialism. The dumping of goods and services on the defenseless and poor. Comparative civilizationalists need to address the issue of historical colonialism in order to alert developing nations and nations in transition of the inherent dangers posed by the new global colonialism. The perpetrators of neo-colonialism are far more difficult to identify as they are frequently represented by faceless TNCs using foreign investment and portfolio investments to assume control of national governments rather than the old historical process of physical domination. The methods are less invasive, physically, but the results are similar to those of classical colonialism.

As Martin Khors has stated, “the crux of the problem is the unequal distribution of power and wealth in the world.” Those that hold power and wealth want to keep it and protect it. What has resulted is a set of double standards to protect the industrialized North and discriminate against the underdeveloped South. Supporters of globalization, says Khors, “. . . talk of transparency and democracy going on at the national level, but the major powers refuse to democratize at the international level.” When developing countries gained too much influence in the UN, decisions being made on a one country, one vote, system, the major powers decided in the early 1990s to reshape the UN and transferred its authority on economic and social issues over to the IMF, World Bank and WTO, institutions which they control. Most decisions regarding globalization are made by the G8, or the eight great industrialized nations that control the WTO. Smaller nations have little or no input on
how the global system works, as the WTO has a system of decision-making that excludes the developing countries.\textsuperscript{42}

Many additional examples could be given of the globalization process and its impact, both positive and negative, but sufficient ground has been laid to address the major issue raised in this paper regarding whether a dichotomy exists between globalization and comparative civilization. In response to this question, let me give an emphatic, NO! First of all, there is no global civilization. No centralized global authority exists to direct or control globalization. The "openness" that characterizes economic globalization is a loose consortium of participants, dominated by the industrialized states. Members of this consortium agree on policies so long as it is in their national interest to do so. When agreements are contrary to national self-interest, nations can and do opt to ignore the regulations. Also, except for a few special circumstances, there is little evidence to support Mark Findlay's prediction regarding globalization, that it is carrying us "inexorably toward a single culture." Nationalism and national self interest still dominate in the world today. Under the definition stated in the beginning of this paper, that globalization is best characterized as capitalism in an electronic age, one could probably make a stronger argument that globalization represents a polarization of civilizations rather than the evolution of a single culture. Only a minority of nations possesses sufficient electronic resources to be active and profitable participants in this new-age capitalism.

As talk of a global civilization continues to persist and world leaders reflect a growing commitment to globalization, there has never been a time when civilizationalists had a greater obligation to inform leaders as to the fundamental nature of civilizations and to compare the characteristics of traditional civilization to prevailing global practices. It should also be noted that the new paradigm formalized by the A. T. Kearney/Foreign Policy Magazine to measure the extent of globalization, which they call the "Globalization Index," is based on a comparative model. The "Globalization Index" rest on a comparative study of the extent to which nations have become integration into a global market. The comparative format is alive and well in global studies.

For more specific examples of the fertile field of study awaiting comparative civilizationalists, studies need to be undertaken to demonstrate that developing countries can thrive in the new global economy, but they can thrive only if they combine economic openness with a clear domestic investment strategy and effective civil and political institutions. Dani Rodrick wrote a Policy Essay in 1999 for the Overseas
Development Council that best summarizes how developing nations should respond to the new global economy. In it Rodrick stated that emerging-market nations must participate in the world economy, but they must do so on their own terms, not on the terms "dictated" by global markets and multilateral institutions. "The pursuit of so-called 'international competitiveness' has too often crowded out traditional development concerns related to industrialization and poverty in many emerging economies."

As civilizationalists can clearly demonstrate, history teaches that, ultimately, all successful countries develop their own brand of national capitalism. The states which have done the best in the postwar period devised domestic investment plans to kick-start growth and established institutions of conflict management. An "open trade" regime, on its own, will not set an economy on a sustained growth path. "Openness to the global economy can be a source of many economic benefits: imports of investment and intermediate goods that may not be available at home, the transfer of ideas and technology from more developed nations, and access to foreign savings which can help poor nations get around some of the traditional obstacles to rapid growth." But, what we as civilizationalists need to tell the victims of globalization is that domestic investment must first be in place in order for the economy to grow. Global economy benefits can be realized fully only when the complementary policies and institutions are already in place at home.

Too often claims by the boosters of international economic integration are downright false. For "Openness" to be a positive force for national economic growth, it must be nurtured. "Economic openness is part of a developing strategy, never a substitute for development strategy." As Dani Rodrick has stated, policy makers need to focus on the fundamentals of economic growth—investment, macroeconomic stability, human resources, and good governance—and not let international economic integration dominate their thinking on development.

East Asian countries provide the best example as they complement their outward-orientation with a coherent domestic investment strategy that raises the private return and kindles a spirit of entrepreneurialism. As civilizationalists we need to reinforce the need for strong national governments, particularly when it comes to conflict management. Societies with deeper cleavages along ethnic, income and regional lines are particularly susceptible to policy paralysis unless efforts have been exerted to create a strong national infrastructure. Education must be a high priority if a nation is going to compete in the global markets.
Comparative civilizations are best qualified to demonstrate, particularly to developing nations, the need to stop thinking of international economic integration as an end in itself and the need for developing nations need to engage in the world economy on their own terms and not on the terms set by multilateral institutions.

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NOTES:

2. Given Findlay’s definition of globalization as a diminishing of time and space, one could conclude that all of history has been nothing more than the story of globalization.
5. “Integration,” “Liberalization” and “Marginalization,” are key terms with specialized meanings which will be provided in the text of the article.
7. Ibid.
8. Ibid.
12. Ibid.
15. Ibid., p.9.
February 1, 1999, 14.

Panos Briefing No. 33: 6.

“Despite friction, harsh words, countries are bound together,” USA Today, Wednesday, 18 April 2001, 8A.


Ibid., 1.

Litan, “Think Again,” 1

Panos Briefing No. 33:6.

Staff, “Measuring Globalization,” Foreign Policy Magazine, (January-February 2001): 2. “BM9” Http://www.foreignpolicy.com/issue_janfeb_2001atkearney.html Actually, this is a false observation, the global economic integration has wound down to a crawl, this due in part to the financial crisis that rippled through Southeast Asia, Latin America and Russia in the late 1990s.

Ibid., 3.

Just another example that national boundaries and statehood are of major importance. The “single culture” some envision is still far from a reality.

“Measuring Globalization,” 3. Within three years foreign investments increased from 8% of the gross domestic product to more than 19% of the GDP. Likewise, portfolio investments grew from only 5% to more than 30% over the same period, the highest levels in the world.

Ibid.

Ibid.

Litan, “Think Again: The Internet Economy”; 3.


Panos Briefing No 33: 2

Staff, “Measuring Globalization”: 4. While it is to be expected that the new emerging nations would lack the IT to participate in global integration, there is also an increasing discrepancy between the vast technological advances in North America and the Scandinavian countries which gives them a great advantage over the rest of the industrialized world.

Staff, “Measuring Globalization”; 5.
Panos Briefing No 33:3. UN Deputy Secretary-General Louis Frechette has stated that "Globalisation will be seen by some people as the root cause of crisis and insecurity, or even as the embodiment of economic and social evil...[but] the reality is more complex. Globalization has brought about as many benefits as it has engendered new risks."


Stuart Eizenstat, "The U. S. Perspective on Globalization":1.

Ibid., 2-3. In fairness to Eizenstat it should be pointed out that he goes on to outline a four point plan to assist developing countries and keep them from being marginalized. His plan would include: 1. To institute sound macroeconomic policies and salutary structural reforms. 2. To build infrastructure by having developing countries invest in their people and institutions. They must have strong and open political systems, experience economic growth, and they must invest in human capital development. This means promoting universal primary education, broader public access to information about global markets, improved public transportation and utilities, and high labor standards. 3. To improve regulation and supervision of financial institutions, along with improving corporate governance. 4. To end corruption in developing world and transitional societies. The developing countries must maintain a solidly pro-growth, open-market orientation which supports trade liberalization.

Martin Khors, Opening Session of the Millennium Forum, 2.

Ibid., 3.

Ibid., 2.


Ibid.

Ibid.

Ibid., 1.

Ibid., 2.

Ibid.

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