Critical Theories of Globalization

Also by Chamsy el-Ojeili

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Critical Theories of

Globalization

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Introduction
Said Arojomand (2004: 341) argues that in the period after the collapse of communism (1989–91) ‘globalization’ pushed ‘postmodernism’ aside as ‘the social scientific master trend of a new era’, or as Featherstone and Lash (quoted in Rosenberg, 2000: 2) put it, as ‘the central thematic for social theory’. More widely, globalization has been, for more than a decade, a major concern not only in academic but also in government, business, and popular discourse. Zygmunt Bauman (1999a: 1) captures the ubiquity of the concept and raises, at the same time, doubts about its deployment: “Globalization” is on everybody’s lips; a fad word fast turning into a shibboleth, a magic incantation, a pass-key meant to unlock the gates to all present and future mysteries. For some, “globalization” is what we are bound to do if we wish to be happy; for others “globalization” is the cause of our unhappiness’. Here Bauman gestures both to the manner in which globalization is often taken as a process beyond the scope of human control and also to the tendency to appeal to globalization as an explanation for everything. For this reason, discussion around globalization often resolves into a set of unspecific and unquestioned observations: the nation-state is losing power; a new global culture is appearing; there is no alternative to the ‘golden straightjacket’ (Friedman, 1999) of global capitalism, and so on.

While it seems to us that the debate around globalization is far from exhausting itself it is just as evident that, at the very least, in popular discussions the discourse of globalization works all-too-often as mystification. Thus, casual use of the term ‘globalization’ frequently
substitutes for proper elucidation and critical analysis of a host of complex issues, and in doing so obscures the variety of complex, uneven, and interrelated forces and processes that characterize world interconnectedness.

A central aim of this book is to ‘demystify’ globalization by introducing central issues, unravelling with as much clarity as possible key debates, illustrating with examples, and rubbing competing positions against each other in order to provide an overview of the critical theoretical and substantive field of debate around globalization. This field is, we believe, rich and valuable, illustrating Gregor McLennan’s (2000) argument about an emerging ‘new positivity’ in the social sciences, which seeks to forge a stronger consensus about the state of the world today and put this understanding to ‘progressive and effective use in the public realm’. This ‘new positivity’ is not an antiintellectual trend that imagines it might jettison theory for straightforward empirical description of ‘the facts of the matter’ or the ‘real world’. In this, we follow the contention – advanced by the theorists associated with the Frankfurt School – that there is no coming naked to apprehension (as the novelist Alexander Trocchi (1966: 9) put it), that theorizing is inescapable, and that ‘the facts of the matter’ are never something that can be separated from conceptualization or from politics. In this vein, there is some disagreement over the meaning to be attached to the empirical evidence used to support various claims about the effects of globalization. While some may argue that the ‘facts speak for themselves’, we believe that the available data must be reflected upon within a larger frame of concepts, interpretations, and socio-historical events. Ultimately, evidence about globalization is formed, sustained and contested within particular social, political, and economic contexts, and claims about this evidence must be assessed in light of this. Therefore, a new positivity implies the attempt to connect theoretical innovation and elucidation with substantive issues in the public realm – a return, in many ways, to the sorts of theorizing engaged in by the classical social and
political theorists of modernity, such as Karl Marx, Max Weber, and Emile Durkheim. In particular, the theoretical lenses employed in these chapters are provided broadly by critical theory, which we shall discuss in Chapter 1. We will note here, though, that critical theory today is a diverse terrain, providing a rich set of interpretative tools that have varying implications for the understanding of globalization. Therefore, we adopt a pluralistic approach to critical theory, embracing the different specialisms of the various types of critical theory while recognizing their common interests grounded in the possibility of social critique and transformation. For this reason the title of the present book refers to critical theories rather than to ‘the’ critical theory of globalization.

2 Critical Theories of Globalization

The book proceeds as follows. Chapter 1 begins by introducing critical theory and discussing the different ways it has been employed. We then set out the major theoretical responses to globalization before turning to analyze globalization in history. This analysis is important to understanding the specificity of contemporary globalization. The following section examines some of the main theories of social change, in order to illuminate the connection between globalization and the dimensions of societal change thought to accompany globalizing transformations. This leads, in the final section, to a discussion of the notions of ‘development’ and ‘modernity’ as prominent ways of conceptualizing global social change.

Though we deny that the economic, the political, and the cultural dimensions can be unproblematically separated, we use these broad divisions as the basis for Chapters 2, 3, and 4, respectively. In Chapter 2, we explore the economic dimensions of globalization. We begin with the important shift in economic common sense, from Keynesian to neoliberal precepts about states and markets. For many critics, institutions such as the World Bank, the International Monetary Fund, and the World Trade Organization are key contemporary carriers of neoliberal ideology, and we discuss these institutions next. We move on, then, to examine the explosion of global
finance in recent decades, and then look at multinational corporations as key agents of economic globalization. Considerations of stratification and inequality involving class, poverty, and work follow, as contemporary globalization is seen as issuing in significant alterations in these terms. Globalization is associated as well with new technology, such as digitalization, the Internet, satellites, and so forth, and these are discussed in the penultimate section of Chapter 2. Last, we examine changes in cities and the growth of slums as manifestations of economic globalization.

In Chapter 3, we begin by examining arguments that posit a recent decline in the power of nation-states. The argument often put forward is that the power of multinational corporations, new organizations above and below the level of the state, and new challenges such as the environment and global human rights, have reduced the capacity of states to act strictly in accordance with their own narrow interests. Others have argued that rather than going into decline, the state’s role has been transformed in line with a pluralization in governance reflecting, for instance, the impact of an emerging global civil society.

One significant argument growing out of this debate is that such changes in state capacities and roles means a corresponding malaise in democratic politics, the central consideration in our final section for this chapter.

Chapter 4 explores cultural globalization. We begin by looking at the global expansion of the power and reach of the cultural industries. One prominent argument – the cultural imperialism thesis – is that the largely Western cultural industries are pushing us in the direction of cultural homogenization. After considering counter-arguments to this thesis, we focus on the issue of identity and ask whether this is changing under the pressures of growing world interconnectedness. We then explore the argument that today’s world is faced not with growing sameness but with clashes of incommensurable worlds or civilizations. To explore this further, the chapter closes with reflections on nationalism, ethnicity, and fundamentalism.
Chapter 5 analyzes the anti- or alternative globalization movement. We start by placing this movement in the context of research on social movements in general. The anti- or alternative globalization movement is characterized by a great deal of differentiation, and we next explore some of the different forces and arguments within the movement, some of the different organizations, mobilizations, and theorists contained within the broad label of alternative globalization. We then consider some of the novel modes of action and organizational forms of this movement, which challenge traditional hierarchical models of progressive social change. The chapter also looks at some of the dilemmas facing alternative globalization as a social movement. In conclusion, we briefly consider whether we have with this movement a contemporary restatement of critical theory’s utopian dimension, that is, its compelling vision for reconfiguring existing political practices and social institutions.

4 Critical Theories of Globalization

1 Theorizing Globalization:

Introducing the Challenge

**Introduction**

The purpose of this chapter is to provide critical tools for, and background to, the chapters ahead. Part of this involves examining globalization’s historical dimension, which is vital in thinking about the specificity of the contemporary globalizing moment. In theoretical terms, we want to argue for the utility of critical theory as a way of approaching globalization, and critical theories of social change and analyses of modernity and development, which are linked in a number of crucial ways to discussions of globalization, are helpful in understanding the complexity of globalizing transformations. Above all, we insist on the inescapability of theorizing, and maintain that the imaginative and lively variety of critical theoretical approaches canvassed here shed significant light on globalization.

**Critical theory**

In this section we introduce critical theory, the theoretical paradigm that
informs the investigation of globalization in this book. Critical theory today is a very broad theoretical orientation that includes a variety of different approaches and perspectives, with often contrasting analyses of contemporary phenomena. Despite this diversity there are two primary ways of identifying and defining critical theory and its concerns. The first and perhaps most widely recognized version of critical theory is that associated with the body of work developed by members of ‘the Frankfurt School’ or the Institute for Social Research, established in Frankfurt, Germany in 1923. ‘Critical theory’ (which is distinguished from ‘traditional theory’ – see Box 1.1) is a phrase originally coined by thinkers (including Theodor Adorno, Max Horkheimer, Herbert Marcuse, Leo Lowenthal, Franz Neumann, and Jurgen Habermas) of the Frankfurt School, whose research spanned a wide range of areas such as art and music, political economy, technology, the public sphere, and the rise of fascism. As Held (2004a) points out, however, the term ‘school’ may connote too unified an image of what was in fact a variety of concerns, approaches, and projects. Nonetheless, the Frankfurt theorists did possess a certain unity of purpose – namely, the attempt to move society towards rational institutions ‘which would ensure a true, free and just life’ (Held, 2004a: 15) – which gave the ‘school’ its distinct character. The Frankfurt School theorists were heavily influenced by the philosophies of Kant, Hegel, and especially Marx, but theirs was a critical, unorthodox Marxist orientation that came to reject the determinism of socialist orthodoxy. Frequently, then, the Frankfurt theorists made a move from political economy to the realm of culture – art, psyche, and leisure, for instance – viewing culture both as a site of integration into

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Box 1.1 Horkheimer on ‘Traditional’ Theory

The sciences of man and society have attempted to follow the lead of the natural sciences with their great successes. … The assiduous collecting of facts in all the disciplines dealing with social life, the gathering of great masses of detail in connection with problems, the empirical inquiries, through careful questionnaires and other means … all this adds up to a
pattern which is, outwardly, much like the rest of life in a society dominated by industrial production techniques. … Beyond doubt, such work is a moment in the continuous transformation and development of the material foundation of that society. But the conception of theory was absolutized, as though it were grounded in the inner nature of knowledge as such or justified in some other ahistorical way, and thus it became a reified, ideological category. As a matter of fact, the fruitfulness of newly discovered factual connections for the renewal of existent knowledge, and the application of such knowledge to the facts, do not derive from purely logical or methodological sources but can rather be understood only in the context of real social processes. … In traditional theoretical thinking, the genesis of particular objective facts, the practical application of the conceptual systems by which it grasps the facts, and the role of such systems in action, are all taken to be external to the theoretical thinking itself. This alienation, which finds expression in philosophical terminology as the separation of value and research, knowledge and action, and other polarities, protects the savant from the tensions we have indicated and provides an assured framework for his activity.

Source: Horkheimer (1995: 190–1, 194, 208)

the social order and a place in which one could still hear the faint heartbeat of utopia. This is a tendency counter to that of orthodox Marxism, which relegated cultural questions to superstructural or derivative status vis-à-vis the economy. In particular, the Frankfurt School theorists challenged orthodox Marxism’s dogmatic adherence to historical materialism and its positivist views of economics, politics and science, advocating instead a self-reflective version of ‘immanent critique’. Immanent critique is a philosophical approach according to which theory and its prescriptions for social transformation are regarded as inseparable from the historical, social, and material contexts of their own genesis. In other words, immanent critique involves critically questioning the norms and values found within existing social arrangements and institutions, in order to expose contradictions and tensions between ideas and practices which often lead to unacknowledged forms of oppression. Once such contradictions and tensions are exposed, historically
possible opportunities for emancipation and social change can then be identified and put into practice.

It is important to keep in mind that the Frankfurt School theorists had witnessed not only the defeat of the post-First World War socialist uprisings in Germany in particular and across Europe more generally, but also the rise of fascism in Spain, Italy and Germany, totalitarianism in the Soviet Union, and, in Adorno, Horkheimer, and Marcuse’s exile in America, a new form of domination centred around mass culture and consumption (Anderson, 1976). For these theorists, there was nothing ‘self-evident’ about history and society, and progressive revolutionary struggle was neither automatic nor inevitable; this position ran counter to the optimism of socialist orthodoxy, which considered socialism an inevitable development out of capitalism.

These thinkers engaged in imaginative and speculative endeavours, seeing such theorizing as important in going beyond appearances and the givenness or ‘naturalness’ of facts. As Marcuse (1973: 145) argued, ‘the real field of knowledge is not the given facts about things as they are, but the critical evaluation of them as a prelude to passing beyond their given form’. Developing Hegel’s distinction between what exists and potentiality, or what might yet come into being, the Frankfurt thinkers kept in mind the possibility of a rational future, of going beyond that which existed but doing so in a way that developed out of actually existing social systems. We will take up the question of globalization and this transformative, indeed utopian dimension of critical theory in the final chapter.

Theorizing Globalization: Introducing the Challenge

8 Critical Theories of Globalization

Box 1.2 Key Figures of the Frankfurt School

Max Horkheimer (1895–1973) was a German philosopher and sociologist who served as the primary director of the Institute for Social Research from 1930. While inspired by Marxism, Horkheimer’s theoretical approach was interdisciplinary and critical of the economic determinism endorsed by many orthodox Marxists who attempted to reduce all social phenomena to
economic factors. Horkheimer stressed that the economic system must be examined in connection with art, religion, ethics, ideology, and the psychic structure of consciousness, for the purpose of producing knowledge that could contribute to the struggle against all forms of political domination. Horkheimer argued that the aim of critical theory was to diagnose ideological contradictions between social theory and practice, such as liberalism’s support for the concept of equality along with capitalism’s creation of material conditions of inequality. His major works include *Studies on Authority and the Family* (1936), *Dialectic of Enlightenment* (1989, with Theodor Adorno), and *Eclipse of Reason* (1947).

Theodor Adorno (1903–69) was a German philosopher, sociologist, and musicologist and member of the Institute for Social Research from 1938. Adorno’s primary focus was on the aesthetic dimensions of social order and the relationship between culture and politics. With Horkheimer, Adorno analyzed the emergence of the modern ‘culture industry’ and the increasing commodification of culture through the production of standardized forms of art and music designed for ‘popular’ mass consumption. For Adorno, the commodification of culture represented the political means through which dominant ideologies are imposed upon and reproduced throughout society, leading to conformism and the decline of individual thought and behaviour. The passive attitudes reinforced by popular culture, Adorno argued, threaten creativity and freedom and provide a fertile ground for the growth of authoritarian personalities. Adorno’s most important works include *Dialectic of Enlightenment* (1989, with Max Horkheimer), *Minima Moralia* (1951), and *Negative Dialectics* (1966).

Herbert Marcuse (1898–1979) was a German philosopher and social theorist and member of the Institute for Social Research from 1933. As with other members of the Frankfurt School, Marcuse wrote extensively about the oppressive effects of advanced industrial society and its ability to co-opt dissent and political opposition. Incorporating the insights of Freud and existentialism with those of Marxism, Marcuse argued that the repressive alienation of modern bureaucratic capitalist society could be challenged through the creative release of eros, sensuality, and joy. Marcuse thus critiqued the narrow Marxist focus on the proletariat as the only legitimate
source of social change, and suggested that positive social change could be realized by forging solidarity across a wide spectrum of disaffected groups and movements. For this reason Marcuse became a central figure in the New Left and student movements of the 1960s and 70s. His major writings include *Eros and Civilization* (1955), *One-Dimensional Man* (1964), and *An Essay on Liberation* (1969).

Critical theory is also defined in a second, broad designation. Chris Brown (1994: 217) suggests that critical theory should be understood as a generic term that refers to an assortment of approaches – ranging from Frankfurt School theory to postmodernism, poststructuralism, and feminism – which share the view that the dominant discourses of modernity emerging from Enlightenment social and political thought are in a state of crisis. This crisis is the result of powerful critiques of modernity’s adherence to the positivistic model of scientific practice, which neglected the rich diversity of experience and the importance of norms and values in favour of a narrowly instrumental view of rationality and knowledge. Here, as with the Frankfurt School, critical theory is directed against traditional theory’s attempt to imitate the natural sciences and treat social phenomena as immutable ‘facts’ detached from experience. Defined in this broad sense, critical theory questions the assumptions of modern positivism, pursues alternative modes of thinking, and opens up transformative possibilities for social and political theory and practice. The implications of critical theory are significant insofar as theory is not regarded merely as the attempt to verify reality ‘as it is’, but to reevaluate current

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**Box 1.2 Key Figures of the Frankfurt School – continued**

Jurgen Habermas (b. 1929) is a German philosopher and social theorist who studied under Horkheimer and Adorno and served as director of the Institute for Social Research from 1964 to 1971. Habermas is the leading figure of the ‘second generation’ of the Frankfurt School, and in 1979 he was named ‘the most powerful thinker’ in Germany by *Der Spiegel* magazine. Habermas’s early work focused on the ways in which the instrumental rationality
of modern administrative and economic systems tends to dominate the ‘lifeworld’ of the everyday cultural environment. One consequence of this domination is that social interactions and the intersubjective relationships of individuals become increasingly weakened and distorted. Habermas’s later work thus focuses on the nature of communicative action and the conditions required for undistorted communication (for example, by coercion, bias, and violence) between all participants in public discussions. For Habermas, the emancipatory potentials represented by democracy can be best realized through open yet critical communal dialogue that continuously takes into account all relevant viewpoints in deciding upon and evaluating potential outcomes. Habermas’s main works include *Legitimation Crisis* (1973), *The Theory of Communicative Action* (1981), and *Between Facts and Norms* (1992).

conditions and forge new forms of social life consistent with the goal of emancipation. As one commentator (Hoffman, 1987: 233) has put it, critical theory:

entails the view that humanity has potentialities other than those manifested in current society. Critical theory, therefore, seeks not simply to reproduce society via description, but to understand society and change it. It is both descriptive and constructive in its theoretical intent; it is both an intellectual and a social act. It is not merely an expression of the concrete realities of the historical situation, but also a force for change within those conditions.

Given the above, critical theory by its very nature constitutes a pluralistic field populated by an eclectic mix of progressive theoretical and political perspectives. However, it can be said that what unites the different strands of critical theory is a shared commitment to human emancipation and a common concern to analyze the causes of, and prescribe solutions to, domination, exploitation, and injustice. As Marcuse suggested, ‘any critical theory of society’ is committed to two basic normative claims, namely, ‘the judgment that human life is worth living, or rather can be and ought to be made worth living’ and ‘the judgment that, in a given society, specific possibilities exist for the amelioration of human life and the specific ways and means of
realizing these possibilities’ (Marcuse, 1964: x–xi).

Critical theory is especially concerned with addressing the forms of systematic exclusion associated with the social, economic and political status quo, insofar as the established system often replicates entrenched power relations which have detrimental effects on systematically excluded groups. Such exclusion becomes even more deleterious as power relations assume an increasingly global scope. As Scholte (1996: 53) argues, globalization has too often ‘perpetuated poverty, widened material inequalities, increased ecological degradation, sustained militarism, fragmented communities, marginalized subordinated groups, fed intolerance and deepened crises of democracy’. Consequently critical theory seeks to provide for more inclusive and open forms of social, economic, political, and cultural participation, from the local to the global level.

Yet while Scholte points out the negative aspects of globalization, critical theorists are concerned to develop the positive aspects found within the same conditions of the global order. In essence, critical theory aims to exploit the ‘immanent contradictions’ within globalization in order to foster greater human emancipation. So, for example, while the technological transformations associated with globalization may provide the state with more powerful tools for intrusive surveillance of its citizens, it may also provide citizens with alternative means for communicating, organizing, and mobilizing. The key, then, is to identify what opportunities exist within globalization’s immanent contradictions for empowering a wide variety of societal actors. Arguably, the need for empowerment has become ever more pressing as more social and political issues – ranging from human rights, to environmental degradation, to economic inequality – assume a transnational dimension and evoke an emerging global consciousness.

Critical theory thus employs a critical function in terms of both its evaluation of the status quo approach to praxis and its assessment of the limitations of much social and political theory. Understanding the purpose of critical theory helps to expose its methodological commitment
to reflexivity, that is, a self-reflective awareness of theory’s own role in constructing the reality that it examines. Whereas dogmatic or uncritical approaches to theory regard social reality as a pure ‘fact’, an objective given that can be apprehended in a neutral or value-free sense, critical theory considers the social order and our knowledge of it as being historically constituted and contingently situated. This has two implications: first, our understanding of the social and political world cannot be disconnected from the historically contextualized beliefs and assumptions that inform our interpretations of that reality; and, second, our interpretations and theories do not simply describe reality but also shape and produce it. For this reason theory is not a neutral instrument for passively disclosing reality, but the lens through which agents actively analyse their world and propose alternative ways to shape and reshape it. For Andrew Linklater, a critical theorist working in the field of international relations, the reflexivity of critical theory thereby challenges what he refers to as the ‘immutability thesis’, which is the claim that social orders are in some sense natural and therefore invariable or unalterable. Hence, as Linklater (1998: 20) describes, ‘Efforts to subvert immutability claims, to debunk conventional assumptions about the natural qualities of social structures or human behaviour and to identify countervailing and progressive tendencies within existing societies are the principal hallmarks of critical social theory’.

As mentioned above, critical theory also has burgeoned beyond its Frankfurt School affiliations, leading to diverse and vibrant modes of analysis in which the phrase ‘critical theory’ tends to be used in a very broad sense, and it includes thinkers whose interests, approaches, and conclusions differ widely. Yet what brings together various critical theorists despite differences in their areas of focus is their attempt to move beyond unreflective and supposedly ‘value-neutral’ conceptions of political life and social actors, and to develop immanent potentials for emancipation. There is an important shared assumption amongst critical theorists today that we can take up and improve this world, that
despite the existence of what Castoriadis (1997a, 1997b) has called the ‘fantasm of full, rational mastery’ in modernity, there is another rational utopian path to be trod towards positive social change under the conditions of globalization. Critical theory therefore contributes to the study of globalization in that it offers an illuminating normative framework for examining the potentials for both emancipation and oppression immanent in the new forms of interconnectedness characteristic of the contemporary global condition. Because critical theory is committed to the reconstruction of society for the purpose of emancipating it from unnecessary constraints on human freedom, it retains a utopian vitality towards opening up unrealized possibilities for the future. Yet this utopian dimension is firmly grounded within an understanding of the contemporary social reality and its immanent contradictions. Even though critical theory is immersed in the complexity and problems of the world in which we live, it refuses to relinquish the power of moral and political imagination needed to advance the transformative social and political possibilities of our global age.

**Defining globalization**

Having described the broad critical theoretical framework that orients our approach, a first issue to address is the very definition of our object of study: globalization. There are numerous attempts at this, and often one particular dimension of globalization is taken as key – for instance, a politically-centred definition may underscore the decline of the nation-state and the territorially-bounded societies that formed the grounding unit of analysis of modern political science, sociology, and international relations; while economically-centred definitions may underscore capitalism and the expansion of the free-market system as the key mover of globalizing processes.

For some, globalization is best understood as a legitimating cover or ideology, a set of ideas that distorts reality so as to serve particular interests (Barrett, 1991). Thus Schirato and Webb (2003: 199) view ‘globalization’ as a ‘discursive regime, a kind of machine that eats up anyone and anything in its path’. They suggest that ‘globalization
functions as a set of texts, ideas, goals, values, narratives, dispositions and prohibitions, a veritable template for ordering and evaluating activities, which is “filled in” or inflected with the interests of whoever can access it’ (Schirato and Webb, 2003: 200). For others, globalization is a much more ‘material’ reality in the contemporary world. Sometimes, as mentioned, this reality is viewed as dominated by one particular dimension as, for instance, in the following definition from The Social Sciences Encyclopaedia (Kuper and Kuper, 1996: 234) which privileges economics: ‘The development of the world economy has a long history, dating from at least the sixteenth century, and is associated with the economic and imperial expansionism of the great powers. By globalization we refer to a more advanced stage of this process of development’. Langhorne (2001: 2), meanwhile, accents the proliferation of technology: ‘Globalization is the latest stage in a long accumulation of technological advance which has given human beings the ability to conduct their affairs across the world without reference to nationality, government authority, time of day or physical environment’. For others, a more general definition of globalization is in order. The Dictionary of Social Sciences (Calhoun, 2002: 192) offers the following conceptualization: globalization is ‘A catch-all term for the expansion of diverse forms of economic, political, and cultural activity beyond national borders’. In Bauman’s (1999a) formulation, globalization is about ‘time-space compression’. And for Roland Robertson, it is ‘the crystallization of the entire world as a single place’ (in Arnason, 1990: 220). John Lechte (2003), meanwhile, gestures to the connectedness implied by Marshall McLuhan’s 1962 phrase ‘the global village’, according to which globalization is to be viewed as an emerging global consciousness. This connectedness connotes a number of things: communication networks and new technology; the speed at which it is now possible to move around the world; the emergence and contemporary prominence of the multinational corporation; what Lechte calls ‘decontextualization’, the idea that place is not as relevant as it once was; an awareness of the finitude of global resources; and the threat of a standardization of cultural life.
It seems to us that a relatively broad and open conceptualization of globalization is most useful. A good example of such a definition is Michael Mann’s (2001) understanding of globalization as the extension of social relations over the globe. This is in line with Held and McGrew’s (2002: 1) definition of globalization as growing world interconnectedness, or as they put it in expanded form: ‘globalization

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denotes the expanding scale, growing magnitude, speeding up and deepening impact of interregional flows and patterns of social interaction. It refers to a shift or transformation in the scale of human social organization that links distant communities and expands the reach of power relations across the world’s major regions and continents’. In this conceptualization, globalization can be understood through the following four concepts: stretched social relations, so that events and processes occurring in one part of the world have significant impact on other parts of the world; intensification of flows, with the increased ‘density’ of social, cultural, economic, and political interaction across the globe; increasing interpenetration, so that as social relations stretch, there is an increasing interpenetration of economic and social practices, bringing distant cultures face to face; and global infrastructures, which are the underlying formal and informal institutional arrangements required for globalized networks to operate (Cochrane and Pain, 2000).

Perspectives on globalization

Already, these definitions signal central issues in the field of debate around contemporary globalization, and these will be taken up in an introductory way at the end of this chapter. However it is important, first, to provide further background to the discussion that is to follow by tracing the broad positions frequently taken on globalization. We will follow Cochrane and Pain’s (2000: 22–4) useful characterization of the debate as broadly divided into three approaches.

First, there are the globalists. The globalists argue that globalization is a vital and inescapable contemporary social process. National economies, politics, and culture become increasingly part of networks of
global flows, and there is little prospect for escaping these. Globalists can be either optimistic or pessimistic in their reading of globalization. For the optimists, globalization will bring raised living standards, greater democracy, and increasing levels of mutual understanding. For the pessimists, on the other hand, globalization is seen as threatening and destructive, as serving only narrow political and economic interests, and as tending to create homogeneity, dislocation, violence, and inequality (Cochrane and Pain, 2000).

Second, there are the traditionalists. The traditionalists are profoundly sceptical about globalization, seeing it largely as a myth or ‘globaloney’. Some may contend that globalization is not at all new. For example, Marxist traditionalists would point to Marx’s famous 14 Critical Theories of Globalization comments in the 1848 Communist Manifesto as evidence that globalization is a far from recent thing:

The bourgeoisie cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society… Constant revolutionising of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from earlier ones…. The need of a constantly expanding market for its produce chases the bourgeoisie over the whole surface of the globe…. All old-established national industries have been destroyed or are being destroyed…. In place of the old wants, satisfied by the productions of the country, we find new wants…. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations…. The bourgeoisie … compels all nations, on pain of extinction, to adopt the bourgeois mode of production … to become bourgeois themselves. In one word, it creates a world after its own image. (Marx, 1987: 224–5)

Other traditionalists may view globalization as not really happening at all – for instance, some claim that, in economic terms, what we are witnessing is increased regionalization or interconnectedness between
geographically contiguous states rather than globalization. Often, they insist that nation-states remain strong and central. Frequently, traditionalists contend that national economies, too, continue to be of central importance. And they tend to deny that culture is, or could be, global in any pertinent sense.

Finally, there are the transformationalists who seek to steer a middle way between the globalists and the traditionalists. For transformationalists it is not the case, on the one hand, that we have entered a completely new, unrecognizable era of transformation in the direction of a global economics, culture, and politics. Neither, though, is it the case that nothing has changed. Instead, contemporary global transformations issue in a ‘complex set of interconnecting relationships’ (Cochrane and Pain, 2000: 23). We cannot, then, predict ahead of investigation what precisely we will find. Cultural, economic, and political dimensions do not move at the same pace, and within these broad dimensions, unevenness and complexity reign. A summary of the globalist, traditionalist and transformationalist positions is presented in Box 1.3.

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Globalization in history

It seems to us that the transformationalist case is the strongest: contemporary world interconnectedness is best viewed as something different from the globalization of previous periods, but we need to remain sober in our analysis of this specificity. It is clear that globalization is a hugely complex process, and theorizations that focus on the

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Box 1.3 The Globalist, Traditionalist and Transformationalist Positions

Globalist

• There is a fully developed global economy that has supplanted previous forms of the international economy.

• This global economy is driven by uncontrollable market forces which have led to unprecedented cross-national networks of interdependency and integration.
• National borders have dissolved so that the category of a national economy is now redundant.
• All economic agents have to conform to the criteria of being internationally competitive.
• This position is advocated by economic neoliberals but condemned by neoMarxists.

Traditionalist
• The international economy has not progressed to the stage of a global economy to the extent claimed by the globalists.
• Separate national economies remain a salient category.
• It is still possible to organize co-operation between national authorities to challenge market forces and manage domestic economies and govern the international economy.
• The preservation of entitlements to welfare benefits, for instance, can still be secured at the national level.

Transformationalist
• New forms of intense interdependence and integration are sweeping the international economic system.
• These place added constraints on the conduct of national economic policy-making.
• They also make the formation of international public policy to govern and manage the system very difficult.
• This position sees the present era as another step in a long evolutionary process in which closed local and national economies disintegrate into more mixed, interdependent and integrated ‘cosmopolitan’ societies.

Source: Held (2000: 90–1)

primacy of one dimension, or that attempt sweeping characterizations of all that is happening in, say, cultural or economic terms, are likely to be one-sided and unable to account in a nuanced way for the disjunctions that one is inevitably confronted with.

A good start, though, might be to take seriously the traditionalist case about globalization being ‘old hat’. While globalization is often regarded as a feature of the last 30 years, or, more narrowly still, as something that arrived with the fall of communism (see, for instance,
T. Friedman, 1999), traditionalists would counter that this can hardly be taken for granted, since it is obvious that world interconnectedness has much earlier origins than the last few decades. In this section, we will explore globalization in history, focusing for the most part on the period of European expansion from the sixteenth century onwards. Held et al. (1999) provide a useful division of globalization into a number of historical phases. The first phase, pre-modern globalization, incorporates the period from the Neolithic Revolution, between 9,000 and 11,000 years ago, until 1500. The next phase is early-modern globalization, stretching from around 1500 to 1850. Next comes modern globalization, 1850 to 1945, which is followed by the contemporary period of globalization, from the end of the Second World War until the present.

Held et al. (1999: 33) contend that even the most advanced civilizations of the pre-modern period were ‘discrete worlds’ propelled by ‘largely internal forces and pressures’. The territorial boundaries of these empires were unstable due to factors such as rebellions and alliances, and they were not so much governed as ruled: that is, regularized power and control, in administrative and military terms, was not possible. Later, the fragmented power arrangements provided by the ‘interlocking ties and obligations’ of Medieval Europe declined in the face of factors such as peasant rebellions, the struggles between monarchs, technological changes, religious conflict, and the extension of trade and market relations (Held et al., 1999). After this time, from the fifteenth to the eighteenth centuries, began the establishment of absolute and constitutional states in Europe and the movement towards the modern state form, based on sovereignty and territoriality, with a rise in state administration, the establishment of the diplomatic system, and regular, standing armies (Held et al., 1999). A central factor in this political reconfiguration was the capacity of these states for overseas operations through military and naval forces.

In the economic realm, intercontinental trade goes back to Antiquity, but such trade was constrained by knowledge, geography,
and the limitations of transport technologies (Held et al., 1999). The domestication of animals, and improvements in shipping, roads, and navigational techniques made trade across distances easier, and intercontinental trade, though limited in range and volume, expanded – for instance, the silk trade linking China and the Mediterranean, shipping routes between the Arabian peninsula and India, and the caravan routes of the Near East and North Africa (Held et al., 1999; Osterhammel and Petersson, 2003). A world trading system, though, only emerged around the sixteenth century, with Europe’s expansion outwards, and trade becoming an important means for states to gain leverage over other states (Held et al., 1999).

In cultural terms, the main pre-modern stimuli to the movement of people were religion (globalizing religions such as Buddhism, Christianity, and Islam) and economics: for instance, two million migrants from China from the third century BC to the fifth century AD; the movement of armies and settlers from Greek and Roman Antiquity; the Jewish diaspora; the expansion of Islam; the conquests of the Mongol empires of the twelfth and fourteenth centuries; the voyages of Polynesian Islanders; and the expansion of Aztec, Inca, and Maya social orders in the Americas (Held et al., 1999).

This brief outline demonstrates that world interconnectedness is not something that appeared suddenly in the last few decades. It is, though, in the period of the rise of the European powers that we see a globalizing process that many view as rivalling that of our own period. At this point it will be useful to follow the narrative developed by world-systems theorists such as Immanuel Wallerstein and Giovanni Arrighi. World-systems theory offers an analysis, built on Marxism, that is global in focus (taking the world-system rather than the national state as its unit of analysis) and that views globalization as tied to the development of capitalism. From the sixteenth century, Wallerstein (2005: 2) notes, ‘The imperative of the endless accumulation of capital had generated a need for constant technological change, a constant expansion of frontiers – geographical, psychological, intellectual, scientific’. For world-systems thinkers, after the beginnings of
the world-economy initiated by the Portuguese and Spanish voyages of discovery and conquest, the world-system has expanded through a number of fundamental reorganizations, which pivoted around the hegemony of the Dutch (the United Provinces), then the British, then America (Wallerstein, 2005; Arrighi and Silver, 1999). For a time, these hegemonic powers ‘were able to establish the rules of the game in the interstate system, to dominate the world-economy (in production, commerce, and finance), to get their way politically with a minimal use of military force (which however they had in goodly strength), and to formulate the cultural language with which one discussed the world’ (Wallerstein, 2005: 58). At certain points, though, the system undergoes a hegemonic crisis as competition arises (between states and enterprises), social conflict grows, and new powers emerge (Arrighi and Silver, 1999).

European expansion began with the maritime revolution around 1500 and the Spanish and Portuguese voyages to Africa, the Americas, and Asia, voyages that brought interchanges of goods (pepper, ivory, sugar, silver, gold), slaves (from the west coast of Africa and the Congo), diseases (smallpox, measles, influenza), and ideas (Held et al., 1999; Osterhammel and Petersson, 2003). These contacts were often intensely destructive: the three to four million Amerindians living in Hispaniola in 1492, for instance, had virtually disappeared by 1570 (Abernethy, 2000).

The Dutch, after overcoming the overextended Spanish by way of their superior sea-power, played a lead role in the system founded by the 1648 Treaty of Westphalia, seen widely as central in the making of the modern state and the inter-state system of sovereignty and territoriality (Arrighi et al., 1999). Emerging as an important slave-trading nation, controlling the Indian Ocean spice trade, and accumulating large profits from trade in the Baltic region, Amsterdam became the centre of commerce and finance in Europe; and this wealth in turn allowed greater military development and a growth in state power (Arrighi et al., 1999; Arrighi, 2005b).
However, Britain were increasingly to push the Dutch aside, getting the upper hand by 1713, acquiring Hudson Bay, and wresting control of the slave trade (the trans-Atlantic triangle between Europe, Africa, and the Americas) and of Portugal’s empire. Soon, the Dutch had become a second-tier naval force, and with a series of financial crises and with rising British power, the Dutch were on the decline in commercial terms too, withdrawing by 1740 to become ‘the bankers of Europe’ (Arrighi et al., 1999; Arrighi, 2005b). From 1600–1700, Britain’s foreign trade had grown by 50 per cent, but it mounted enormously through the eighteenth century by way of trade with the Americas and the plunder of India, after its victory at Plassey in 1757 (Chirot, 1986; Arrighi et al., 1999). Through such trade and plunder, Britain was able to buy back the national debt from the Dutch by the 1790s, and London became the central player in international finance (Arrighi et al., 1999; Held et al., 1999).

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Important to both Dutch and British success was the joint-stock chartered company of the seventeenth century (revived in the late nineteenth century for expansion into Africa) – for instance, the East India companies of the imperial powers, or the Hudson Bay Company operating between Britain and North America (Held et al., 1999; Thompson, 1999). These organizations, a mix of government and business, are now often viewed as prototype multinational corporations (MNCs), even though they engaged in more trade (primarily in luxury goods) than production (Arrighi et al., 1999; Held et al., 1999). Governments gave these companies exclusive trading privileges in certain areas, and they possessed state-making functions – building armies, raising taxes, making war, and annexing territory (Held et al., 1999). Thus, the British East India Company was to become the dominant governing organization in India with the disintegration of the Mughal Empire and was, by the 1760s, a powerful ‘company state’ (Arrighi et al., 1999). By the mid-1700s, though, these stock companies were facing increasing competition with the emergence of smaller, more flexible enterprises, with the burden of costs associated with
enormous bureaucracies, and with growing resentment at their trade privileges (Arrighi et al., 1999). The British state eventually stepped in to take colonial control, and monopolies were abolished (1813 for India, 1833 for China).

India, with its resources and large population, provided Britain with enormous wealth – the ‘principle pillar’ of Britain’s global power, according to Arrighi (2005b). For instance, Britain was able to extract from India 150 million pounds in gold alone between 1750 and 1800 (R. T. Robertson, 2003). Initially a major producer of textiles, and thus a competitor for Lancashire’s growing cotton industry in Britain, India was deindustrialized to become a provider of cheap food and raw materials (R. T. Robertson, 2003; Arrighi et al., 1999). Thus, while the Indian subcontinent took only 11 million yards of British cotton in 1820, by 1840 it was taking 145 million yards (Hobsbawm, 1962).

India also provided wealth in the form of taxes extracted by the Indian government, and power in the form of an army available to the British state (Thompson, 1999; Arrighi, 2005b).

The tea trade with China was also profitable to Britain, but it was the Opium Wars of 1839–42 and 1856–58 that forcibly opened China to purchase Indian-produced opium (which by 1870 still accounted for 43 per cent of all Chinese imports), providing Britain with silver for the purchase of Chinese teas, porcelain, and silks (R. T. Robertson, 2003; Arrighi et al., 1999). These Opium Wars made clear the ‘firepower gap’ that had opened up between Europe and the rest of the world: in one day, the British steamship Nemesis destroyed ‘nine war junks, five forts, two military stations and one shore battery’ (Held et al., 1999: 94). The period stretching from the fifteenth to the late seventeenth century was one of nearly constant war across Europe, and also of an accompanying series of innovations in military technology and organization (Held et al., 1999). This meant that at the end of this period, by the Peace of Vienna of 1815 (which brought 100 years of relative peace in Europe), Europe was far ahead of the rest of the world in military terms. It was at this point that a shift occurs from European wars to
colonial wars in the non-European world (Arrighi et al., 1999). Following its victory over the Dutch, Britain was able to draw much of the world into its trading sphere: for 20 years after the mid-1840s one-third of world exports went to Britain, which, in turn, meant the means to purchase British goods; overall, Britain was responsible for 25 per cent of world trade; and from the 1840s to the 1870s the value of exchanges between Britain, the Ottoman Empire, Latin America, India, and Australasia increased six-fold (Chirot, 1986; Hobsbawm, 1995a: 50). Unlike the Dutch, Britain was an industrial centre, ‘the workshop of the world’ (cotton, then railroads and iron were most important), with British industrial production increasing by 300 per cent between 1820 and 1860, and per capita GDP rising 1.4 per cent annually between 1830 and 1870 (Arrighi et al., 1999; R. T. Robertson, 2003). This economic power translated into imperial power, with the British Empire covering almost a quarter of the world’s land surface by 1912 (Abernethy, 2000).

It is important to note the role of new transport and communication technologies in this period. Between 1850 and 1870, 50,000 miles of new railway line was laid in Europe, against just 15,000 miles in all the years previous; and while just three countries in 1845 possessed over 1,000 km of railway line, by 1875 the number was 15 (Arrighi et al., 1999; Hobsbawm, 1995a). The latter part of the nineteenth century also saw the development of fast steamers, Morse Code, telegraph (1835) and cable links (in the 1850s), telephone (1877), and radio. Such technology reduced the price of transport (freight charges fell by about 70 per cent between 1840 and 1910), meaning that, for the first time, mass trade in basic commodities rather than simply luxury goods became possible (Held et al., 1999). Thus, in the case of shipping, while only 20 million tons of seaborne merchandise was exchanged between the major nations in 1840, 88 million tons was exchanged by the 1870s, with British steamship tonnage growing by 1,600 per cent.
miles to 111,000 miles; and by 1880 a telegram could be sent from London to most key points of the British empire (Hobsbawm, 1995a; Osterhammel and Petersson, 2003). Rail, steamship, and telegraph were also important in military terms, and the new technology of warfare such as the Gatling gun (1861), modern explosives, and gunboats helped extend European power and thereby the territory under their control (Held et al., 1999).

British historian Eric Hobsbawm (1995b) describes the period 1875–1914 as ‘the age of Empire’. While international trade had doubled between 1720–80, then tripled between 1780–1840, trade volumes grew at 5 per cent per annum from 1850–70, and, by 1880, exports constituted 10 per cent of GDP for European countries (Hobsbawm, 1995a; Held et al., 1999). In this period, big power expansionist rivalries increased, challenges to this expansion in the peripheral and semi-peripheral areas of the world rose, and the working class expanded in size, organizational strength, and assertiveness – these factors together destabilizing the geopolitical situation (Chirot, 1986). To remain a great power, it was felt, one had to expand, and this period saw a desperate scramble for control of overseas territory (Chirot, 1986). Thus, while in 1880 25 million square kilometres of the earth’s surface was under the control of the big colonial powers, by 1913 this control had extended to 53 million square kilometres (Osterhammel and Petersson, 2003). At the same time, with international tensions on the rise, spending on arms from 1875–1914 rose by 56, 45, and 32 per cent per decade for the US, Germany, and Britain, respectively (Chirot, 1986). This rivalry led up to the catastrophe of World War I, which ushered in a new age of global conflict and massacre that left 15 million people dead (Hobsbawm, 1995b).

It should also be noted that this ‘age of Empire’ generated a growth in internationalism not only in terms of trade and the acquisition of colonies, but in the proliferation of international organizations and efforts at international co-ordination: for instance, the Universal Postal Union was founded in 1874, the International Railway Congress Association in 1884, the International Bureau of Weights and Measures
in 1875, the International Bureau of Commercial Statistics in 1913, the
International Labour Office in 1901, and the International Bureau
against the Slave Trade in 1890 (Held et al., 1999); the sterling-based
Gold Standard was established in the 1870s to secure a stable system of
international payments by fixing the price of the world’s main curren-
cies in terms of gold (Held et al., 1999); Esperanto appeared in the
1880s; the socialist movement, developing into a mass movement from
the 1890s (Hobsbawm, 1995b), became ever more internationalized; the
woman’s suffrage movement spread; in 1884, 25 states agreed to establish
global time based on the Greenwich meridian; and in 1893 the
World’s Parliament of Religions took place in Chicago (Osterhammer
and Petersson, 2003).

The period of British hegemony came to an end in a series of fundamental
shocks. The first occurred during the period of the Great
Depression of 1873–96. This shock was followed by a second with
World War I, and then a third in the phase between the Great
Depression of the 1930s and the Second World War. The costs of
empire were high and rivals, political and industrial, had emerged,
with ‘manufacturing fever’, a new industrial shift (to steel, chemical,
and electrical industries), and pressures to export and to secure raw
materials (Arrighi et al., 1999).

The Great Depression of the late nineteenth century was followed by
the rise of Germany and America as industrial powers. For instance,
Germany’s iron and steel production had increased five-fold from
1850–74, and by 1913 Germany’s coal production rivalled Britain’s
(Joll, 1978); and US private enterprise in the industrialization of war
dominated the world by 1890 (Arrighi et al., 1999). While sterling was
still the dominant currency until the mid-1940s, with half of world
trade denominated in sterling, the two World Wars brought centralization
of world liquidity into US hands. Already in 1913 America’s industrial
output outstripped Britain and Germany’s, and its per capita GDP
was 20 per cent higher than Britain’s and 80 per cent higher than
Germany’s (R. T. Robertson, 2003). And, by the end of the First World
War, America had been able to buy back its debt to Britain with arms, machinery, food, and raw materials; from 1924–29 the US loaned twice as much abroad as Britain; and by 1930 the US accounted for 42 per cent of global industrial output, with Britain at just 9 per cent (Arrighi et al., 1999; Chirot, 1986; R. T. Robertson, 2003).

In this hegemonic reorganization, the British system of family business enterprises was transformed in the direction of the corporate or monopoly capitalism of the US and Germany (Arrighi et al., 1999). With increased competition, companies began to merge in the interests of investment and survival (Robertson, 2003): ‘combination advanced at the expense of market competition, business corporations at the expense of private firms, big business and large enterprise at the expense of smaller; and this concentration implied a tendency towards oligopoly’ (Hobsbawm, 1995b: 44). The American version of these new business organizations was to become in the twentieth century the model of business worldwide.

While Britain continued to hold tight to the idea of free trade, the age of free trade lasted only from 1846–80 as increasingly protective tariffs were erected (Osterhammel and Petersson, 2003). This tendency away from economic liberalism was greatly accentuated after the shocks of World War I and then the Great slump of 1929–33, with world capitalism retreating ‘into national and imperial preserves’: the Gold Standard finally collapsed in 1931; the League of Nations became ineffective by the early 1930s; trading networks were disrupted and often discontinued; trade barriers were raised; money became largely territorialized; and trade fell so that in 1935 it was only one third of what it had been in 1929 (Held et al., 1999; Scholte, 2000; R. T. Robertson, 2003). In the 1930s, the first Soviet Five Year Plan, the American New Deal, and fascism/Nazism in Italy, Spain and Germany signalled the movement away from internationalization towards national self-sufficiency (Arrighi et al., 1999).

Prior to the middle of the nineteenth century, there had been important movements of people – most notably, the transfer of as many as
9–12 million Africans across the Atlantic as slaves between the mid-fifteenth and mid-nineteenth centuries. But imperial expansion, war, and economic crisis made the period from the middle of the nineteenth to the middle of the twentieth centuries one of extensive globalization. Between 1850 and 1914, 60–70 million people migrated, many making their way to the Americas; and 11 million Indians, Chinese, and Japanese left their homelands to become, in most cases, contract labourers (the so-called ‘cooler’ system) (Osterhammel and Petersson, 2003). Later, millions of people migrated in the face of such disparate events as the Russian Revolution, Turkish persecution of Armenians, the Nazi arrival to power, the establishment of the Soviet zone post-Second World War, the creation of Israel, the partition of India, and the Korean War (Held et al., 1999; Hobsbawm, 1995b).

The massively destructive Second World War – which left 55 million people dead, and 40 million people uprooted – gave way to a reorganized world order (Arrighi et al., 1999; Hobsbawm, 1995b). A new monetary order was initiated with the 1944 Bretton Woods Agreement on fixed exchange rates (fixed to the US dollar, indicating America’s place as the leading economic power), and new organizations (the International Monetary Fund and the International Bank for Reconstruction and Development, also known as the World Bank) were set up, with the aim of stimulating world effective demand (Wallerstein, 2003). The Marshall Plan of 1948 saw the US giving massive aid and credits to Europe, again with the goal of allowing the purchase of US goods (Chirot, 1986). Meanwhile, to avoid the protectionism of the 1930s, an international trade organization, the General Agreement on Tariffs and Trade (GATT), was established in 1947 to open world trade on the principles of non-discrimination, reciprocity, transparency, and fairness. And, indeed, the post-war period was one of rapid expansion of world production and trade, with trade growing at 5.8 per cent a year from 1950–73 (Held et al., 1999). At the same time, a new military-political order emerged with the formation of the United Nations in 1945, and the stable Yalta division of the world into blocs around
the two superpowers – the USSR with one third of the world, America (the superior superpower) with the rest (Wallerstein, 2003). However, according to world-systems thinkers, the hegemonic decline of the US was soon looming. America achieved only a ‘draw’ in the Korean War, and was defeated in Vietnam, a defeat that came at enormous cost (using up US gold reserves) (Wallerstein, 2003). Stagflation (the combination of high inflation, low economic growth, and high unemployment) set in across the world during the 1970s. And the productivity gap between the US, Japan, and Western Europe was closed: US productivity increased only 4.1 per cent between 1950–69, against 6.7 per cent for Western Europe and 13.8 per cent for Japan; the US share of world trade declined from 21 to 12 per cent between 1950 and 1978, and it became dependent on the flow of capital from the rest of the world (R. T. Robertson, 2003; Wallerstein, 2003). The Bretton Woods system collapsed in 1971 with a massive flight of US capital offshore and with the fiscal crisis of the US government (R. T. Robertson, 2003). MNCs developed new systems of flexible and decentralized production and exchange, bringing a shift in the centre of gravity of manufacturing, and escaping the control of states (Wallerstein, 2003). Meanwhile, East Asia expanded economically. Though America was able to drive the USSR into bankruptcy through an arms race that it won with its greater financial resources – bringing a ‘unipolar moment’ – the collapse of communism, argues Wallerstein (2003), actually meant a further decline for the US, because of the demise of a foe that provided significant legitimacy to American power. And while America continues to be vastly superior militarily to any other nation, the inconclusive first Gulf War of 1991 indicated that it could no longer finance by itself such military operations as Kuwait, Japan, and Saudi Arabia funded much of the cost (Wallerstein, 2003).

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Turning back now to consider the social dimension of the world-system, the French and American Revolutions often are viewed as central in promoting global ideals of democracy and liberty. For Wallerstein (2005), the French Revolution, in particular, inspired two
crucial ideas in terms of global social contestation: (1) that political change was normal and constant, and (2) that sovereignty resided in the people. Thus, in the periphery of the world-system, in St Dominique a slave rebellion fended off European attempts at restoration and the independent republic of Haiti was proclaimed in 1804, resonating across the Atlantic world and spelling the end for slavery (Silver and Slater, 1999; Osterhammel and Petersson, 2003).

In the 1830s in Britain, meanwhile, as workers’ living conditions worsened, there was a large swell of political mobilization around the issue of the extension of the franchise, with the movement for the People’s Charter peaking in 1839–42 and ruling groups responding with both reaction and reform (Silver and Slater, 1999; Hobsbawm, 1962). Wallerstein (2005), though, suggests that 1848 was the crucial year that witnessed the first social revolution of the modern era. As economic crisis deepened, a wave of rebellions in Western and Central Europe spread, with the popular objective of establishing a ‘democratic and social republic’ (Hobsbawm, 1995a). Nearly all rebellions were defeated within 19 months and an ‘age of capital’ was ushered in, where social costs were transferred to the colonies, some workers experienced a ‘trickle down of wealth’, and trade and production grew (Hobsbawm, 1995a; Silver and Slater, 1999).

This age of capital soon came to an end, however, with the depression beginning in 1873. This meant a worsening of working conditions and increasing resistance, with growth in the size of the working class (in Germany, for instance, the 50 years from 1850 to 1900 saw the number of workers in mining and manufacturing grow from 600,000 to 5.7 million), trade unions (which became less sectional), and working class and socialist parties (with mounting electoral strength – for instance, by the start of World War I, one in three German voters were voting socialist) (Silver and Slater, 1999; Joll, 1978). Repression alone was no longer sufficient to contain the impulses of working class movements: in 1890 the ban on the German SPD, the biggest social democratic party in Europe, was lifted; and in Britain reforms in the 1860s and 1880s nearly quadrupled the electorate (Silver and Slate, 1999;
Hobsbawm, 1995b). At this time, too, in some countries the beginnings of the welfare state appeared, as a response to working class demands and as an effort towards reducing working class militancy.

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The age of empire, which for Hobsbawm follows the age of capital, was a period of the spread of secular ideologies, most importantly those of nationalism and socialism (Wallerstein, 2005). These secular and universalizing modes of thought deepened in the West and spread beyond North America and Europe, into Asia, the Middle East, the Baltic, and Latin America. Already, rebellions in the periphery contested European power – for instance, in India in 1857–58 and Algeria in 1871 – but the First World War and, especially, the Great Depression of 1929–33 shook colonialism: from 1919 to 1922 waves of protest against European powers erupted in India, Egypt, Iraq, Sierra Leone, Vietnam, and the Congo. In addition, the collapse of prices for Third World primary products between 1929–33 made colonialism and dependency less sustainable (Hobsbawm, 1995b; Abernethy, 2000).

After the Second World War, a wave of decolonizing movements brought independent statehood for non-Western peoples, from Asia, to Africa, to Latin and Central America, to the Middle East: between 1940 and 1980, 81 colonies gained independence from their European rulers (Abernethy, 2000; Chirot, 1986). In Europe, the influence of socialist ideals became clear in the aftermath of the destruction of World War I, as a wave of rebellions ignited in Italy, Germany, Russia, Hungary, and elsewhere. While all were defeated, save for the Russian Revolution, socialism became a truly threatening spectre in Europe.

In the 1970s the world-system entered a new ‘period of transition’ (Wallerstein, 2003). One central marker of this new period is what Wallerstein calls the ‘world revolution of 1968’ which contested both US hegemony and the communist model of the USSR. This ‘revolution’ – manifested, for instance, in student revolts across Europe and the US – expressed a generalized scepticism towards the state and towards the socialist and nationalist anti-systemic movements that had dominated since the last half of the nineteenth century. Following this period,
notes Wallerstein (2003), an important set of world-systemic changes occurred: world production and trade expanded; a global reorganization of production took place; the process of the death of the peasantry gained momentum; and America lost in Vietnam, was shaken by the Iranian Revolution of 1979, was subsequently forced out of Lebanon, and became the world’s biggest debtor nation (with public debt presently sitting at $7.4 trillion) (Wallerstein, 2003).

Additional world-systemic changes have led us to our current global era: the notion of ‘development’ in the Third World gave way to structural adjustment and an increasing global polarization of wealth; the world trend towards democratization in education, the notion of ‘development’ in the Third World gave way to structural adjustment and an increasing global polarization of wealth; the world trend towards democratization in education, Theorizing Globalization: Introducing the Challenge 27 health, and guaranteed income began to threaten accumulation, as have rising costs of production, diminishment of inputs (natural resources and dumping space), and exhaustion of areas to which factories might relocate in order to cut costs (Wallerstein, 2003, 2005); new information and communication technologies such as satellite, fibre-optics, and the Internet appeared; world air traffic became denser (from 25 million passengers in 1950 to nearly four billion in 1996) (Scholte, 2000); the globalization of money occurred, in the 1980s and 1990s, after the demise of Bretton Woods; East Asian economic power – for instance, Hong Kong, Taiwan, China – emerged and the European Union grew; and, last, ‘really existing socialism’ collapsed from 1989–91 (Wallerstein, 2003). These monumental changes form the vital backdrop to thinking about the specificity of our globalizing period.

**Theories of social change**

We will take up and develop certain dimensions of this discussion in the following chapters. A major point to be noted here is that globalization is not just a feature of the last 30 or so years. Such interconnectedness can be found much earlier, and contemporary globalization is to be understood, to varying degrees, in light of these processes and relationships established in earlier periods. The world-systems analysis has the virtue of guarding us somewhat against the tendency to chronocentrism
—that is, the tendency to regard the present as a completely unique moment of transformation, dynamism, and novelty.

A central part of the vocation of the social sciences is reflecting on social change, tied to ideas of societal evolution, the delineation of trends of transformation, and the exploration of different social forms and logics of development. It is often pointed out that such a vocation predisposes social scientists to overestimate the newness and extent of the change they focus upon. This is an important warning not only in relation to considerations of the historical specificity of globalization in our period, but also as a preface to this section in which we are concerned with theories of social change in the last two or three decades.

These theories are outlined here because they have significant connections to, and affinities with, analyses of contemporary globalization, and they provide important tools of understanding for the critical theoretical assessments of globalization that we will focus on in the chapters that follow. While we think each of these theories has important merits, and we see them as provocative and helpful tools in theorizing our globalizing moment, it is important to keep in mind the ease with which these theories might be overreaching in describing the novelty of the current social order.

**Postindustrialism, information societies, and postfordism**

Marx, Weber, and Durkheim, the three founding fathers of social theory (see Box 1.4), were all concerned to understand the transformation of European social orders from traditional, feudal, agriculture-based, and religious configurations towards modern, industrial, and secular social formations. From the 1960s, some commentators contended that another shift was taking place, a shift that entailed a move from the centrality of factories, heavy machinery, and blue-collar labour to the primacy of information, new technologies, knowledge, and service work. We will look, here, at theories of postindustrialism and at theories of an emerging information or knowledge society.

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**Box 1.4 Marx, Weber, Durkheim and Social Change**
Karl Marx (1818–83) was a German philosopher, political economist, and social theorist, and the founder of modern communism. Marx studied philosophy at the University of Berlin, where he also became involved in radical politics. Because of his involvement in revolutionary politics, Marx eventually was compelled to leave Germany, first for France and then for Great Britain, where he was supported in large part by his friend and collaborator, Friedrich Engels. Marx’s theories were developed in response to classical political economy and the emergence of bourgeois liberalism and capitalism. For Marx, economic systems or modes of production determined the structure of social orders and consequently the course of social change. According to the Marxist theory of historical materialism, changes in the ‘superstructure’ of society – state and legal institutions, religion and morality – result from changes in the ‘base’ or economic mode of production. Marx argued that because the capitalist mode of production, with its emphasis on competition, consumerism and profit, leads to domination, class conflict and alienation, only a radical transformation to a communist mode of production will enable genuine emancipation. ‘Scientific’ or ‘orthodox’ versions of Marxism adopted a positivist view of historical materialism as revealing empirical ‘laws’ that can enable the prediction of supposedly inevitable future events. Marx’s most influential works include *The German Ideology* (1846), *The Communist Manifesto* (1848), and the three-volume *Capital* (1867, 1885, 1894).

Max Weber (1864–1920) was a German political economist and sociologist. Weber’s most important contributions were to the study of the modern state and bureaucracy, and the connections between economics, politics, and religion. For Weber, the modern state has a monopoly of the means of ‘legitimate violence’, and modern forms of authority are characterized by The argument for an emerging postindustrial age is most famously put forth in sociologist Daniel Bell’s 1973 work, *The Coming of the Post-Industrial Society*. Bell maintains that in advanced social orders a ‘vast historical change’ is taking place, in terms of social relations, culture, and power. For Bell (1999), a society is best understood as composed of a social structure, a polity, and a culture. Social structure encompasses the economy, technology, and the education system, and it is at the
social structural level that Bell’s comments on the emerging postindustrialism are focussed. For Bell (Bell, 1999: xc), the industrial society ‘is primarily fabricating, using energy and machine technology, for the manufacture of goods’, while a postindustrial sector ‘is one of processing in which telecommunications and computers are strategic for the

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Box 1.4 Marx, Weber, Durkheim and Social Change – continued

rational administrative procedures and impersonal legal rules rather than the personal characteristics of a charismatic leader. In contrast to the Marxist emphasis on economic systems as the ultimate determining factor of social change, Weber argued that historical change must be understood in light of the interaction between many factors, including cultural, economic, political, and religious values. For instance, Weber viewed modernity as defined by the kind of instrumental or ‘means-end’ rationality associated with Protestantism and, ultimately, with the bureaucratic nation-state. Consequently, Weber contended that the subjective meaning of social action could not be reduced to ‘evolutionary laws’ about economic systems which supposedly determine the course of history. Weber’s major works include The Protestant Ethic and the Spirit of Capitalism (1902), The Sociology of Religion (1920) and Economy and Society (1922).

Emile Durkheim (1858–1917) was a French sociologist and philosopher who helped to found sociology as a distinct discipline within the social sciences. For Durkheim, sociological explanation must be functional in orientation, by considering ‘social facts’ in relation to the whole structure of social life and the values embedded within it. According to Durkheim, societies evolve from simple, non-specialized forms towards highly complex, specialized forms. In more complex modern societies, work becomes specialized – the division of labour – providing a new basis for social solidarity. Social change, Durkheim argued, can result in the condition of ‘anomie’, which refers to the breakdown of social codes and norms within communities leading individuals to experience greater dissatisfaction, conflict, and unhappiness. For Durkheim, the social disintegration characteristic of anomie should be countered by the emergence of new forms of cultural integration based on commonly shared values, beliefs,
and institutions. His most important works include *The Division of Labour in Society* (1893), *Suicide* (1897), and *The Elementary Forms of Religious Life* (1912).

exchange of information and knowledge’. Furthermore, ‘industrial society is based on machine technology, post-industrial society is shaped by an intellectual technology…. Capital and labour are the major structural features of industrial society, information and knowledge are those of the post-industrial society’ (xci).

Five dimensions or components of the postindustrial society are particularly singled out by Bell (1999): a movement from a goods producing economy to a service economy; a change in occupational distribution, which sees the emerging dominance of a professional and technical class; a new ‘axial principle’, from private property to the pivotal importance of theoretical knowledge as source of information and policy formulation; a future orientation centred on the control of technology and technological assessment; and changes in decisionmaking with the creation of a new intellectual technology. In addition, he mentions a movement from the importance of inheritance to education for social mobility, from financial to human capital, from transportation to communication in infrastructural terms, changes in the character of work so that work increasingly is a ‘game between persons’ (xcv), and a change in the role of women.

In a more recent analysis, Liagouras (2005: 32) sees postindustrialism as an age in which ‘knowledge, communication, and aesthetics are the most important inputs and outputs of economic activity’. This postindustrialism combines a transition from energy-intensive to information-intensive technical systems, towards a new weightless economy; a move from the accumulation of goods to the ‘proliferation and amelioration of symbolic and relational systems’ (21); the growing predominance of soft- over hard-ware; a new economic integration with time-space compression; and a shift in business organization, from ‘material-processing’ to ‘knowledge-creating’ (23).

In terms of changes in power and conflict, for Bell, this transformation means a decline in traditional class conflicts between labour and capital.
But he also suggests that this transition will bring a rising disjunction between social structure and culture, especially with the rise of standards of living, individualism, and expressive lifestyles, against the restraint and character structure linked to the economic realm (such as efficiency, respectability, delayed gratification, and so forth). In contrast, French social scientist Alain Touraine, while concurring with much of Bell’s analysis, contends that the arrival of postindustrialism would not so much end social conflict as lead to its reconfiguration, most notably, centred on the divide between the new technocracy and those subjected to their attempts at technocratic control (Mackay, 2001).

The idea of a postindustrial society is closely connected to the idea of the contemporary social order as an information or knowledge society: Bell, for instance, explicitly remarks that the postindustrial age is an information society. Although the notion of a knowledge or information order is frequently tied to developments in information and communication technologies, as well as with new systems of management and new production technologies, as Frank Webster (2002) points out, variations of this thesis associate the idea of an information society with technology, media, education, occupational structure, and the shrinking of time through the conquest of space. The reality of this information or knowledge order is said to be clear in a number of realms of modern life: in the home, at work, in the military, and in the sphere of the state and surveillance (Mackay, 2001). The arrival of this new order, with the primacy it accords knowledge, is often viewed optimistically as expanding the powers of individual and collective actors against larger institutions, which are no longer able to impose their will or claim a monopoly on truth (Stehr, 2003).

While these closely connected arguments about social change evidently point to important trends in social orders over recent decades, there are a number of pertinent critical points to be made. A first is the frequent determinism of these theories, where one dimension – such as technology – acts as the primary and independent facet in social change (Webster, 2002). In addition, it is often said that these ideas are historically
short-sighted (Kumar, 1995). That is, the particular changes detailed have been emerging for a long time and critics might ask, for example, what society is not a knowledge society? (Kumar, 1995; Stehr, 2003). In terms of the alleged transitions in employment and in the key facets of the economy, Callinicos and Harman (1987), for instance, claim that even in Marx’s time, the majority of the working class were service workers; others have pointed to the similarity of blue collar and much white collar work in terms of the knowledge component, working conditions, and autonomy; and some have maintained that continuity – for instance, in terms of technical innovation or rationalization – rather than discontinuity is to be underscored (Kumar, 1995).

Finally, a debate that is related to both the postindustrialism and information society theses (for instance, in the importance lent to new information technology) is the idea of a transition from Fordism to post- or neo-Fordism. Lash and Urry (1987) develop a similar thesis in the notion of a transition from ‘organized’ to ‘disorganized capitalism’. What is important here is the notion of a movement towards flexible specialization of machinery and workers (Kumar, 1995).

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The Italian Marxist Antonio Gramsci used the term ‘Fordism’ to capture the new industrial mode seen in the manufacture of Ford’s Model-T car in Detroit in the early twentieth century (Cohen and Kennedy, 2000). This mode of production consisted of a moving assembly line, repetitive work, and so-called ‘Taylorist’ methods of measurement of work tasks (a functionalist approach to the ‘scientific’ management of work so as to improve worker efficiency, developed by Frederick Winslow Taylor in the late nineteenth century) (Allen, 2001). Fordism is commonly characterized by a number of features: the fragmentation of labour skills and the moving assembly line; economies of scale, with the predominance of mass production of standardized goods for a protected national market; the centrality of semi-skilled ‘mass workers’ in large factories; a hierarchical, centralized, and bureaucratic mode of work organization; Keynesian state management of the national economy; and a link between mass production and mass consumption (Cohen and Kennedy, 2000). Since
In the 1970s, the transition from Fordism to postfordism is supposedly characterized by an increasing emphasis on flexible specialization, the dispersal and decentralization of production, an increase in subcontracting and ‘outsourcing’, the decline of mass unions and centralized wage bargaining, and an increase in flexi-time, part-time, and temporary workers (Kumar 1995: 52).

Again, important criticisms can be raised against this notion of epochal transition. For instance, some critics point to the important continuities between Fordism and the postfordist system that was apparently replacing it, insisting that Fordism was precisely about flexibility and ‘constant technological dynamism and maximum adaptability of production methods’ (Kumar, 1995: 60). In a similar vein, American sociologist George Ritzer offers a partial counter to such arguments in his notion of McDonaldization. For Ritzer (2001), there has been a generalization of the principles of the McDonald’s fast food empire to more and more sectors of society – education, work, health, leisure, politics, family – and across the globe. Four dimensions of this McDonaldization are particularly important: efficiency, calculability, predictability, and control.

In short, the McDonaldization thesis is, in a sense, precisely about the global expansion of the sort of standardization and rationalization that is central to Fordism, against arguments about growing flexibility and decentralization (see Beilharz et al., 2004).

**The postmodern condition**

In our view, the idea of an emergent postmodern condition is the most important of the theories that we are dealing with here. Postmodernism is related to globalization, as well as to some of the other theories already examined; for instance, the emphases on ‘diversity, differentiation and fragmentation’ (Hall and Jacques in Kumar, 1995: 51) found in postfordism are central to emphases in work on postmodernism.

As Perry Anderson (1999) has shown, the term ‘postmodern’ has appeared and reappeared numerous times from the nineteenth century onwards. Yet it was only in the 1970s in the realm of the arts (and architecture, first and foremost) that the term really took hold, expressing a
changing cultural sensibility and announcing a break from the principles of modernism that had dominated for around a century (Sim, 2002; Bertens, 1993; Lucie-Smith, 1990). According to such arguments, modern art is characterized by seriousness of purpose, austerity, absence of ornamentation, the idea of progress, and an elitist distinction between the high and low or ‘popular’ in aesthetic terms (Sim, 2002; Bertens, 1993; Harvey, 1989). The postmodern questions such emphases, and is characterized, in contrast, by a turn to stylistic eclecticism, a concern for popular taste, and a move from the serious to the playful (Sim, 2002; Harvey, 1989; Jameson, 1991). With the exhaustion and suspicion towards the assumptions of the modernist avant-garde (such as progress), irony becomes the pivotal characteristic of the postmodern.

For Fredric Jameson (1984), central features of the new postmodern art include a move from depth to surfaces, and a waning of historicity and affect. A good example of the shift to the postmodern, for him, is provided by a comparison of Van Gogh’s work ‘Peasant Shoes’ with Andy Warhol’s ‘Diamond Dust Shoes’. The former work has layers, signalling a whole way of life and struggles, which cannot be found in the blank, glossy surface of the latter work. And Andy Warhol’s ‘studied superficiality’ captures perfectly, for Jameson, the postmodern personality: as Warhol declared, ‘If you want to know all about Andy Warhol just look at the surface of my paintings and films and me, there I am. There’s nothing behind it’ (quoted in Rojeck, 1993: 117). The problem for critics, especially Marxist critics, was that postmodernism reduced itself to ironic detachment, frivolous, shallow, and purposeless enjoyment, disregard for progressive ideals, rejection of evaluation for populism, and play and delirium rather than purpose, rationality, and emancipation. Much the same can be said for reactions to postmodern theory and philosophy, to which we will now turn.

The seminal statement of postmodern theory is Jean-Francois Lyotard’s 1979 work, The Postmodern Condition, ostensibly a report on the contemporary condition of knowledge. For Lyotard, the postmodern ‘designates the state of our culture following the transformations
which, since the end of the nineteenth century, have altered the game rules for science, literature and the arts’ (Lyotard 1984: xxiii). This condition is bound up with alterations in production techniques and technologies that coincide with capitalism, as well as with our entry into a period of generalized scepticism towards what Lyotard refers to as ‘metanarratives’. These metanarratives are far-reaching stories about the world and about social transformation, which exist in such forms as Marxism’s conclusion that the development of class struggle will usher in a classless utopia and thus an effective end to human history (Smart, 1992). In the face of the disasters of the twentieth century, these metanarratives had lost their legitimacy, argued Lyotard – we are no longer able to believe in them. What we are left with instead are little narratives, stories about the world that are limited and situated, stories that do not pretend to universality or finality and that cannot, for moral and epistemological reasons, be confidently evaluated and ranked one above the other.

Importantly, postmodern thinkers want to escape the supposedly totalizing impulses of modernity by accenting difference, otherness, and contingency, against sameness, cohesion, and order (Sim, 2002). Grand theories of everything and huge utopian schemes of social change are usually considered by postmodernists as obscuring or marginalizing particularities in the name of order and finality – weaving happy stories of complete harmony, which become nightmares when people try to establish them in the messy, complex world.

Postmodern thinkers are generally sceptical too about the modern tendency to posit meaning and identity as stable. Both meaning and identity, they counter, are without sure foundations: they are in flux, in a process of constant change that cannot finally be arrested, and there is nothing essential to them (meaning and identity, that is, are constructed and relational). Similarly, postmodernists often follow Friedrich Nietzsche in his insistence that value judgements are essentially conventional: that is, we can not provide any objective and solid grounds for our politics, morals, or social observations, but are instead reliant on rhetoric, on the same sorts of persuasive devices found in
fiction (Sim, 2002). For critics, the problem with this is that the boundaries between fiction and reality and fiction and history seem to thereby undergo a crucial weakening, threatening to throw us into a mindless relativism where anything goes, where anything is as true or false as anything else, and where morality and politics simply end up collapsed into aesthetics, into a matter of personal taste or whim (see Callinicos, 1989; Eagleton, 1991; Anderson, 1983).

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**Box 1.5 Nietzsche’s Critique of Modernity**

Friedrich Nietzsche (1844–1900) was a German philosopher whose work mounted a sustained critique of the values, beliefs, and ideals of modern Western societies. In regard to science and philosophy, Nietzsche argued that truths are the artificial constructs of creative acts of interpretation and not natural facts that exist independently of such interpretation. For Nietzsche, knowledge is always constructed from some particular point of view and thus cannot be objective or impartial. Instead, our interpretations are expressions of what Nietzsche called the ‘will to power’ – the physical and psychic drives through which all forms of life seek to enhance their power or ability to achieve goals – and thus give expression to either life-affirming or life-denying values. Consequently, in regard to morality and politics, Nietzsche argued that Judeo-Christian morality was life-denying in that it promoted the values of humility, self-denial, meekness, and submission to authority. By extension, modern egalitarianism and democracy exhibited the same ‘levelling’ tendencies as Christian ‘slave morality’, by promoting notions such as the equal worth and equal rights of the ‘common man’ and conformity to majority opinion. In Nietzsche’s estimation, individual self-creation and the affirmation of difference and one’s own values were the means by which ‘free spirits’ could transcend the dominant norms of modernity. Nietzsche’s most important works, which have had a profound influence on many postmodern thinkers, include *Beyond Good and Evil* (1886), *Genealogy of Morals* (1887), and *Thus Spoke Zarathustra* (1883–85).

However, postmodernists, in the main, are not rejecting morality
and politics as such, and theirs is frequently a strong political and moral critique and social alternative. A large factor in their work is the critique of modernist confidence in notions such as progress, science, the reasoning individual, universalism, and secularism. This confidence is ill-founded, it is argued, because for all our achievements in knowing and controlling things, we have failed to prevent the multiple disasters of the modern period. In fact, this anxious will to know and control – what Cornelius Castoriadis has called the fantasy of ‘full rational mastery’ and what Michel Foucault referred to as the ‘will to knowledge’ – might even be responsible for such disasters. For Zygmunt Bauman (1999b), for instance, we moderns have found it almost impossible to live with ambivalence, with the marginal, questionable, not fully resolved, with that which does not fit into schemes of what is ‘normal’. This has led to all sorts of distortions, including the Holocaust and Stalinism. Bauman suggests that the postmodern is best read as simply ‘modernity without illusions’, about learning to live with ambivalence, and without guarantees. In this way it is potentially a reinvigoration of both politics and morality, insofar as these now might be free from the illusions of final completion, absolutist foundations for knowledge and politics, and evolutionary ideals of social destiny.

Critics of postmodernism, on the other hand, have viewed it as all-too-quickly giving up on the aims of Enlightenment, on the progressive features of modernity which need to be completed rather than jettisoned (see Habermas, 1987). For instance, these critics often make the point that it is only with these modern and Enlightenment resources – intellectual, material, moral – that we can understand, criticize, and guard against the barbarisms that postmodernists point to. From this perspective, the postmodern simply collapses into relativism, irrationalism, and nihilism, throwing the baby out with the bathwater (Sim, 2002).

Another variety of postmodern theory is developed by the French sociologist Jean Baudrillard, whose diagnosis of postmodernism is tied to the ubiquity of media and advertising, the relentless turnover of
fashions, new technology and the extraordinarily fast circulation of
information, and the predominance of the image in contemporary
consumer societies. Baudrillard (1983) argues against theories such as
Marxism and psychoanalysis that posit an underlying essence beneath
appearances (‘the hermeneutics of suspicion’). Baudrillard, in contrast,
focuses on surfaces and seduction by these surfaces. In his 1983 work,
*Simulations*, Baudrillard suggests that we are now in a ‘hyperreal’
period in which we have moved from an older regime in which signs
dissimilate something. Today, by way of contrast, illusion is no longer
possible because the real itself is no longer possible. In hyperreality,
there is no longer a clearly demarcated origin or underlying reality, as
the artificial and real mix to leave us in an age of simulation. Thus, in
his book on the 1991 Gulf War, Baudrillard (1995) insisted that the
war did not happen insofar as we cannot distinguish the *image* of
the war from the *war itself*. It had been so thoroughly played out
ahead of time, we had been exposed to such a mass of speculation,
models, and expert opinion, that the real events were inaccessible.
Here, Baudrillard was not contending that people were not killed and
that destruction did not take place – in fact, he condemned as a ‘heap
of stupidity and cowardice’ what was taking place on the ground;
what he was pointing to was the interminable blurring of image and
reality in the contemporary period and to the obsolescence of older
forms of political intervention in the face of these changes.

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**Reflexive modernity: risk society and detrationalization**

Two notions of social change that are intimately related both to postmodernism
and to globalization are contained in the ideas of an
emerging ‘risk society’ and in the arguments about ‘detrationalization’
as a central cultural-intellectual feature of the present period of
‘reflexive modernization’. These notions are associated, first and foremost,
with the work of British sociologist Anthony Giddens and
German sociologist Ulrich Beck.

According to Giddens (1990: 10), our world is a particularly ‘fraught
and dangerous one’, in the sense that our ‘second’ or ‘reflexive modernity’
is, Beck (2000) argues, burdened by problems, crises, and hazards. These risks have become central ahead of the distributional questions that had dominated first modernity. Risk is about the unintended consequences of the first modernity of Enlightenment, scientific progress, collectivism, and technological advance and control (Debrix, 2005), and these consequences ‘come to be a dominant force in history and society’ (Beck, 2000: 400). For instance, decisions made about genetic engineering ‘are unleashing unpredictable, uncontrollable and ultimately incommunicable consequences that might ultimately endanger all life on earth’ (Beck, 2002: 40).

The new risks, such as environmental risks (pollution, genetic engineering, the impact of pesticides), do not tell us what to do, only what should not be done, and they are simultaneously local and global – they can no longer be viewed solely as national questions. Beck notes that these risks are ‘deterritorialized’, that is, they ‘endow each country with a common global interest … [so that] we can already talk about the basis of a global community of fate’ (Beck, 2002: 42). The age of risk, then, entails a transformation of politics. Without definitive answers, in the face of contradictory information, and with a loss of faith in the state and older hierarchies, a new ‘sub-politics’ emerges, which shapes society from below (Beck, 1999: 39). Both Giddens and Beck are optimistic about the implications of this new age, seeing the growing reflexivity, individualization, and deterritorialization of second modernity as real opportunities for the development of a global consciousness and sense of responsibility, a new world community of shared global risks.

Some critics believe that such a thesis overreaches. As Lechte (2003: 191) succinctly puts it: ‘Beck overdoes it here. Risk, yes; but risk society, no’. For Debrix (2005), meanwhile, the risk society thesis is plainly ethnocentric, elevating specifically Western fears to an unfounded universal status, and leaving unanswered pressing questions ‘such as who bears the risks, who profits from risks, what or whose risks are more valued in the global polity, and what dominant perceptions of risks are in charge

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...
of ordering and organizing globalizing processes’.

Beck, Giddens, and others also view the latest phase of modernity as a ‘detraditionalized’ age. Of course ‘first modernity’, with the Enlightenment emphases on secularism, individualism, and science, is associated with the idea of a wide-ranging emancipation from the weight of tradition. For some, though, this modernity simply succeeded in installing another traditionalism centred around notions of science, progress, individualism, and so forth (see Coicaud, 2002). The notion of detraditionalization developed by Beck and Giddens is linked to the reflexive modernization of the past couple of decades where beliefs and customs recede, where individualization and life as experimentation are pivotal, and where globalization brings cultural-intellectual mixing.

Heelas (1996: 2) defines detraditionalization as involving a ‘shift of authority: from “without” to “within”. It entails the decline of the belief in pre-given or natural orders of things. Individual subjects are themselves called upon to exercise authority in the face of the disorder and contingency which is thereby generated. “Voice” is displaced from established sources, coming to rest with the self’. While Giddens and Beck are optimistic about detraditionalization as bringing greater choice, openness and reflexivity, and loosening the hold of older hierarchies, more pessimistic commentators have pointed to the sense of normlessness and homelessness entailed by the demise of tradition (Heelas, 1996). As with the risk society thesis, sceptics suggest the strong reading of detraditionalization goes too far. Such a reading perhaps caricatures ‘the traditional’, and it ignores the realities of simultaneous detraditionalization, tradition maintenance, and tradition reconstruction at work in the world today (Heelas, 1996).

‘Development’ and ‘modernity’

Two more important ideas are often evoked – sometimes explicitly, sometimes implicitly – in discussions of globalization: ‘modernity’ and ‘development’. We will first examine the notion of ‘development’ through the exploration of two competing paradigms. We will then discuss the notion of modernity, which is closely linked to the idea of development and a topic of renewed interest with the rising fortunes
of ‘postmodernity’. Modernity also is an important concept in theoretical discussion of globalization – for instance, modernization is often viewed as one of the logics or component parts of globalization.

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**Development**

In this section, we will explore two prominent theoretical paradigms – the ‘modernization’ and ‘dependency’ approaches – which were popular as ways of accounting for global inequalities and for framing progressive responses to such inequalities, as contained in the post-Second World War idea of ‘development’. These two approaches to the goal of development have subsequently gone into decline. Nevertheless, both modernization and dependency approaches continue to function within the broad discourse of globalization, and this section is therefore a crucial backdrop to discussions of global inequality in Chapter 2.

It is clear that those in the so-called ‘third world’, the South, or ‘developing’ nations suffer greatly unequal life chances compared with those in the ‘first world’, the North, or the developed world. The term ‘third world’ was coined by French economist Alfred Sauvy in 1952, and denotes the states not of the capitalist, developed first world or of the socialist second world (Hobsbawm, 1995b; Hulme and Turner, 1990). It also denotes a state of economic development often designated today as ‘underdeveloped’, ‘less developed’, or ‘developing’. The term has become less fashionable with the end of the Cold War and with recognition of the variety of experiences lumped into that category (Hulme and Turner, 1990; Dirlik, 1997). In general, ‘the third world’ encompasses societies exhibiting low growth rates, high incidences of poverty, poor sanitation and health, comparatively high population growth rates, higher fertility rates, lower life expectancy, a higher proportion of the economy dedicated to agriculture, lower rates of urbanization, inadequate housing, extensive internal inequality, high levels of gender inequality, and adult illiteracy (Hulme and Turner, 1990; Webster, 1990). Many of these countries are often said to suffer from the colonial legacy of having ‘plantation’ or ‘quarry’
economies that rely on exporting a handful of commodities to rich countries, which makes them extremely vulnerable to price fluctuations caused, for instance, by climate change or crop diseases (Hulme and Turner, 1990; Webster, 1990). These countries often also suffer high levels of indebtedness, and much of their budgets are taken up making payments on loan interest and principal. In addition, democracy is often weak or non-existent in these countries, with military expenditure often dwarfing spending on health and education. Let us look briefly at some selected details of the global inequality between rich and poor countries. Life expectancy for those in countries such as Japan, Sweden, Australia, France, and the United Kingdom is above or close to 80 years of age, while it is less than 40 for persons living in Rwanda, Zambia, Lesotho, Zimbabwe, and the Central African Republic. While GDP per capita in Norway, the US, Denmark, Switzerland, and Ireland is above $30,000, it is below $1,000 for Ethiopia, Tanzania, Nigeria, Yemen, and the Democratic Republic of Congo. Norway, Australia, Sweden, the US, and Belgium register as having none of their population living on less than $2 per day, while over 40 per cent of the population of Ecuador, Indonesia, Nicaragua, Egypt, and Nigeria live on less than $2 per day. Relatedly, over 40 per cent of the population are undernourished in Angola, Tanzania, Haiti, Mozambique, and Tajikistan. The prevalence of HIV in Japan, New Zealand, Slovenia, Hong Kong, and Korea is less than 0.1 per cent of the population; in contrast, it is over 20 per cent in Swaziland, Botswana, South Africa, Namibia, and Lesotho. Cases of malaria per 100,000 of the population are negligible in the US, the UK, Japan, Netherlands, and Canada, while they reach over 20,000 in Botswana, Burundi, Zambia, Malawi, and Guinea. The adult literacy rate in Albania, Estonia, Slovenia, Ukraine, and Lithuania is over 98 per cent, compared to less than 50 per cent for Bangladesh, Chad, Ethiopia, Niger, and Senegal. In terms of technological diffusion, telephone mainlines per 1,000 people reaches over 6,000 for Norway, Sweden, Switzerland, Denmark, and the US, in comparison with less
than 10 for Tanzania, Angola, Niger, Mali, and Rwanda; and Internet users per 1,000 people sits at over 500 for Singapore, Finland, the US, Canada, and Norway, compared to less than five for Burkina Faso, the Central African Republic, Rwanda, Eritrea, and Sudan (United Nations Development Programme, 2003).

We will now focus on the two broad paradigms that seek to explain and remedy global inequality. First, modernization theory follows the interests of the classical social and political thinkers in their concentration on the supposedly progressive movement from traditional to modern social orders. Emerging from this evolutionist perspective – especially from Durkheim and from Weber – modernization theory came to prominence in the 1950s and 1960s. The context of this approach is the polarization and global competition of the Cold War period, as both superpowers sought allegiances with non-European societies. Theorists of this paradigm draw on the tradition-modernity distinction. Talcott Parsons, America’s leading sociologist of the period, had already drawn up a list of traits ostensibly dividing traditional from modern social orders: affectivity versus affective neutrality; collective versus self-orientation; particularism versus universalism; ascription versus achievement; diffuseness versus specificity (Hoogvelt, 1978). In this perspective, tradition and the past provide the key sign posts, along with kinship and the collective, for those living in traditional social orders (Webster, 1990). People’s place in the social order is ascribed (rather than achievement-based), allowing little mobility, and thus inclining people towards a worldview that is characterized by emotion, fate, and religion (Webster, 1990). One consequence of this, it was argued, is that they tend to lack the desire for new skills and technology, for new ways of thinking and acting (Webster, 1990). By contrast, people in modern societies are future-oriented, not as tied to tradition, kinship, and the collective, with achievement more important than ascription in determining one’s place in the world, and equipped with a rational, scientific, and entrepreneurial approach to the world (Webster, 1990; Hulme and Turner, 1990).
While modernization theory is not all of a piece, emphasizing different factors in the move to modernity, there are important commonalities. For example, modernization theory views values, beliefs, and norms as important for progressive social change (Webster, 1990). Thus, David McLelland (1970) underscores the need for achievement and entrepreneurship in the modernization process. Modernization theory also tends to view the West as a map for development globally. It is thought that modern societies will develop as traditional ways are replaced with more modern practices and modes of thought, and these can be introduced from without, so that the West has a central role to play in the modernization of developing social orders (Hulme and Turner, 1990). Further, modernization thinkers identify a number of logics, tendencies, and institutions that should be encouraged so as to generate development, such as urbanization, nuclear families, growth of education and the mass media, and the emergence of a system of rational law (Webster, 1990; Hulme and Turner, 1990). The modernization approach also assumes that less developed social orders are in a state prior to their ‘take off’ into modernity, that the obstacles to such development or modernization are merely internal, and that development is a relatively linear process (Webster, 1990).

From the 1960s, these assumptions were heavily criticized, and modernization theory’s popularity waned. A first counter-argument is that the dichotomous schema of ‘tradition-modernity’ is far too simplistic to account properly for a whole variety of experiences (Webster, 1990). This schema was also criticized as highly problematic in basing itself on the experiences of a small number of Western nations, and in being founded on the questionable assumption that the West was superior.  

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(Webster, 1990). Next, modernization approaches seemed overly simplistic, when, for instance, modernization might not at all mean the decline of traditional beliefs and practices, especially since these might prove highly functional as resources in changing social orders (Webster, 1990). Most importantly, though, a number of thinkers influenced by Marxism objected that modernization theory had
blindly ignored the impact of Western imperialism and colonialism on these third world orders: that is, modernization theory was deemed profoundly ahistorical (Hulme and Turner, 1990; Webster, 1990; Hoogvelt, 1978).

The second paradigm, emphasizing Western impact as an explanation for underdevelopment, is labelled dependency theory. We have already referred to Marx’s assumption that capitalism would spread inexorably around the world, creating, in the process, a global capitalist order, which he believed was a progressive step insofar as it would pave the way for communism. Capitalism, that is, would generate the necessary productive forces and skills and create a human force – the working class – that would bring a higher stage of human social organization. Marx was impressed by capitalism’s dynamism and progressiveness, and was often contemptuous of the traditional ways of life capitalism swept away. While Marx recognized the disruption and barbarism that can come with this expansion – the slave trade and the colonization of India are singled out – he viewed this process as inevitable and as ultimately progressive.

However, Marx does also note that, at least in part, the development of the Western capitalist nations is related to their ability to exploit the less advanced countries (Hulme and Turner, 1990). It is this idea that is very important to the thinkers who were to draw on Marx and Marxism to criticize and offer an alternative to modernization theory. For these Marxist thinkers, we need to turn to the history of Western exploitation of what is now the third world in order to understand why these countries did not and could not simply ‘take off’ into development, but were, quite the reverse, underdeveloped and made dependent by their contact with the West.

The leader of the Russian Revolution, Vladimir Lenin’s 1917 pamphlet *Imperialism as the Highest Stage of Capitalism* is also important for thinkers of the dependency school. Imperialism, in brief, refers to the domination of less developed by more developed nations in the interests of economic gain (Marshall, 1994). For Lenin (1970: 106), the imperialistic stage of capitalist development was marked by the following:
the concentration of production and capital towards monopolies; 

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the merging of bank and industrial capital; the export of capital; the creation of ‘international monopolist combines which share the world among themselves’; and the complete division of the world between the major capitalist powers. Imperialism was, for Lenin, the result of the capitalist system attempting to overcome its crisis of profitability. Expansion outwards, suggests Lenin, solves this problem, allowing control over the global market, access to cheap labour, and a supply of cheap raw materials. This means as well the centralisation and concentration of capital by large monopolistic companies. For Lenin, capitalism inevitably generated imperialism, which inevitably generated conflict, war, and misery for the working class – recall that Lenin is writing in the period of the First World War – and this, in turn, would bring world socialist revolution. According to Lenin, though, because of the benefits accrued to the aristocracy of labour in the capitalist nations, the agent of revolution might not, first and foremost, be the Western working class, but might now be located in the less developed, exploited nations suffering from imperialistic plunder. A central innovation here, in contrast to the supreme optimism of many thinkers of socialist orthodoxy at the time, is that there are limits to the progressiveness and development of capitalism. At a certain stage, capitalism reaches decadence (it is no longer progressive), the end of its historical ascendancy and the end of its usefulness for the people of the world. Scepticism about the inevitability of capitalist progress and development was taken up later in the Latin American context, and was vital for the development of dependency theory. The negative impact on Latin America of the Great Depression of the 1930s meant that the countries of this region began looking inwards for development strategies (Hulme and Turner, 1990). The Economic Commission for Latin America (ECLA) was established in 1948 and tried to explain and combat the persistence of underdevelopment in that continent (Hulme and Turner, 1990). Though their policies failed to achieve the development sought, as Hulme and Turner (1990: 47) note, they came to two
important conclusions: (1) the world could be understood in terms of a ‘core’ of developed industrial nations and a ‘periphery’ of underdeveloped nations; and (2) that the core and periphery were closely linked, in such a way that these links made the periphery dependent on the core.

This dependency is frequently explained through a three-part account of the relations between core and periphery (see Webster, 1990: 70–81). The first phase began with merchant capitalism, the accumulation of capital through trade and plunder, starting in the sixteenth century. The second phase was colonialism in the nineteenth century, which involved greater wealth extraction from peripheral areas through tightened control over the labour force and the industrialization of production (Hoogvelt, 1978; Webster, 1990). Here, peripheral areas increasingly geared production towards the needs of European countries, so that, as Hobsbawm (1995b: 64) puts it, ‘Malaya increasingly meant rubber and tin, Brazil coffee, Chile nitrates, Uruguay meat, Cuba sugar and cigars’. In the third phase of neocolonialism, the former colonies achieved independence, but a new form of socio-economic domination from outside has meant continuing dependence (Webster, 1990; Hoogvelt, 1978). Some support for this dependency thesis is given by the growing inequalities of wealth between Europe and its colonies: from 2:1 in the eighteenth century, to 5:1 in 1900, to 15:1 by the 1960s (R. T. Robertson, 2003).

These ideas are most famously developed by the political economist, Andre Gunder Frank. Frank (1971) suggests that poverty in the third world, the satellites, is the result of dependency on the metropolis: in other words, development and underdevelopment are two sides of the same coin. The economic and political fabric of the now underdeveloped countries was distorted by expanding capitalism, and these countries became linked to the capitalist metropolis through narrow economic specialization. The elites in the third world act as intermediaries who benefit from this situation, while the mass of people in these satellites have the wealth or economic surplus they produce transferred
back to the metropolis through ‘a whole chain of metropolites and satellites, which runs from the world metropolis down to the hacienda or rural merchant who are satellites of the local commercial metropolitan centre but who in their turn have peasants as their satellites’ (Frank in Long, 1977: 74). Influenced like others from the dependency paradigm by the Cuban Revolution, Frank contends that the source of underdevelopment can only be eliminated by breaking these ties of dependency.

While the dependency paradigm did much to discredit modernization theory, shifting the blame away from the third world, it too came in for a substantial amount of criticism and has since gone into decline or been modified. In particular, the concept of dependency was criticized as being of limited explanatory value (Webster, 1990): for instance, New Zealand has been heavily dependent on overseas markets for a narrow range of products (such as wool, meat, and dairy products) yet has a very high standard of living and might be considered as part of the core states. Second, even some Marxists (such as Theorizing Globalization: Introducing the Challenge 45 Warren, 1973) claimed that third world nations are far from static, as dependency theory assumes, and development is occurring in a number of peripheral countries (Webster, 1990). Dependency theory thus is seen as providing too simple and unnuanced an account of global inequality. Nevertheless, as noted, while both modernization and dependency paradigms have been subjected to heavy critical interrogation, both continue to have resonance in popular, governmental, and academic discourse as ways of understanding global inequality.

**Modernity**

The question of modernity is obviously linked closely to ideas of development and modernization. And modernity has become a renewed focus of investigation, as we suggested earlier, with the challenges of postmodernism. As Jameson (2002) says, ‘Modernity is back in business’, and this is, paradoxically, a postmodern phenomenon. Marx, Weber, and Durkheim were each wrestling with the advent of modernity and conceptualized it, respectively, as dominated by capitalism,
rationalization, and the expansion of the division of labour. In all three accounts, modernity is double-sided (Lemert, 1998; Berman, 1983), at once promising and dynamic but also disruptive and threatening – alienation and exploitation accompany capitalism (Marx), disenchantment of the world (a loss of the magic quality of life) comes with rationalization (Weber), and anomie (normlessness) with the expansion of the division of labour (Durkheim). And, as we have seen in Marx’s account, modernity was linked to what is now called globalization, with capitalism spreading across the world.

In the social sciences today, modernity is often understood as a political, cultural, intellectual, and economic cluster that includes the following facets: the Industrial Revolution and the application of science and technique to production; capitalism, the generalized production of commodities for a market, and the relentless search for profit; the advent of the modern nation-state, nationalism, and the category of the citizen; the beginnings of the socialist movement and the coming into political life of the masses; Western global expansion and the emergence of the discourse of the ‘West versus the Rest’; the intellectual-cultural revolution of the eighteenth century Enlightenment, with its emphasis on Reason, empiricism, science, universalism, progress, individualism, toleration, freedom, and secularism (Hamilton, 1999).

There has, then, been a movement away from conceptualizing modernity in terms of a single dominating dimension. Thus, influenced by but critical of Marx, the Hungarian political philosopher Agnes Heller insists that modernity cannot simply be understood as solely about the unfolding of capitalism (Feher and Heller, 1987). Instead, Heller understands modernity as made up of a number of competing and intertwining logics – capitalism, industrialism, and democracy – which develop and mix unevenly and unpredictably. As Beilharz (1994) suggests, we could easily add others – for instance, nationalism, rationalization, bureaucratization, relativization, pluralization, and globalization.

Another pluralizing move in the theorizing of modernity has seen a shift away from the simple tradition-modernity dichotomy that is...
based on a small part of the Western world as blueprint of modernity, towards an attempt at a pluralistic and non-Eurocentric conceptualization of competing projects of modernity. The idea here is, in Andre Gunder Frank’s words, that ‘If you look only under the European street light you won’t see much beyond Europe’ (quoted in R. T. Robertson, 2003: 87). Rather than a single type of modernity, then, it is necessary to speak of diverse modernities or projects of modernity that emphasize a variety of distinct values, aims, ideals, practices, and institutions. For example, Nicos Mouzelis (1999) considers modernity as introducing an unprecedented mobilization of peoples that weakens local ties and brings them to an economic, social, political and cultural centre. In addition, he points to institutional differentiation, that is, the separation and autonomization of institutional spheres, as a central aspect of modernity. This mobilization and differentiation are linked to the scientific revolution. Further, in the cultural sphere, cultural technologies, for instance, help make mass literacy and education possible, while in the social domain, technologies are employed for care of the weak and destitute. This broader conceptualization aims at allowing us to see varieties of modernity, modern institutions, and modern possibilities beyond the West, so that, for example, the idea of an Islamic modernity that embraces certain Islamic traditions as well as Western techno-capitalism no longer appears as a contradiction in terms.

Conclusion
We have argued in this chapter for the utility of critical theory in approaching globalization. Such an approach is useful in that it refuses to treat globalization as a simple ‘fact’ that can be straightforwardly apprehended in a purely empirical manner. Critical theory instead insists on the inescapability of theorizing, and thereby provides us with challenging and enlightening ways of seeing and understanding the world. Moreover, by refusing the possibility of an easy separation of fact and value, and arguing that we can take up and transform the world, critical theory generates not only intellectual challenge and stimulation but also alternative political possibilities. We hope that
this book will demonstrate not only the excitement of the alternative ways of seeing associated with critical theorizing, but also the necessity of confronting contemporary globalization and imagining other global futures.

**Further reading**


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2

Economic Globalization

**Introduction**