

ON GLOBALIZATION

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Globalisation is a tricky subject, with several disciplines having something to say about it. There are ongoing debates about whether it exists, its origin, its timeframe, whether it is good or bad, and whether at all it is a new phenomenon. What are the ethical issues in it? Does globalisation signify a radical departure from international trade which has been going on for more than a thousand years, or is it just a phase of rapid acceleration in that process? Is it only about trade and finance on a global scale?

Trade has never been just about trade. Much of the ancient history of Philosophy, Mathematics and Spices tells us how stories and ideas travelled to and fro from India on to Greece and beyond through the Arab traders and the trading cities of Baghdad and Constantinople, much before the shipping routes were discovered in the 15th century and direct contact could be established between Europe and the *new* world – India and later, America. The European colonisation of most of the world in the subsequent period was both political and cultural, but primarily motivated by trade at least in the Indian context. The English East India Company was quite a multi-national in its own day having trading ties with India, South East Asia and the Far East up to China.

Technological advances in the 20th century made travel easier and considerably reduced spatial boundaries among distant places through telephony, television, internet-based business, financial and personal interaction, and rapid air travel. The ‘Globalization’ under consideration is the political, economic and environmental impact this closeness thus brought about. Hence, globalization has continuity with the trade of previous centuries and also a departure in terms of the scale and form it acquired.

Anthony Giddens in his *The Consequences of Modernity*¹ defines ‘Globalization ... as the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa.’ (p. 64) Global inter-connectedness of spatially distanced and apparently disconnected events is definitive of globalisation. A lower

¹ Giddens, Anthony (1990) *The Consequences of Modernity*. Cambridge: Polity

earnings growth in Japan could lead to closure of a factory in Vietnam. Global entities have a trans-national character- a company may have an Indian CEO, factory in China with Chinese workers, Kuwaiti Shaikh as owner, Head Office in New York and consumers in Europe. An American calling to complain at the local bank might be speaking to an Indian working in a call centre in Bangalore. Globalisation is supposed to impact everyone on the planet. If you are thinking of a village where there is no Coca Cola, then the answer is Globalisation impacts the environment and climate which affects everyone.

The term Globalization has gained popular currency in the last 25 years. It is a phenomenon which is post-Berlin wall, post-break-up of the Soviet Bloc and post-emergence of the capital friendly communism in China. Globalization, as used in popular debates, is primarily economic in nature and not just an invitation to be open to the world, *a la* Rabindranath Tagore. However that openness and connect to the world could also be part of the deal. With any attempt at opening up, there would always be some xenophobic protest. The real problem with this 20th – 21st century phenomenon of globalization is with respect to the freedom of a nation in the act of opening up to other, sometimes more, powerful nations and its impact on its people and environment.

Globalization is sometimes, simplistically, seen as Westernization or more particularly, Americanisation; there is also a term McDonalidization which intends to capture the idea of the McDonalds-style of homogenization everywhere. Every McDonalds, KFC, Subway shop looks identical- whether it is in Matigara or in Manhattan. This is perceived as a threat for the non-western. The homogenization feared is not of course just of McDonalds but of culture and choices. People the world over drink Coca-Cola, wear Levis, aspire to have a BMW and watch some version of ‘Who wants to be a Millionaire’ or ‘American Idol’. This imposition of global uniformity threatens cultural diversity everywhere, even in the west. However, change operates both ways and seemingly powerful partners in such interactions may be affected in surreptitious ways leading to a global cosmopolitanism of taste. (Tikka masala is supposedly rated the most loved dish in Britain).

Globalization allows multinational companies to spread their production and distribution set-ups around the world and hedge political or economic risk e.g. that of

cost escalation in one country or political turmoil in another. It becomes difficult for governments to have any effective control over these corporations. Increases in taxation or labour benefits may make a country non-competitive on the international scene and force companies to shift capital and production to other places with more favourable business conditions, leading to loss of the total tax income and employment generation. If Sweden wants to impose better minimum wage for employees, it may find that production facilities are being shifted to Taipei or Vietnam. China has become the factory of the world and India its back-office because of cost advantages. It is also feared that the political positions of countries have increasingly come to be governed by the interests of the dominant business corporations. Hence the globalization sought by different nations is one subservient to the interests of the corporate lobbying in those countries.

When different cultures come into contact with each other, they are often not similarly placed hierarchically. One tends to eat into the other, or at least, that is the fear. This fear leads to questions of how much closeness should be allowed, what terms should be imposed, what are the fields that one is confident about and hence, eager to get closer with others in while what are the others that one feels more scared of and protective about. In an electronically connected world with international organisations influencing national policies, it becomes difficult for nations to impose strict restrictions on the flow of ideas and business. The ability to set the terms of endearment i.e. impose restrictions also depends on the political and economic clout of the nation in the global geo-politic.

The Globalization debate is always framed in terms of the nation and community and how far it is threatened by the other from elsewhere. Nations and communities are made of individuals. From one point of view, Globalization is supposed to provide more choices to the individual. By shifting production to the place where it is cheapest to produce, Globalization can keep prices down and make consumption affordable around the world. Restrictions on consumption can be seen as being paternalistic to consumers; one has to understand that ultimately it is their choice which gets limited. The counter argument is that by gradually killing the local alternatives, globalization actually reduces the availability of local choices. One must remember that globalization is run by global capital and big businesses. They are

neither fond of uniformity, though it is more convenient for them, nor are they cold to diversity if that is the way to more purses. We know of McDonalds introducing Indian variations and KFC selling vegetarian food. The next big thing in internet is supposed to be the development of more local language content. Satellite television has already given rise to an amazing amount of content in varied languages. (There are 30 or more Bengali channels.) Glocal- made by mixing the words global and local- has emerged as the buzzword. One-size-fits-all kind of globalization is being replaced by local experimentation and customisation in the face of extremely resilient cultural practices.

Globalisation might be a threat to local businesses unless they are able to successfully tag themselves to the new marketing practices and product benchmarks and actually use this as an opportunity. But local businesses may be unable to fight. Pressures of global capitalism and their ability to appear attractive cannot be matched by local businesses operating at lower investments. The counter argument is that local businesses haven't always had an amazingly fruitful association with local communities or nations, as it is made out to be. They have also run with the motive of profit maximization as businesses should. Moreover, enjoying monopolistic control on the consumer choices in protected economies, they have made profits that they have not necessarily reinvested in product development or employee welfare, giving both the consumers and their employees an unfair deal. The case of Hindustan Motors and their ambassador brand of cars comes to mind.

There was no sacred original position before the phase of globalization. The phase before that of globalization was also one reached through political, cultural and economic evolution over a long phase of colonialism, feudalism and monarchy. The impact of globalisation seems quicker and more all-encompassing. This seeming speediness of globalisation could be because of the temporal closeness of the event. However, it could actually be quicker because of the speed and variety of multi-level inter-cultural communication and the ability to rapidly spread business and financial control across the globe, which was not possible before. The main ethical worry regarding the impact of this rapid change on the lives of ordinary people and the environment cannot be discounted.

With economic changes, newer modes of production and servicing emerge that make certain businesses unsustainable and some vocations redundant, some modes of dressing restricted to special occasions. So what can a nation do? How can it intervene? Should it intervene? What should be the nature of that intervention? What are the limitations of such intervention? It can negotiate certain protections in areas that it feels would impact the least well-off; ensure effective competition among business entities and a fair deal for weaker participants. It can also negotiate in the global marketplace to make itself more attractive to the global flow of capital and enterprise. This is possible only to a certain extent in the face of international laws and treaties imposed upon nations. Processes of globalization do make nations helpless. If a nation can safeguard individual liberty and ensure that the opportunity to explore in the changing circumstances comes everyone's way, it would have done enough. Individuals have always had to flow with the tide. Globalisation appears to be no different. As in every other time, one needs to adapt to changes and find opportunities in the changing circumstances. But individuals also resist systems and forced changes. Anti-globalization movements like 'Occupy Wall Street' and thinkers such as Noam Chomsky point out the exploitative nature of corporate globalisation and keep the fears alive.

Globalization is definitely a challenge for the world community and a huge opportunity as well. Creation of inherent resilience of culture and economic enterprise is significant for survival. A living culture is marked by change; every transformation need not be moaned as disappearance of a mode of living. It might enrich and give rise to a new cultural repertoire for the community. The documentation of the changes is significant so that we do not lose track of what we were. Our idea of our past is a part of the present and says more about our present than our past. A romantic conservatism based on an idealized past is unsustainable in the long run.