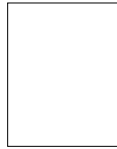


The Future of Globalization

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Abstrak

Ada pihak yang menghujahkan bahwa tidak ada alternatif kepada globalisasi neoliberal, yaitu suatu kompleks idea serta kerangka polisi yang berpusatkan pada peningkatan integrasi pasaran dunia. Jika globalisasi itu difahami sebagai satu *jugernauta* (suatu kuasa raksaksa yang menyeluruh atau yang tidak terelakkan yang mencorakkan sejarah), maka pendirian ini boleh menyebabkan kita kehilangan upaya politik. Walau bagaimanapun, sekiranya globalisasi dianggap sebagai satu transformasi sejarah yang dicipta oleh manusia, maka seperti juga zaman sejarah lain, globalisasi mempunyai permulaan dan juga pengakhirannya. Berpegang pada perspektif jangka panjang, adalah jelas bahawa globalisasi telah membuka ruang dan melebarkan sempadan berkaitan gelanggang tradisional kehidupan politik. Pada peralihan alaf ini, terdapat banyak usaha untuk memikirkan alternatif dan menjelmakannya menjadi tindakan yang pada akhirnya merupakan kuasa pengimbal. Alternatif ini meliputi pelbagai cadangan bagi mengadakan reformasi ke atas neoliberalisme, sama ada peringkat nasional mahupun antarabangsa, sehinggalah kepada tuntutan perubahan struktur yang menyentuh akar umbi globalisasi. Dengan pemisahan yang jelas antara penyahwilayahan aliran ekonomi dengan prinsip kedaulatan, yang merupakan peninggalan sistem Westphalia abad ke-17 di Eropah, yang diterima pakai di serata dunia, maka cabarannya ialah untuk memikirkan semula konsep demokrasi nasional. Pertimbangan diberikan terhadap persoalan mewilayahkan semula demokrasi supaya ia sejajar dengan sistem global pelbagai tingkat, di mana sempadannya tidak dihapuskan, tetapi dikaburi serta dirumitkan oleh peraturan rentas perbatasan, yang antaranya direncanakan oleh negara manakala ada pula yang memperlemahkan negara.

Abstract

It has been argued there is no alternative to neoliberal globalization, the complex of ideas and a policy framework centering on increasing integration in the world market. If understood to mean that globalization is a juggernaut – a totalizing or inevitable force governing history – this position can be politically disempowering. However, if globalization is regarded as a historical transformation made by humankind, then, like other periods of history, it had a beginning, and will have an end. Taking a long-term perspective, it is clear that globalization has opened spaces, expanding the boundaries associated with the traditional sites of political life. At the turn of the millennium, there are myriad efforts to imagine alternatives and convert them into practice, which, ultimately, are a matter of countervailing power. These range from a series of proposals for far-reaching reform in neoliberalism, both at the national and international levels, to calls for fundamental structural change that extend to the bedrock of globalization. In the face of a sharp disjuncture between the deterritorialization of economic flows and the territorial principle of sovereignty, a relic of the seventeenth-century Westphalian system in Europe, grafted onto the rest of the world, the challenge is to rethink the concept of national democracy. Consideration is given to the question of reterritorializing democracy in order to bring it in line with a multilevel global system in which boundaries are not eradicated, but blurred and complicated by transborder arrangements, some of them authored by the state and others undermining it.

Honorable Minister of Foreign Affairs, Vice-Chancellor Anuwar Ali, Directors of the Pok Rafeah Foundation, Staff Members, and Other Distinguished Guests,

In 1997, I had the pleasure to present the first Inaugural Lecture of the Pok Rafeah Chair in International Studies. Now, I am again honored, this time to deliver the second public lecture under the auspices of the Pok Rafeah Chair. Two years have lapsed, and I owe an enormous debt of gratitude to my colleagues at the Institute of Malaysian and International Studies, and more generally throughout Universiti Kebangsaan Malaysia, who have educated me about the dynamics of this region. It is difficult to measure up to your willingness to share knowledge, as well to your hospitality. My remarks today are but a modest contribution in return.

With the economic downturn in Malaysia, and now the apparent road to recovery, these two years have indeed been a tumultuous period not only for this country, but also for several others seeking to navigate the shoals of globalization. Seated in Kuala Lumpur, we have had a rocky ride on the currents of the market economy. This vantage point provides perspective on globalization, its swift pace and real hazards, some of which may not meet the eye.

Simply put, globalization means a historical transformation, extending and accelerating interactions across time and space, with profound implications in terms of changing power relations, as well as for the capacity of a community to determine its own fate. On the one hand, the set of processes known as globalization offers gains in productivity, technological advances, higher standards of living, more jobs, broader access to consumer products at lower cost, widespread dissemination of information and knowledge, reductions in poverty in some parts of the world, and a release from long-standing social hierarchies in many countries. On the other hand, there is a price for becoming enthralled with this global

paradigm and adopting its practices: a lessening of the degree of economic and political control, especially in the developing world. In addition, there is the important issue of the erosion of cultural traditions, giving rise to new hybrid forms.

But as the indomitable Margaret Thatcher once said, with aplomb, about neoliberal globalization, the complex of ideas and a policy framework centering on increasing integration in the world market: “There is no alternative.” Known as TINA, this slogan means that globalization is here to stay. Globalization is inevitable. Globalization is a juggernaut. Right?

In this lecture, I want to argue to the contrary, look beyond immediate events, however compelling they may be, and adopt a perspective that the French economic historian Fernand Braudel called the *longue durée*. My concern is a long horizon that extends to the future of globalization, including alternatives to the way it is presently constituted: in other words, what might be regarded as postglobalization (that is, in its neoliberal form).

Indeed, globalization can be politically disempowering, if one regards it as a juggernaut – i.e., a totalizing or inevitable force governing history. With the rush to implement a series of neoliberal policies – namely, liberalization, deregulation, and privatization – that promote market integration, and given a preoccupation with economic growth rather than balanced development or equity, a sublimation of the politics of globalization can set in. In looking at the possibilities for reclaiming politics and the prospects for a shift, I will not revisit my 1997 Inaugural Lecture, which concluded by identifying a series of deep tensions within the globalization syndrome, but pick up where that story left off. Today, I will contend that globalization has opened spaces, expanding the boundaries associated with the traditional sites of political life.

Of course, one cannot read off the future from a set of structural disjunctures. History is fundamentally propelled by human agency, albeit subject to evolving global forces; it is contingent and must be regarded as an open – ended process. But if globalization was made by humankind, then it can be unmade or remade by political agency. As with slavery, feudalism, and previous forms of capitalism (its mercantile and industrial phases), there is no reason

to believe that neoliberal globalization is eternal. Although I cannot, and do not seek to, predict the future, social theory helps to bring to light major constraints and possibilities that may enable, or empower, various actors in the new millennium.

Globalization as Utopia

Seemingly, the champions of globalization attempt to create a global market in which the peoples of the world increasingly relate to each other only as individuals. In this process, society is being undermined and subordinated to the market. Putting it baldly, Mrs. Thatcher declared, “There is no such thing as society, only individual men and women and their families.” From this perspective, globalization is an attempt to achieve the utopia of freeing the market from social and political control. It is a utopia in the sense that this condition has never existed.

Not only is the utopia of a free market composed of individual actors ahistorical, but also in Karl Polanyi’s memorable phrase: “*Laissez-faire* was planned; planning was not” (Polanyi 1957, 141). In an earlier century, concerted action by a liberal state in Great Britain gave rise to a supposed self-running economy, but the pressure for ensuing anti-*laissez-faire* legislation beginning in 1860 started in a spontaneous manner and picked up gradually. Notwithstanding a variety of such enactments, the opening of the so-called free market fomented an “economic earthquake”: a socially disruptive and polarizing process amid periods of apparent economic improvement. Polanyi traced the trajectory from social control over the market to a remove of market activities. The market gained autonomy, with the subsequent subordination of society to market forces, provoking a protectionist countermovement from social forces, particularly the English working class.

In his challenge to the myth of a self-running market, Polanyi not only provided a critique of economic liberalism – an account of the creation of the dystopia of market society – but also pointed to the need to *re-embed* market forces in society. What must be explicated, however, are the meaning of and strategies for re-embedding. I will return to this matter shortly, and attempt to build

on, and venture beyond, Polanyi's insights on the "great transformation," the dawn of industrial capitalism, in order to grasp the evolving global transformation that marks our era.

Globalization in Flux

It is important to emphasize that in our times, globalization is not really global; it is a partial trend that combines with local social structures and national historical trajectories, producing greater differences – not homogeneity – in the world. The globalization dynamic has only partly encompassed certain regions, notably sub-Saharan Africa, which is marginalized from its growth and steering mechanisms. Even in the economically advanced countries, there are large pockets on the fringes of globalization, especially with the increasing income inequality that accompanies it.

In this milieu, global governance – i.e., more than governments, but all of the institutions (including transnational corporations and social movements), rules, and practices bearing on transnational authority systems – remains a contested proposition (Rosenau 1997). The old formulas no longer work and are being disputed. However, some observers continue to believe that states are invariant structures, that histories are enveloped in national territorial containers. On the contrary, if anything, the onset of the economic crisis that jolted Eastern Asia beginning in Thailand in 1997, with strong repercussions in other regions, strikingly showed, more than ever, the vulnerability of national actors vis-à-vis global pressures, especially capital flows.

Globalization calls into question the ability of the interstate system to cope with certain fundamental transnational problems. After all, the Westphalian model of governance is a relic of the seventeenth century, established in the West and grafted onto other parts of the world, which are based on different social structures and distinctive historical realities. Contesting the interstate system are the properties of new technologies – interconnectivity and lightning speed – as well as massive concentrations of power, particularly in the global capital market, dwarfing the resources of

many national units as well as challenging the principles of sovereignty and territorial jurisdiction.

Of course, the state does not remain idle. Those who hold the reins of power try to adjust by accommodating global flows and turning them to national and local advantage. Not all states suffer in the same way from power deflation. So, too, it would be a mistake to portray global processes and the state as locked into a zero-sum relationship. With globalization, some elements within the state gain power, while others lose. Among the winners are the economic portfolios and the administrative agencies dealing with the external realm. Meanwhile, the offices charged with responsibility for social policy are reduced in scope. Nevertheless, to varying degrees, all states are losing autonomy in the emerging multilevel system. Quite clearly, they operate in a rapidly changing context. The interstate system is durable, but despite its persistence, when are states free to act independently of market constraints? Increasingly, market power disciplines the state, as with International Monetary Fund (IMF) conditionalities and currency speculation.

Against this backdrop, the state is reconstituting itself, attempting to be proactive in order to shape globalizing processes. In this regard, the capacities of states differ markedly. The general pattern, nevertheless, is the reduction of regulatory activity, the easing of borders, and the lowering of barriers. The restructuring of the state means that it is becoming more of a facilitator of and for globalizing activities insofar as they are localized within the domain of a “sovereign” entity (Cox 1987, 253-65).

To aggregate their power, states have established a highly institutionalized system. Not only has there been a proliferation of international organizations in recent decades, but also, when faced with new problems of globalization such as transnational organized crime, the holders of state power seek a higher level of institutionalization and more effective coordination in the interstate system. Hence, there are many rounds of summitry in forums such as the Group of Seven for the most powerful countries, and the Group of Fifteen in the developing world. Another formula, increasingly evident, is informal attempts at global governance, for example in the World Economic Forum, an annual gathering in

Davos, Switzerland, which brings together CEOs of the 1,000 largest corporations in the world, central bankers, presidents, prime ministers, and some scholars. Another informal mode of governance is the Trilateral Commission, which consists of corporate, political, and intellectual leaders from the advanced capitalist countries. In addition, privatized forms of governance are becoming more prominent. The structural power wielded by legal and financial services firms and credit-rating agencies, such as Moody's and Standard and Poor's, is based on evaluations that enable borrowers to raise money, or prevent them from doing so, and influences the terms of loans. This power can make or break some developing economies.

The nub of the problem is that the interstate system synergizes institutional forms at a level that does not correspond to an increasing portion of the world's political and economic activities. Incongruity between the nation-state and actual global flows today is cause for trial-and-error and reason to use more fully the political imagination. Globalization involves a quest for an appropriate temporal and spatial scale for governance (Jessop 1997). But in this quest, are there alternatives?

After Neoliberal Globalization

Although Margaret Thatcher's argument about TINA is correct insofar as neoliberalism is predominant and may not have run its course, there are grounds for questioning the triumphalism reflected in her contention. This point is evident in South Africa, where, as the poet Dennis Brutus put it, there is a struggle between TINA and THEMBA, which, in the Zulu language, stands for "There must be an alternative," or, in short, "hope" (Bond 1995, 3, 7). To be sure, it is important to ask whether the neoliberal way of ordering the world will stay or wane. Like prior forms of capitalism, neoliberalism has a history, and histories have their beginnings and ends. Certainly, neoliberalism will not simply peter out of its own accord. Rather, faced with myriad discontents and countervailing power, neoliberalism is being challenged by various

forces which are inchoate but, arguably, mounting. Especially noteworthy is the drive, rapidly gaining momentum, toward *reregulation*, particularly apparent in Latin America and evident elsewhere as well. Among the reasons for this trend have been the spread of the Asian economic crisis to other regions and the buildup of social problems linked to neoliberal policies.

Indeed, the evidence points to a range of efforts to imagine alternatives and convert them into practice. They fall into three basic categories. The first involves modifications in neoliberal globalization without challenging its underlying structures, and the second and third call for the destruction of this paradigm, or counterglobalization, which entails an attack on the ideas and type of policies that form the bedrock of neoliberalism.

The first category takes as axiomatic the proposition that within the globalization syndrome itself, there are real choices. Notwithstanding structural constraints, especially the rise of hypercompetition and the trend toward the “Washington consensus” (the wave of deregulation that began in the United States in the 1970s, accompanied by major reductions in social spending), the choice is essentially a political one. It is held that the market can benefit society while, to some extent, being kept at bay by innovative state policies.

In the vortex of enormous pressure to globalize more, France exemplifies a resistant state, one that maintains much regulation, generous welfare provisions (in schooling, health care, vacations, retirement, and unemployment entitlements), and a large government-run infrastructure, such as its reliable subways and rail networks. Its critics point to an unemployment rate currently near 13 percent; a mounting government deficit; frequent strikes and demonstrations impeding daily life, if not rendering it chaotic; and labyrinthine labor legislation, banking codes, and an educational system that discourages innovation. Faced with the Anglo-American model of neoliberalism, and urged to adopt “the American solution,” President Jacques Chirac responded that his country has a global sense of itself and will fight to maintain a way of life: “France,” he said, “intends to remain France” (as quoted in Trueheart 1997). In the face of unpopular changes to meet

intensifying global economic pressures, a nationalist backlash is thus emerging not only from the disadvantaged segments of society, but also from a handful of states themselves. France's resistance, of course, is atypical, far different from the courtesan role played by other states that serve interests embodied in neoliberal globalization.

There are several modes of adaptation to globalization, and no dearth of proposals for institutional reform. In the domestic arena, important adjustments in administrative agencies and legal procedures – say, in the field of immigration – can alleviate some of the problems brought on by globalization. In the realm of finance, proposed national reforms include tougher bank standards, curbs on hedge funds, an “exit tax,” which would penalize investors for quickly withdrawing their money from a country, and other forms of reregulation. The idea behind these proposals is to emphasize investment in the real economy, rather than to encourage short-term speculative capital.

Crucially, social policy may blunt the sharp edges of the market, especially the global trend toward increased income inequality. Advocates of safety nets and social clauses are pushing in this direction, but skeptics contend that these may serve merely as public relations devices, deflecting attention from more fundamental issues.

Globally, calls for reform include some of the basic conditions on which the IMF insists, notably transparency and greater accountability by government, aspects of structural adjustment that even the fund's critics find laudable. (However, some of them add that the IMF practices double standards by maintaining secrecy in its operations and opine that the fund should follow its own prescription.) In practice, adopting the formula of transparency and accountability requires that regimes confront the political economy of domination, often the very basis of their political support. Hence, many leaders, as was the case in Suharto's Indonesia, have found themselves in the dilemma of desperately needing foreign capital and yet reluctant or unwilling to commit political suicide by dismantling the structures of dominance that sustain the state.

Another proposal for international reform is the Tobin tax, which would place a small charge on cross-border capital flows in order to discourage the rapid transfers by speculators that upset vulnerable economies. Suggestions also include the creation of an “early warning system” to alert the world to approaching economic trends, actions to keep private losses private (instead of state intervention across borders to cover the losses incurred by private investors and speculators), a global central bank, and semifixed exchange rates among leading currencies. There can be little doubt about the need for institutional reform, but for the foreseeable future, it is difficult to conceive of heads of state galvanized to agree on and implement a new architecture for global governance, let alone wield the wherewithal to rein in corporate power, which, after all, is transnationally constituted and thus largely escapes the jurisdiction of sovereign entities. More fundamentally, these alternatives cannot work if they fail to come to grips with the power relations inscribed in globalization. At bottom, a really “new international financial architecture” would entail, or require, a new political architecture.

The second order of alternatives calls for structural change, and seeks to rewrite the script of globalization. On the right of the political spectrum, practitioners and intellectuals have sought to reassert identities based on membership in religious, racial, ethnic, or linguistic communities subject to globalizing forces, in some cases personified by the immigrant, a representation of the Other. Movements based in religion have reacted sharply to the convulsive processes of globalization, partly a recognition of the anomie associated with the ways in which globalizing tendencies are undermining the values of community and ripping the social fabric.

Inasmuch as neoliberal globalization facilitates cross-boundary flows, challenges national culture, and tolerates immigration, right-wing movements, especially in Europe and the United States, have opposed major elements in this structure, though not market society per se. Not only have xenophobic groups invoked a sense of nativism, but there has also been opposition to regional schemes, such as the North American Free Trade Agreement, on the grounds that they weaken sovereignty and are a precursor to world

government. The right's political project embraces the principle of sovereignty, and would build a fortress around territorially bound notions of the state, thereby implicitly calling for the downfall of globalization.

In the search for alternatives, there is a third, also structural, yet even more embryonic project that similarly poses the question, Is globalization indefinitely sustainable? Counterglobalizers involved in this effort represent a broad constellation of social forces, generally the victims of globalization, elements in civil society, some politicians, and organic intellectuals. They do not advocate a status quo ante; there is no going back to preglobalization conditions, and the Keynesian welfare state of bygone decades is not the solution. Unlike the right, this group would promote the relaxation of sovereignty in favor of identities at other levels, which would involve redrawing the boundaries of political economy. This project affirms the importance of engaging yet localizing the global, and of bottom-up processes. If anything, the latter entails a greater diffusion of power. It includes new venues for experimentation and reinventing the relations among the market, state, and society. It is an effort to redefine politics, to expand the space for nonstate politics. It calls for participatory democratic control of market forces, which ultimately is a matter of political agency. It is also a matter of asserting, relative to globalizing structures, greater autonomy, a political and moral precept invoked by ancient Greek writers, in a somewhat different sense by social contract theorists, and in Kantian ethics.

The core of autonomy is self-determination, a tenet that resonates with contemporary liberalism. The principle of autonomy implies that agents have the capacity for critical reflection and, notwithstanding structural pressures, the right to choose among options. Exercising this right requires some control over conditions and actions. The principle of autonomy thus means political and economic self-governance by the majority, and allows for freedom and equality in pursuit of the "common good." Building autonomy from below should not be confused with fencing off and attempting to erect a fortress against the world. These actions could disable civil-society responses to globalization, which in fact often gain

strength from their transnational elements. And an assertion of autonomy from below eventually requires topping up: initiatives within the arena of state politics to bring about greater accountability. After all, the netherworld below the state can be a perilous place, usually marked by fragmentation, and sometimes by intolerance and authoritarian forms of identity politics at odds with democratic life. In the face of the drive by neoliberalism to limit the scope of the state (both its activities and budget) and enforce market discipline, a strong state permitting broad access to power and a vibrant civil society pressing for democratic politics, as exemplified by the new environmental and feminist movements, stand to augment one another and possibly serve as a counterpoint to globalization from above (Walzer 1999). Although there is no reason to believe that the nation-state is forever, at present the state and civil society, with their many joint members, seem to need each other.

A Normative Way Forward?

One response to globalization is to pose the question: Is it ethically sustainable? Morally and politically, is it possible to maintain a global system in which the world's 225 richest people have a combined wealth equal to the annual income of 2.5 billion people, the poorest 47 percent of the world's population? In which the three richest people have assets that exceed the combined Gross Domestic Product of the forty-eight least developed countries (United Nations Development Program 1998, 30)? Is it ethically defensible to claim that this is the price paid for the gains that accompany expanding market forces? Or would it be better to attempt to reduce the cost by searching for a democratic solution, which is, above all, a normative preference? Surely this would not be a panacea; there are different versions of democratic theory, and normative preferences cannot be realized without countervailing power. Knowing my own limitations, and given the vast scope of this issue, I can offer only points for further consideration, not a full-blown analysis. These points are principles,

not policies, for the latter must be devised for different conditions, which is to say that the principles may not converge on one best answer for all times and places.

Democracy in its several variations revolves around the notion of accountability. The Western liberal variant detaches democracy from one sphere of human activity to another: political governance, economic governance and society. Emphasis is accorded to institutional forms, especially electoral mechanisms. Equity among social strata (reducing inequality in the economic realm) is not the priority in a system whose cardinal feature is a rotation of political power among those who usually represent the interests of the privileged segments of society. Hence the tension between globalization and democratization. How, then, can democracy be an antidote for a form of globalization that has spun out of control to the extent that its discontents are increasingly expressed by certain holders of state power, financiers, preeminent neoliberal economists, and the marginalized alike? In other words, how can the contents of globalization be revised so as to maintain its many important achievements and relieve the discontents?

To approach this compelling question, if only in a preliminary and schematic manner, one must grasp the properties of what democratic control in the context of globalization would mean. Put briefly, democracy is a contested concept; different and competing forms are appropriate for varied social and historical structures, although accountability remains a central criterion of democratic rule. Additionally, democracy is not a final state of affairs, but unfolds with changing dynamics. Democracy heretofore has been framed for territorially bounded states that purportedly can contain the movement of people, ideas, and technologies. However, many states, especially the ones with large concentrations of diasporic populations and citizens employed by firms based in other regions, are now subject to deterritorialization and denationalization. With globalization, democracy must be reterritorialized – strengthened both within and across state borders – as a method of governance for regions and, indeed, for solving global problems.

Indeed, there are signs that in an intersubjective sense and in objective ways as well, the national state is becoming a transnational state. In a transnational state, citizens imagine their identities in terms of more than one state – e.g., as is the case with some diasporic populations – and actively participate in the politics of two or more countries, which is permitted by the laws and voting procedures in certain contexts. The challenge, then, is to rethink the concept of *national democracy* and bring it in line with a form of politics in which boundaries are not eradicated, but blurred or complicated by transborder arrangements, some of them authored by the state, and others rooted in economy and culture and either sanctioned by a reluctant state or not at all legitimated by the state.

In this transformation, a vital issue is the matter of access. How can global governance be recast so that civil society may participate meaningfully in the steering processes and economic mechanisms of a powerful structure – globalization – that has the potential to deliver to the many, not merely the few, aggregate economic gains (including a cornucopia of consumer goods), technological advances, greater information, new knowledge, and an escape from long-established forms of social control? There cannot be much assurance of the eventual outcome of an open-ended, historical process, but making clear the dynamics, knowing the constraints, and imagining the possibilities, if only a glimmer of the prospects, mark the direction that may help to put humankind on the right path.

Good Governance

Although this lecture has focused on the *longue durée* and the larger issue of global governance, these concerns should not deflect attention from the importance of national governance. To put it bluntly, the broad globalization scenario should not be used as an alibi for avoiding the hard question of how to make a transition from the present to the future. Good governance in the national political and economic sphere is a key to reshaping globalization, even if the state is not the exclusive, or even an optimal, unit for managing this series of processes.

With global restructuring, there are new winners and losers – neither heroes nor villains, but constellations of actors with concrete and different interests – in the transformation under way at a global level. The chief beneficiaries of this dramatic shift are internationally mobile capital and its allies in the state, exporters who balk at restrictive trade practices, local industrialists (to the extent that they are competitive with overseas enterprises), and domestic finance positioned to gain from liberalization and increased access to foreign markets. These groups, in turn, vie with nationalist politicians, inward-oriented bureaucrats, and other prominent protectionists, some of whom are advocates for domestic business adversely affected by transnational flows. The globalizers also encounter those who are hurt by a global shift: trade union movements, the unemployed and the underemployed in various parts of the world, and the marginalized, especially women and children, in developing countries.

In this contestation, the issue is how best to build good governance systems. One way to gain insight on this topic is to highlight what has gone wrong in some, but certainly not all, African countries. Conditions vary widely in Africa, yet there has been a tendency to personalize power. In many instances, wealthy families and cliques – “the big men,” as they are called – have controlled politics, and the politicians have, in turn, dominated access to the economy. In the early years after political independence, the leaders spearheaded either *de jure* or *de facto* single party-dominant systems, and inaugurated ideologies to legitimate their rule. Religion and ethnicity run deep in Africa, and, in some cases, denominational politics developed: vigorous assertions of the interests of particular religious or ethnic groups, internally stratified, to be sure, but with their own material stakes in the postcolonial period. To safeguard their interests, the ruling group also maintained sizable and expensive militaries, with no apparent external enemy to fight, leaving the local populace as the only possible target. In this context, the holders of state power restricted freedom of expression, especially in the media and at the universities, engaged in conspicuous consumption, and launched large prestige projects, often involving corrupt practices.

In the 1990s, however, more than a dozen African countries, including two regional giants, South Africa and Nigeria, adopted democratization programs. In the context of major economic downturns, resistance to systematic concentration of power at the top coalesced into mass political protests. In an effort to stave off political transition, the entrenched rulers distributed public resources as patronage to their clients, relied on rubber-stamp legislatures to legitimize their action, took advantage of frail judiciaries, and intimidated their opponents. Yet, with a trickleup of wealth, and in a changing political atmosphere after the Cold War, the impetus for promoting good governance initially came from below, not from the good graces of enlightened incumbents (Bratton and van de Walle 1997).

My point is not to celebrate civil society (which itself can become quite corrupt), or to argue that all social movements are democratic, for they are not, but to underline the democratic potential of a realignment in state-civil society relations, an ongoing process that requires deepening. Unlike the bureaucratic authoritarian or corporatist models established in parts of Asia and Latin America during their spurts of economic growth, several African regimes constitute a hybrid system, partly based on a ruler's personal prestige and power, and partly instituting substantive, not merely ritualistic, forms of democracy. Against this backdrop, actions by civil society remain partial and incomplete so long as they are not reinforced by corresponding alterations in the state. But to what end? Whereas diverse societies are still struggling to determine the formula – or perhaps formulas, since there may be no universal answer that suits all contexts – it is possible, if only in a tentative and general manner, to point to some criteria of good governance.

As Polanyi suggested, the task is to re-embed political and economic power in society, its rules and institutions. In both the countryside and the towns, this is a matter of civil-society empowerment, which includes the advancement of women. There is also the issue of establishing channels to power for the poor and most vulnerable strata, who have had little role in making decisions about the allocation of resources. Moreover, an appropriate legal

framework includes not only the rule of law and the constitutional guarantee of human rights, but also free and vibrant media. These core values underpinning good governance are promoted by building viable linkages between rural and urban areas, as well as between civil society and the state.

In sum, the future of globalization may be discerned as a distinctive mix of constraints and possibilities. It is not foreordained by either muscular structural forces or a single policy paradigm, which is ascendant at the moment. Rather, the future is replete with potential for opening and expanding spaces in which state and nonstate political life may invigorate one another. Contingent on countervailing power, good governance would constitute a major step toward a future world order in which neoliberal globalization's formidable material and technical achievements are re-embedded in the service of equity and social justice.

Note

This lecture is partly based on my *The Globalization Syndrome: Transformation and Resistance* (Princeton, NJ: Princeton University Press, 2000), a book written at the Institute of Malaysian and International Studies, Universiti Kebangsaan Malaysia, and the Institute for Advanced Study, Princeton. Many colleagues – too numerous to mention here – at both institutes contributed importantly to this study, but my host institutions are not implicated in the final product. I alone bear full responsibility for it.

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A more extensive list of references may be found in the book cited above.

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KURSI POK RAFEAH

Kursi Pok Rafeah diwujudkan pada tahun 1996 dengan tujuan melantik seorang sarjana yang berpengalaman luas dan mempunyai minat penyelidikan jangka panjang dalam bidang ekonomi sejagat serta transformasi sosial dan politik bagi tempoh sekurang-kurangnya dua tahun. Kursi ini memberi kesempatan kepada Universiti Kebangsaan Malaysia meluaskan ruang lingkup penyelidikannya yang sedia ada ke arah bidang dan kerangka penyelidikan baru bagi memahami pembangunan antarabangsa yang bermakna dalam konteks Malaysia. Tun Dato' Paduka Daim Zainuddin telah memperbadankan Yayasan Pok Rafeah sebagai kenangan dan penghormatan kepada bonda beliau Hajjah Pok Rafeah binti Ishak.

The Pok Rafeah Chair was established in 1996 to appoint for a minimum of two years a scholar with experience and long-term research interest in global economic, social and political transformation. The Chair provides the opportunity for Universiti Kebangsaan Malaysia to widen its present scope of research to new areas and frameworks of study for understanding the Malaysian context of significant international developments. Tun Dato' Paduka Daim Zainuddin incorporated the Pok Rafeah Foundation in memory of his late mother Hajjah Pok Rafeah bte Ishak.
