A Commentary on the Relationship between Globalization and Democracy*

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RÉSUMÉ

La globalisation est devenue un mot à la mode. La démocratie, d'autre part, est simplement présumée. Ce que j'ai voulu faire dans cet article est d'amener les deux notions ensemble et de voir comment la première influence la seconde. Bien sûr, il n'est pas besoin d'être un expert pour comprendre qu'il s'agit d'un sujet extrêmement complexe, qui ne peut être abordé de façon exhaustive dans un bref article. Cependant, il est raisonnable de prétendre qu'une ébauche de quelques dimensions de la relation entre globalisation et démocratie est possible. Néanmoins, j'essaie d'aborder cette question du point de vue d'un citoyen cosmopolite, préoccupé par l'avenir de la démocratie.

ABSTRACT

Globalization has become a buzzword. Democracy on the other hand is simply assumed. What I would like to do in this paper is to bring the two together and see how the former influences the latter. Of course, one does not have to be an expert to see that this is an enormously complex issue which cannot be dealt with exhaustively within the constraints of a brief article. However, it is only reasonable to claim that an outline of some dimensions of the relationship between globalization and democracy is possible. Nevertheless, I will try to do from the perspective of cosmopolitan citizen who is concerned about the future of democracy.

Introduction

Since the 1990s Globalization is probably the most fashionable academic and political term. No other term can match this distinction. This is not of course, because it has provided the always eager academia with new themes for (often tedious and scholastic) discussions but mainly because of the political

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use (and abuse) of the term. Indeed globalization, notwithstanding the substance and the realities it denotes, seems to have become a cornerstone for constructing the hegemony of contemporary capitalism. However, and this is rather ironic, despite its obvious political implications, the debates that globalization has generated have neglected to focus on its political consequences. Of course, in addition to the lengthy and often technical debates on the definition of globalization, on its economic traits and on the new conditions it creates for labour, there are some very insightful contributions on major and thus fairly abstract political themes (such as the new role of the state, the role of international institutions). Rarely however do these considerations focus on the transformation of the political institutions that shape the actual politics of individual social formations and therefore determine democratic structures. This neglect betrays an economic reductionism on the part of the critics of globalization which falls into the trap of promoters of the beast, who present it as a natural phenomenon, and thus immune to the possibilities of collective and certainly popular intervention.

In the light of these opening remarks, the relationship between globalization and democracy, the topic is clearly not mundane. Globalization has become a buzz word. Democracy on the other hand is simply assumed. What I would like to do in this few pages is to bring the two together and see how the former influences the latter. Of course, one does not have to be an expert to see that this is an enormously complex issue which cannot be dealt with exhaustively within the constraints of a brief article. However, it is only reasonable to claim that an outline of some dimensions of the relationship between globalization and democracy is possible. Simply put this is what I will try to do from the perspective of cosmopolitan citizen who is concerned about the future of democracy.

Globalization – an Empty Term ?

Globalization, has become a master key capable of unlocking, explaining and/or justifying a number of puzzling political and social developments (e. g. the unprecedented convergence of governmental policies, a whole range of worldwide social perils, expansion and the consolidation of extensive poverty pockets, the permanency of economic refugees etc.). However, the inflationary use of the term has created great confusion and a mythologizing mystique which, if not politically devious, is often misleading. In this context, *Globalization* is increasingly understood as a natural phenomenon.

In fact, virtually everybody is free to define its content at will. Subsequently one is free to identify with some of its aspects and to be selective about its political consequences and implications. Thus, globalization, although it is an ever-present factor and a consideration in almost every social analysis, it tends to become an "empty signifier", to use Laclau's term. In other words *Globalization* becomes a meaningless state of affairs, which ironically is, or is perceived to be, at the root of every development in public life and yet no one can do anything about it !!!

Of course, there is a minority that reacts to the admittedly political manipulation of the term, and contends that there is nothing new about "globalization" (P. Q Hirst, G. Thomson: 1999). The phenomena which are commonly identified as elements of its processes are simply the outgrowths the power relations that have characterized our societies for the last two centuries. Although there is no doubt that there is some truth in this argument, it obviously leads to the passive acceptance of the political, social and cultural consequences. Furthermore, and this is probably more important, these approaches tend to overlook the positive dynamics of these very developments, developments which bring people and cultures closer to each other and create the preconditions of the much discussed vision of the "global village". This is a vision with obviously positive utopian connotations for the future of humanity.

There is no doubt that globalization, as any other development, could only have been part of a particular historical era. This era is none other than the one which is characterized by the subjugation of labor to capital and by the constant commodification of every aspect of human life. However, it would be a mistake, if we do not recognize that what we even intuitively call "globalization" radically transforms the totality of our civilization (economics, politics, society, culture) and that the dynamics of these changes, apart from their positive dimensions, run against the grain of the long standing ideals of the humanist tradition. It is a humanist tradition based on a long standing Greek, Judeo-Christian, liberal and socialist intellectual tradition(s), which has been articulated in the establishment of universal principles of human, civil and social rights.

Thus, given the significance of globalization in combination with the widespread misunderstanding and confusion surrounding its meaning and connotations, the term calls for some clarifications.

To be sure, globalization is an old story. "The accumulation of Capital has always been a profoundly geographical expansion and spatial affair.

…Globalization has been integral to capitalist development since its very inception". Marx and Engels, in their 160 year old *Communist Manifesto*, noted that modern industry not only creates the world market but also that this need for a constantly expanding market "chases the bourgeoisie over the whole surface of the globe" so that it "must nestle everywhere, settle everywhere, establish connections everywhere". Despite the primarily political nature of the text, which has been underestimated and criticized even by Marxists, the authors offer us with a very penetrating description of globalization. They continue:

"The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country… All old established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilized nations, by industries that no longer work up indigenous raw material drawn from the remotest zones; industries whose products are consumed, not only at home but in every quarter of the globe. In place of the old wants, satisfied by the production of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations. And as in material, so also in intellectual production. The intellectual creations of individual nations become common property. National one-sidedness and narrow-mindedness become more and more impossible, and from the numerous national and local literatures, there arises a world literature". (K. Marx, F. Engels: 1967, Ch. 1)

"If this is not a compelling description of globalization, then it is hard to imagine what would be. And it was, of course, precisely by way of this analysis that Marx and Engels derived the global imperative "working men of all countries unite" as a necessary condition for an anti-capitalist and prosocialist revolution." (D. Harvey: 2002) However, although one cannot but stay on the very same historical track, there is something new about globalization as we experience it today.

Three Levels of Globalization

The processes of Globalization are in effect the outgrowth of the revolutionary technological advances vividly displayed on the following levels. The British professor Susan Strange, one of the key commentators on

globalization has provided us with a very good description of what it is all about (S. Strange: 1996). It is a description which sees the articulation of these processes on three levels.

A. On *the level of production*. Production, the process which determines which material goods and services are produced by human societies for their survival and comfort, has been transformed. Instead of goods and services being predominantly produced by and for the people living in the territory of a state, they are now increasingly produced by people in several states, for a world market instead of for a local market.

B. Globalization also involves changes in the *financial structure* – the system by which credit is created to finance production and trade in goods and services. Where once the creation and use of credit mostly took place within the societies of territorial states, it now takes place across territorial frontiers, in global markets electronically linked into a single system. Of course, within that system there are local banks and markets creating credit for local use. But these are no longer autonomous; they are part of the larger system, more vulnerable to its ups and downs.

C. Finally, at *the cultural level*, i. e. at the level of perceptions, beliefs, ideas and tastes, globalization has also been making an impact. Here, while cultural differences persist, the sensitivities and susceptibilities of individual human beings are increasingly being modified by the processes of global homogenization. Although this level of globalization is hardest to qualify and/or monitor, it may in the long run be the most important of all changes brought to the fore by globalization. That is because the convenience and the ease, in combination with low cost of communication, the so-called information revolution essentially provides the channels, the means upon the whole globalization structure is built.

As we know and in fact as we are reminded every day, often brutally, these developments are neither smooth nor without striking contradictions. We do not have to think too much to list (and link together) issues of poverty, deprivation, ecological and human needs which have proliferated and spread to unprecedented historical levels. Here is some impressionistic examples: Repeated reports from international organizations such as World Disaster Reports, Red Cross or various UN agencies verify that in the "age of Globalization", the age of the global coming together of more than fifty local wars spread death to millions while the number of refugees from various reasons is approaching half a billion people. In the "age of Globalization"

more than seventy countries have an average income less than that of the 1980s. While in 1960 the richest 20 per cent of the world's population was 30 times better off than the bottom 20 per cent in the beginning of the new century, this gap has more than doubled. In the age of Globalization, eighty percent of the world's production was directed to the twenty percent of the world's population in the richest societies. At the same time in a number of African countries the figures for life expectancy is dropping dramatically (often far more than ten years and this is not a result of local wars). In the age of Globalization, despite the tremendous economic growth rates in various regions this has not managed to squeeze unemployment out of the picture or to eliminate the extensive pockets of poverty and social exclusion even in the advanced capitalist societies.

The Political Dimension

But where globalization has made more impact than anywhere else is at the political level – in the field of politics, in the field in which we conduct our affairs in the public sphere. Globalization has been transforming politics and with it democracy and democratic processes as we know them. More concretely, it is rather obvious that at the political level the gap between international activities and governmental efficiency has widened. National governments are daily facing the challenges of what has been called the "uneven denationalization" of politics. The state, regardless of its composition and its democratic tradition is systematically being put aside. It is being undermined by the processes of globalization. This development not only drastically reduces its political effectiveness but also reduces the political choices of the governments, which in turn leads to a striking convergence of governmental policies even among governments of opposing political and ideological orientations.

Consider for example the case of the New Labour Party in the UK or its counterpart in Greece, the modernizing PASOK, which dominated Greek politics for more than ten years, whose policies only marginally different from their conservative predecessors. Their policies converge to the degree of being identical. In fact, without great risk, I would argue that these convergences, as they tend to overturn established structures and political ethics, go well beyond the similarities of daily politics and are decisively altering their entire political culture. In addition, it is a common conviction that governments are no longer in a position to secure fiscal stability. They

no longer have the effective tools to counterbalance the pressures of the international markets and fix the exchange and interest rates, or even to determine the (acceptable) rate of inflation.

Furthermore, it is becoming increasingly clear that even governments with socialist and/or social democratic backgrounds cannot convincingly support even a welfare state rhetoric. "International competition" in combination with unprecedented capital mobility leads to a labor cost reduction of suffocating levels. Thus, it is not surprising that these pressures, along with the reduction of state revenues, have led to a unanimous abandonment of social policies. At best, what it has been sustained is a kind of rhetoric or even some timid steps towards policies of "social sensitivity", which however are no longer based upon the principles of the universality of the welfare state. Thus, I would argue that these policies essentially solidify and institutionalize market inequalities and that they in effect function merely as mechanisms for securing social peace.

This striking universality in governmental policies, even in countries with very different historical development, has been accompanied by unprecedentedly increasing levels of bureaucratic and technocratic power not only at the national but primarily at the international level. In fact as globalization gradually but steadily builds its political (international) institutions (NAFTA, the EU, the WTO et al.) politics become more and more removed from society and more and more determined by the bureaucrats and technocrats, who are not subject to public control and accountability. More and more (constitutional) lawyers and financial experts as political appointees, deal with clearly political issues that should have been subject to control and scrutiny by the institution of popular sovereignty such as parliaments, senates or other representative bodies, which are the cornerstone of the liberal democratic edifice.

Thus, economic reductionism, the commodification of society, the overall subjugation of politics to the market and the religious exclusion of any principles, ethics and ideas that may even remotely constitute a counter-hegemonic discourse, guarantee the development of a new political culture. It is a political culture which in effect overturns the givens of democratic, popular conquests. These conquests, which in the last two centuries have contributed to the democratization of public life and secure at least the formal democratic settlement of social difference and inequalities, are becoming nullified day by day. In other word as Globalization is shifting power from the states to the firms and to the market, it has allowed

international bureaucracies to undermine democratic accountability, which as we know is the outcome of long struggles for liberty and democracy. Very few of the new state authorities are accountable or even transparent. Thus, our societies are increasingly faced with a staggering democratic deficit with obvious consequences for democracy as we knew it.

It is to these side-effects of globalization that one can attribute the numerous phenomena of political crisis: The withering away of representative institutions, the growing indifference and cynicism about politics, the anti-party and anti-politician populist trends, political passivity, the widespread contempt for political collective involvement and action, the destabilization and even the collapse of established party systems are some of the phenomena which daily contribute to the devaluation of democracy.

Politics Transformed

In short Globalization changes the definition of politics and subsequently the "venture" of democracy as it was shaped by the popular struggles of the past. The story now-a-days could read as follows:

Once upon a time, production was determined largely by choices of management in negotiation (structured explicit or implicit) or even scrutinized by organized labor.

Once upon a time, Trade Unions struggled to free themselves from international constraints and institutions. Today recent developments indicate that they can have a future only through new international institutions of labour representation.

Once upon a time there was sturdy and (almost) full employment, and although working conditions were never as idyllic as we often think, working people could make ends meet, today this arrangement is not even an issue on political or even on the broadly defined public agenda.

Once upon a time, National Health Systems were seen as given and they were understood as the trade mark of "civilized and democratic" societies, today even in their severely trimmed down version they are subject to international completive pressures to reduce production cost and attract investment.

Once upon a time, old age pensions and welfare programs were part of collective plans at the national level. Now social security is increasingly individualized and subject to the moods of international financial markets.

Once upon a time, a university's curricula appeared to be the exclusive

outcome of academic and scientific considerations and problematiques. Today, with a few exceptions, they increasingly have to be justified on a cost-benefit basis.

Once upon a time, there were party systems whose alignments corresponded to societal (often recognized) divisions. Today party systems tend to represent the society less and less and focus exclusively on the process of governing.

Once upon a time, political parties represented ideological and political differences, even in a mediated way. Today direct ideological and political references and commitments have become obsolete.

Once upon a time, citizens felt that by voting they could make a difference in the policy orientation of governments. Today that sense has been lost along with the feeling that no collective popular action can make a difference on key issues of governmental activity.

Once upon a time, democratic procedures were, in one form or another, about expressing competing social interests and deciding upon political choices and initiatives.

Once we believed that democracy could make the difference. Today can we afford to maintain that conviction without attaching a long explanatory and skeptical footnote about the conditions of such a possibility?

Conclusion

Globalization as most broadly defined, i. e. as the structural tendency to break down national boundaries of economic, cultural and largely political life, is at the center of much that shakes the world today. That is so despite the devastatingly negative effects for today's societies. More than ever before in history a global perspective is necessary for humanity to grapple with many of the major problems it is facing and in that sense one cannot and should not oppose globalization per se. Having said that, however, one should not be led to the conclusion that we are on the brink of a new stage of civilization. Globalization has been positive in the sense that it has broken down provincialism and antiquated ways of thinking and acting but now we have a common, global awareness and a chance, or in fact we are in a position to do away, or at least reduce, the perils threatening our planet.

However, we should not lose sight of the fact that the social and political forces that currently determine the direction of globalization, adversely for

most of humanity, severely limit our ability not only to create a better world, but even to observe some of the formal rules of liberal democracy. As long as greed, profit maximization and the further accumulation of capital in the hands of the few and especially the domination of market values remain the sole and exclusive basis for judging every aspect of human need, initiative and activity, the negative effects of globalization will proliferate.

As Eric Hobsbawn put it in his monumental *Age of Exremes*: "If humanity is to have a recognizable future, it cannot be by prolonging the past or the present. If we try to build the third millennium on that basis, we shall fail. And the price of failure, that is to say, the alternative to a changed society, is darkness" (E. Hobsbawn: 1996, p. 585).

Or if you prefer, as an insightful American commentator of a different ideological orientation, Jeremy Rifkin put it "On the eve of the third millennium, civilization finds itself precariously straddling two very different worlds, one utopian and full of promise, the other dystopian and rife with peril" (J. Rifkin: 1996, p. 216), not just for democracy as I tried to demonstrate but for the very existence of human race and their societies as these have evolved throughout their long historical march towards freedom.

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