GLOBALIZATION
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For George and Quentin
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What does it mean to be alive in late modernity today? The second edition, *Globalization: Power, Authority and Legitimacy in Late Modernity*, analyses the competition for global control over scarce resources. Despite the failure of economic instruments and the loss of economic confidence across the world (2007–10), the United States (U.S.) remains a superpower *prima inter pares*. U.S. power is embedded within a domestic military-industrial complex that is legitimized by civil society under the authority of a democratic ethos that is presumed to be universal. The United States is the only country that has been continuously at war for over a century with a global impact. Indeed, the Cold War (1955–89) galvanized the United States and the rest of the “Free World” under the ideological umbrella of neoliberal capitalism. Not surprisingly, most nations today are tied directly or indirectly to the U.S. economy. This means that if the U.S. sinks, the weight of its debt will have a significant impact on the balance of trade with the rest of the world. Francis Fukuyama proclaimed Western liberal democracy, in *The End of History and the Last Man* (1992), as the conclusive form of government. Current cultural history keeps proving Fukuyama wrong. If it took Americans 233 years to inaugurate the first male African American as president, what more can be expected of nation states that are much younger along the transition to democracy? What is the point of *democracy* if half of the world’s population owns less than 10 per cent of the world’s resources? What does it say about democracy if there has never been a woman president for over 200 years although women make up at least half the U.S. population? Does the United
States represent the end-state in which fledgling democracies in Southeast Asia, Africa, Latin America, and the Pacific can look forward to? Despite its long years at empire-building and shoring up the democratic ideological belief system, the United States continues to face many domestic challenges along the lines of class, ethnicity and gender. President Obama’s domestic policies are tied to foreign policy. The one impacts the other. The globalized world in the post-Iraq, post-Afghanistan, and post-terrorist world will be surfeit with new protectionism. This new protectionism is already on the rise.

Under the neoliberal capitalist world order, the United States, Western Europe, and the OECD (Organisation for Economic Cooperation and Development) countries have developed authoritative local, regional, and international structures that have paved the way for a more unified and dependent world. Everything done in any place is eventually reported as news. The global funk today was created by greedy financial “terrorists” and avaricious investors. People cannot seem to get enough money. As a result the negative sentiments and economic impotence that were catalysed by the sub-prime crises in the United States and the United Kingdom have made investors very cautious about securities, equities, hedge funds, unit trusts, derivatives, futures and commodities, currencies, and virtually all structured products. The stock market bubble burst after Lehman Brothers and many smaller banks (like Washington Mutual) collapsed. The U.S. government had to bail out AIG, and the Bank of America acquired Merrill Lynch. Others, like Fortis and the Royal Bank of Scotland, were all nationalized by their respective Dutch and British Governments. Fannie Mae and Freddie Mac received lifelines from the state. By the end of December 2008, over 500,000 Americans lost their jobs. “Black October” de-legitimized the rhetoric of financial liberalism that the United States has been promulgating for decades. Democratic administrations in the United States have tended to focus on domestic issues rather than long, protracted wars. The United States is becoming increasingly inward-looking. Its foreign policy is also shifting away from hawkish global behaviour. Obama’s first official act as President was to sign off on the Lilly Ledbetter Fair Pay Act (2009). The act serves to promote precisely what its title says. However, it only protects Americans, not foreigners, working in American companies overseas. America is turning inwards. President Obama has the onerous task of having to unravel the problems created by his predecessor. Overseas, Australia, Germany, and Singapore have had to guarantee deposits in banks to normalize the situation. Sixteen trillion U.S. dollars in stock value were lost in a period of thirty days. Some financial analysts argue that this was the lowest low score in over seven decades. When Congress first rejected a state bailout to rescue U.S. financial
markets, the Dow lost 778 points. Congress authorized the use of US$700 billion to buy out toxic assets and devalued securities. Desperate times call for desperate measures. America, once the bastion of hope, optimism, and progress, is now showing more signs of a superpower in decline. The first sign of the American decline since 1941 in Pearl Harbour was the destruction of the World Trade Center in New York City on 11 September 2001. The other signs are the Vietnamization of Iraq, a nuclear stand-off with North Korea, increasing trade imbalances with China and India, a stalemate with terrorists in Afghanistan, the challenge of European protectionism, a belligerent politics in the Middle East, overt American dependence on oil and fossil fuels, and the mushrooming of various sub-prime crises into an escalating global recession. This second edition of the earlier book incorporates the latest developments in terms of culture, wealth, and terrorism around the world.

The central argument in this book is that competition over the political goods of “power”, “authority”, and “legitimacy” are ironically the source of the problem as well as part of the solution in late modernity. Globalization runs on the sentiments of the acquisition of power, the maintenance of authority, and the establishment of legitimacy. If we allow our sentiments of hope, optimism, and progress to fail, then we are doomed to board that final Foucauldian *Ship of Fools*. The *Ship of Fools* metaphor that Foucault used was important because it contains all the trials and tribulations of power structures, authority figures, and legitimate “rights”. In late modernity, the highest value that is celebrated is what Vattimo calls the feeling of being modern; to celebrate the idea of being modern as the highest among modern values. But given the nature of power distribution, authority structures, and the de-legitimization of states, societies, and businesses, it is better not to lose one’s nerve over the challenges that globalization presents. Being alive in late modernity today means surviving alongside the problems caused by the globalization of terrorism, technology, and money. So while globalization simply refers to taking something that is produced locally and then making it available in as many places as possible, it does not mean that local products and practices will be readily accepted in the global markets.
PREFACE

Modernity has proven itself to be the accumulative basis of civilization since the Industrial Revolution in the West. The emergent European states, Great Britain in particular, began using new and complicated economic tools during the Renaissance between the fourteenth to sixteenth centuries. Italy was the centre of the Renaissance but this shifted to the rest of Western Europe. Eastern Europe was not yet ready for the intellectual and cultural changes that were associated with the Roman rebirth. The decline in Italian fortunes, the continuation of Dutch mercantilism, rising French imperialism, and the British control of international waters concentrated the loci of global power into the hands of these rapidly modernizing European states. We are told that a political explosion of European principalities concluded with the Treaty of Westphalia in 1648 which led to the mapping of universal political principles and laid the basis for modern forms of governance. A modern politics was born and exported as rudimentary experimental versions across the far-flung European colonies. The end of the seventeenth century and the beginning of the eighteenth century witnessed economic and technological developments that would reach a critical turning point, called the Industrial Revolution (IR). The IR is important to this narrative of globalization because it gives modern people a point of reference. The IR coincided and was coterminous with the political and military changes that were sweeping the world and laying the basis for internationalization and, subsequently, globalization. By the nineteenth century and right up till the early twentieth century, European historians would have us believe that only a few great powers existed. Yet, Europe was itself in the throes of turmoil and upheaval. The *fin-de-siècle* witnessed the end of Czarist Russia, the destruction of the short-lived Austro-
Hungarian Empire, and the end of the Ottoman Empire (dating back to the thirteenth century) in World War I that ended in 1918. An immense and irreparable political culvert began undermining the old European monarchies, their power bases, and networks.

In Asia, the old absolutist monarchies were also under siege. In China, the last Chinese dynasty was fighting a powerful and hidden ideological force. The May Fourth intellectual movement and Karl Marx’s influence on the fledgling communists were markers for the end of a 5,000-year-old way of life. Indeed, some still believe that Marx’s *Communist Manifesto* was translated into Chinese one hundred years before it was translated into English. The other great Asian power, India, was not one. It was still under British control as was coastal Africa, Australia, New Zealand, the Pacific, and the rest of Southeast Asia, with the exception of Thailand. The Japanese naval victory in 1915 over the Russian fleet in Asian waters rejuvenated the militarization of Japan and that famous putsch against the Japanese emperor. Korea and Formosa (Taiwan) would soon come under Japanese control. Japanese intelligence officers had already begun scouring various Southeast Asian cities such as Vientiane, Saigon, Rangoon, Bangkok, Kuala Terengganu, Kuantan, Kuala Lumpur, Singapore, Djakarta, Port Moresby, and Manila. World War I significantly depleted the colonial economies and contributed to the first truly worldwide economic downward economic spiral known as the Great Depression. The loss of economic confidence became the backdrop for what the communists believed would lead to another powerful class revolution. But there was not enough time for the workers to unite and organize because they had no jobs in the first place. The oppression was primarily political. Economic oppression merely served political interests of the now weakening great powers. The Great Depression was the window into a new kind of economic hell, because in less than half a decade thereafter, the world would again be on the brink of disaster and turmoil. Even those idyllic, self-sufficient, and independent Asian communities far away from international trade and economics would eventually become embroiled in the problems of the West. World War II led to the fracturing and breakdown of the “Great Empires” of Britain, France, and to a lesser extent, Spain, Portugal, and Soviet Russia. The Japanese attack on Pearl Harbor in Honolulu, Hawaii, indelibly radicalized American political, diplomatic, economic, and military strategies. An immense wave of nationalist movements led to new nation states at the end of World War II. It was only after World War II that one could call the world as “internationalizing”.

Over the course of a 500-year sketch of modernity, we saw power shift away from Rome, to Paris, the Netherlands, and London to Moscow and Washington DC. Pax Britannica would make way to the emergence of superpower rivalry...
between the Soviet Union of Socialist Republics and the United States of America. Competition over territory between the two superpowers through the influence of ideological proxies would compress ethnic and religious conflicts across the world. There were problems of decolonization in the 1950s and 1960s, which along with the Korean War, the Vietnam War, the abortive Soviet occupation of Afghanistan, and the Cold War between 1955 and 1989 made for life in interesting times. The global economic recessions in 1973 and 1985 marked a new kind of global political economics based on neoliberal assumptions and the rapid rise of the multinational corporations (MNCs). Beginning as transnational corporations (TNCs) in the early 1970s, the new MNCs would become the main vehicle for globalization's activities. Reagan’s Star Wars programme helped hammer the final nail into the Soviet coffin. The fall of the Berlin Wall and the end of the Warsaw Pact ushered in the new era called Pax Americana. America remains dominant in this world of culture, money, and terror. American culture has had an impact on virtually every person on this planet. American money has been the safe haven for many an entrepreneur and investor. American technology is *primus inter pares*. America and Americans are also the targets of the worst forms of terrorism. 9/11 was a horrific experience and a terrible symbolic blow to capitalism. But the economic recession and the loss of over US$16 trillion by January 2009 is another kind of terror — financial terrorism. These events and accidents of time are part of the reason why many are unable to distinguish between Americanization and globalization. Nevertheless, globalization and its processes of power, authority, and legitimacy, are singularly contingent on modernity. This is true inasmuch as people eventually need to refer to some kind of urban dictionary to keep moving forward. Power creates windows to make money to “survive”, discover medical facts, engage new cultural structures, de-authorize terrorists, or to predict the future. There are many dilemmas in modernity and globalization is indeed one of them. Globalization is a dilemma because it is the source of problems and solutions.

So what exactly is globalization?

Think about a world without email. No Internet access. No handphones, cable television, or Music Television (MTV) Music Awards; a utopian world where people actually look up at the sky. A world without weather channels, sports channels, digital calendars, PCs, Macs, palmtops, personal digital assistants (PDAs), or game consoles. A world without having to decide between PS3, Xbox360, and Nintendo Wii (popular computer games) for your grandchild’s Christmas gift in 2009. A world where you do not have to care about whether old generation technology is being used as the basis for new generation electronics. Think about a world where air travel is still too
expensive. Where you actually remember the last city you visited, and where all your relatives and the people in the town showed up to watch the train run into the station. A fantastic world where the pace of life is so slow that everyone watches the sun set, and then spends the next two hours looking up at the night sky. A world where there is no constant electricity supply, no threat from the ozone layer, environmental damage, or Al Gore to make you feel guilty. One where there are no watches with global positioning systems (GPS), 25-megapixel cameras, no flash memory sticks. No fast food. No second car. No Sport Utility Vehicle (SUV). No Adobe, Apple, Barney, Casio, Clementine, Dell, Facebook, Geico, Hitachi, i-phone, J-Lo, K-Mart, Lexus, Microsoft, Nokia, Oakley, Prada, Quattroporte, Reebok, statistical analysis system (SAS), statistical package for the social sciences (SPSS), Sponge Bob Square Pants, Tony Roma’s, Universal Pictures, Versace, World Wide Web, X-Men, Yahoo! or Zip files to extract. These are only some of the ABCs of culture, money, and terror. Our dystopia in late modernity is a world without globalization. Brands are part of our late modern culture. We only need money to buy culture. But then we are eventually terrorized by culture itself. We note that there is a gulf of difference between buying culture and being cultured. They are not one and the same. This is because one does not have to be rich to be cultured, and contrary to popular belief, one does not have to possess money to have class.

Despite the challenges of culture, money, and terror, globalization continues to be driven by sentiments of hope, optimism, and progress. The new rhetoric involves a kind of politics of forgetting; it involves phrases like “letting go”, “moving forward”, and “moving on”.

I began writing this book because of the questions that arose out of several undergraduate and master’s courses that I taught in globalization, politics, and modernity at the National University of Singapore. I kept getting the same interrogatives such as: What is the difference between globalization and Americanization? Are we really global simply because we consume goods and services produced by different countries under different systems and cultures within a short span of time by people we are likely never to meet in our life? What is “political” about globalization? How can anyone survive the financial terrorism of 2008? What will Obama’s America be able to do that McCain’s America won’t destroy? Looking at the various texts that are available, one finds that most of them raise important and similar ideas about globalization. Most of these books include economic and political dimensions and tend to separate their conceptual frameworks from their practical illustrations. We discovered that there were too many issues to be explained by current works on globalization. Some works appeared very concerned about specific items
in globalization such as fast food, environmental damage and green politics, or business development and human management strategies. Many of these works asked more questions than provided answers. At other times, some books suggested solutions that complicated and clouded global issues rather than make them more lucid. A participant at a political theory conference in Illinois many years ago asked me what I thought about the nature of globalization. I replied, “there was none”. That is the beauty and perhaps the horror of it all. You cannot really second guess meaning and content in globalization. What we can do is try to analyse the patterns that emerge from different ways in which individuals, communities, and states respond to the forces of global culture (American culture for many), money politics, and financial terrorism. We are interested here in how the world has risen and fallen and risen again in this global sea, and how globalization tends to be about struggles with the self. Not a religious struggle nor a Marxist revolutionary struggle, but a struggle to make the world more complete, more predictable, more manageable, and more meaningful. Answering questions on globalization often entails the expectation of more questions. Interrogatives are indeed part of the meaning of globalization. However, we might be able to say with some degree of confidence that globalization is a series of experiences that has not been felt in previous centuries to the same depth and extent that it is today.

I wrote this book because I was also unhappy with the different approaches and themes that various books, articles, reviews, and commentaries on globalization have provided so far. Many texts are either too full of academic jargon or too full of accusations of corruption and nepotism. Globalization tends to be confusing, not only for students in the humanities and social sciences but also for scholars and the general reading public. The confusion is demonstrated in the lack of agreement among scholars about the definition of globalization. But while globalization and its processes may be complex, it would be naïve to think that the best answer or solution is the simplest one. It is not.

“Man is by nature political”, as Aristotle’s supporters believe, is a misleading and essentialist (that is to say, wrong) statement. His axiom should be treated as a wrong idea because man is not only a natural being but both an unnatural and a supernatural one (Nietzsche). Aristotle’s problematic phrase caused confusion because it took the “spirit” out of being human. This seemed to influence many generations of philosophers and thinkers who set the scene for the creation of modern indignities. And Aristotle was only one of the many problematic philosophers. Had Aristotle been the great philosopher of his time, he would have not been thus misrepresented by the generations of
scholars, now long dead, some dying, who so faithfully clung to his wisdom. But I think Aristotle did not mean to use it for all time because he did not expect someone to come along much later to overturn the entire corpus of his epistemology. I am referring to Nietzsche, of course. Had those great thinkers who came after Aristotle mapped out more carefully those ancient Greek urns of wisdom that Aristotle bequeathed to the West, we would certainly have a much better world today than globalization could ever provide.

Nevertheless, if we understand man as being temporarily grounded by his biological self, and by his desire and greed for power, and taint this with the brilliance of speaking truth to power as Foucault suggested, then we might be able to undo some of the damage already done. This would be my compromise. And in order to survive in this globalized world of technological dependence and control, one has to play by formal rules and informal norms — or forever remain quiet about never “making it big”. There appears to be a set of very fine lines that continue to criss-cross that abstract divide between permitted behaviour and rule-bending and impermissible behaviour and rule-breaking.

In late modernity, higher institutions of education are emphasizing life sciences, earth sciences, alternative food sources, water research, stem cell research, and the use of nano-technology and nano-bacteria against viral complexes in medical terrorism. All of these depend on power structures, authority figures, and legitimate scientific systems. Bioterrorism is another watchword on Interpol. But the more things change, the more they appear to remain the same. We are bound and tied to the technologies we create. Technology is defined as man’s attempt to control his environment. And globalization by extension is the use of technology to enhance human life. This means that globalization often demands all its participants — citizens, individuals, communities and organizations of democracies, and authoritarian states — to partake in corrupt behaviour for the larger good. It may require honest citizens to close an eye to corporate greed and malfeasance if only to take home a small piece of the pie, to keep that paycheck coming or to keep that cushy job. Globalization may cause state bureaucrats to sell off trade secrets, employ creative and crafty accounting strategies to waylay the unsuspecting tax official, or bribe foreign government officials to get the job done. And now look at what happened to those wonderful new financial products that preyed on people who could not afford another mortgage. The sub-prime terror was ill-contained and mushroomed into a global financial problem. Heidegger’s notion of technology is valuable if not instructive. He warned of the technological dehumanization that would plunge the world into darkness. But Heidegger could not and did not anticipate the depth of
the commodification of culture, the extent of the human propensity for greed,
and the willingness to tolerate financial, cultural, and political terrorists to
take over our lives.

Using 1776 as a base year, Americans have almost continuously voted for
their governments for 233 years. Despite that great democratic achievement,
there is still much unhappiness with the domestic and foreign policies of
American government. It appears that America while suffering from the
horrendous attacks on 9/11, turned conservative overnight and voted in a
highly conservative government that resulted in the deaths of even more
American soldiers in Iraq and Afghanistan than all of the victims of 9/11.
The system invented weapons of mass destruction (WMD) when the real
WMD was churning in the cesspool of sub-prime financial terrorism. The
disproportionate level of passion and outpouring of anger and fear in the
aftermath of 9/11 does not seem to be easily reconciled with the many more
military and civilian deaths in Iraq and Afghanistan. Clearly, this is a case of
reactions to political symbols rather than just cause. An attack on the American
homeland was something that seemed unthinkable because the last attack on
American soil was when the Japanese attacked Pearl Harbor. Government
has a large and important role to play. The paradox of Americanization is
writ large in the fact that the distance between what is said and what is done
seems to be increasingly widening. The paradox is critical because America
continues to be highly influential and oftentimes the most and only outspoken
member of the West. Asia viewed the West with fear in the past because Asia
was outdated and colonized. Globalization helped propel Asia’s view of the
West to one of learning, adaptation, and innovation. Asia continues to view
the West because it continues to learn from Western mistakes while trying
to avoid them.

When we use the word Asia, we have to use it with some degree of
accuracy. It is too large of course, to place the whole of Asia and its billions
of people and thousands of cultures into a single category, inasmuch as it is
too easy to place all advanced, post-industrial societies into a single bag called
the West. But there are differences, and the differences that separate Asia from
the West are far greater than the similarities that combine them.

Since the PC and IT revolutions of the 1970s and 1980s, there has been
a tremendous widening and deepening of the chances and opportunities
for making those political promises come true. The bid by a powerful
conglomerate of Middle Eastern MNCs to run American seaports ended in
failure because it was too soon for American culture to absorb. American
theological-conservatives (theocons) and neo-conservatives (neocons) would
not be able to accept such a cultural shock so soon after 9/11. The wounds
had not yet healed. The facilitation of mass media and global communications has resulted, for example, in the clearance of *Al Jazeera English* for broadcasting in Asia. In the first few years after 9/11, the establishment of the Qatari news agency would have not been appropriate. Or even possible.

The U.S. Government is at the heart of the central nervous system of the most powerful business, political, and military nation the world has seen since 1989. This is why any view of the West cannot ignore America. Any view from Asia of the West cannot ignore American government and politics. If America gets its government wrong, the rest of the world is affected at some level.

The framework for this book is designed around the historical, social, cultural, and normative perceptions of late modernity in ten different chapters that explore the central metaphor and the themes of hope, optimism, and progress in modernity. The book was written to explore the meaning of globalization using America as the primary case and Asia as its sounding board.
I am deeply thankful to Joel B. Grossman, Benjamin Hermalin, John Quelch and Emeritus Professor Deane E. Neubauer for their intellectual thought, earnest criticism, and sincere advice. I also thank the two anonymous readers for their comments on the manuscript for the first edition. Some of the readers of this manuscript had serious reservations about the controversial political and business issues that were raised in the book while others preferred deeper readjustments to be made away from the postmodern method of overlapping arguments that requires a kind of pendulous return to previous ground.

I have resisted the temptation to write in a linear chronology that forces a conclusion at the end, so I hope the readers will forgive me for the blizzard of analysis that is globalization.

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