

Notes

1. Thomas Friedman, "Foreign Affairs: Under the Volcano", *New York Times*, 29 September 2000.
2. See Dani Rodrik. "Development Strategies for the Next Century", February 2000 (mimeographed). Available at <<http://ksghome.harvard.edu/~drodrik.academic.ksg/devstrat.PDF>>.

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Demystifying Globalization. Edited by Colin Hay and David Marsh. New York: St Martin's Press, 2000. Pp. 197.

This volume is a collection of papers presented at a conference entitled *Globalization: Critical Perspectives*, at the University of Birmingham on 14–16 March 1997. It forms part of a series of volumes on globalization edited by the same authors.

There appears to be no more topical a debate as the one on globalization and its supporting cast of issues. This has been the burning issue of the 1990s and beyond for economists, other social scientists, and many a policy-maker. Indeed, it is the individual contributions of disparate disciplines in social sciences that this volume seeks to fuse into a more concise, inter-disciplinary theory of globalization. This is the over-arching theme of the book.

More specifically, this volume attempts two things. First, it tries to construct a road map of the development of the literature on globalization, in order to evaluate the nature and magnitude of the literature up to this point. Secondly, it endeavours to lead the literature in a direction that it refers to as the "third wave" of globalization theory.

Before proceeding into a definition of the third wave, it would no doubt be useful to briefly define the first two waves. The first wave, as discussed in the introductory chapter, represents the basic philosophy that globalization is unstoppable and inevitable, and that it comprises a number of quite

negative consequences. Such consequences include the eventual extinction of the nation-state, the welfare state and other social and political institutions, to be replaced by a borderless world characterized by a single market place and culture. This according to the prescriptions of Friedman (1999) will follow a predominantly American model, that is, the infamous "golden straitjacket".

The second wave began as a critique of the somewhat exaggerated claims of the first wave — and an attempt to capture the empirics in a more rigorous way. The result has largely been to refute the claims made during the first wave by observing barriers to the globalization process. Some of the barriers are presented in page 5 of the volume and can be summarized mainly by reference to a "home (or regional) bias". This bias exists with respect to consumption, investment, and trade across countries, as well as in the observed lack of convergence of certain macroeconomic variables (most notably, interest rates), and government policy (most notably, monetary policy).

The influences of the second wave are felt throughout this volume. Take, for instance, the chapter by Nigel Thrift (Chapter 4). This chapter can be interpreted as a criticism of the notion that globalization will result in a decaying of the role of the state. He points to such factors as the availability of information, the growth of mass media and the growth of the "psy" disciplines as factors that can potentially erode the power base of the state. However, it is argued that the state can preserve its power if it adopts strategies that Thrift sources from modern management ideas which will enable the state to evolve into a "leaner, meaner ... apparatus" (p. 95) and therefore, ride the bumps caused by globalization.

The Third Wave

So, what is this third wave? A distinct theme emerges. This is the view that, up to this point, the literature on globalization has proceeded under the premise that it is a causal factor and, as such, its repercussions have been the focus of attention. The third wave represents an attempt to reverse

the causality and to accept globalization as the dependant variable, one where “the insertion of subjects into processes [that] might help to explain ... globalization” (p. 6). Daniel Wincott (Chapter 8) perhaps summarizes it best:

Promiscuous use of the notion of “globalization”, particularly where it succumbs to the temptation of reifying the concept and treating it as a causal force, separate from the various trends and tendencies which *might* bring “the global” into reality, is obfuscatory.

Certainly, the issue of causality can be seen in the literature on economic globalization — does globalization lead to integration or vice versa? This question is also asked by Wincott in the context of European regionalization. Is European integration caused by globalization or has integration provoked certain reactions possibly restraining the progress of further globalization (p. 168)? The implications of this reversal of causality are significant.

First, a historical perspective is introduced to the notion of globalization. This feature appears in several chapters in the volume. Peter Taylor (Chapter 3), for example, refers to globalization as the last step in the U.S. hegemonic cycle that has been influenced by the other “izations” — Americanization and modernization.

Second, examining globalization as the variable to be explained has a tendency to force the literature to take a multi-disciplinary approach. This approach is implied in the chapter by Nigel Thift. Thrift defines globalization as depending on the interaction of a multiplicity of productive networks. Such networks encompass economic, social, political, managerial, and information systems, all working to align themselves in a way that maximizes their power.

However, despite the intentions of the editors to make it the dependent variable, it seems that most of the popular attitudes towards globalization are regarding not where it has come from, but where it is headed. As such, a discussion of the consequences of globalization becomes difficult to ignore.

This sentiment is also captured in several of the

chapters. Attila Ágh (Chapter 6) writes about how the global challenge has influenced the process of regional integration of the East Central European, Baltic, and Eastern European countries. The general conclusion is that globalization has resulted in varying degrees of “Europeanization” within each of the regions.

Ngai-Ling Sum (Chapter 5) offers a critique of the Friedman-style notion that the tendency of globalization will result in an Americanization of various cultures around the world. This notion is rejected mainly on the basis that the United States (as the Western hegemon) constructs “others” (the means with which it differentiates itself from other regions) through what she refers to as trade-competitiveness-development discourses. These discourses are highly complex and are a function not only of American ideas or interests, but of a combination of regional and interregional ideas. As a result, the globalization process brings with it this interregional combination of ideas.

This book is not an easy read. It assumes that the reader is familiar with the multitude of “isms” that appear in the social and political sciences. The direction that the book is taking with regard to the causality of globalization seems unclear — although if read alongside its companion volumes, this criticism may be rendered invalid. The “empirical” analysis of economic data (the fourth part of Chapter 2 by Andreas Busch) is casual at best, but is probably reflective of his desire to paint a broad picture of globalization. I found the chapter by Busch the most informative and the easiest to read. It provides some definitions of globalization (itself a topic under much debate), places it in a historical context, discusses the ideologies involved and, provides some basic economic indicators.

REFERENCE

Friedman, T. L. *The Lexus and the Olive Tree*. New York: Harper Collins Publisher, 1999.

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