

# 9 Globalization: A Cautionary Note

**Dennis Pirages**

This short article moves beyond the international economics of research and development and is intended to strike a more cautionary note about the broader implications of globalization. In some respects it focuses on the “seamy” side of the process. While there are obvious benefits associated with globalization, particularly the pace of the process raises critical questions of unanticipated costs and how to minimize collateral damage.

There are obviously many positive aspects of globalization. Analytically, a much more refined division of labor and the emergence of global markets should maximize production of goods and services. A worldwide flow of images, information, and ideas could produce better understanding among people, and also holds the potential for closer scientific collaboration. On the personal level it is useful to be able to send e-mail to colleagues in Asia or to watch the evening news from Paris on local television.

Contemporary globalization represents a real revolution in human affairs. It is a massive change in the way that civilization is organized. The related revolution in the information and knowledge economy obviously has its benefits, but like all revolutions, there are unforeseen costs and unforeseen casualties. Caught up in globalization fervor, there is normally little reflection on the downside. Globalization exacts very significant costs, and these costs often are exacted largely from those who do not have voices in the process.

There are four sets of problems and issues associated with rapid globalization. The first of these is the weakening of the political authority of the state with no substitute authority in sight. The second is an in-

---

*Dennis Pirages is a professor of political science and director of the Harrison Program on the Future Global Agenda at the University of Maryland. This article is based on remarks delivered at the 24th Annual AAAS Colloquium on Science and Technology Policy, held April 14–16, 1999, in Washington, DC.*

crease in the risks of spreading economic maladies. The third is cultural simplification and destruction. Last, but not least, is something that could best be called increasing ecological insecurity.

*Homo sapiens* live in and identify with basic groups called populations or societies. The history of the movement of *Homo sapiens* out of North Africa and the Middle East has been admirably documented in a recently published book *The Great Human Diasporas*.

Without tracing the movements of these prehistoric peoples, assume a moment in time at which migrating human populations reached maximum scatter across the earth's surface. Since that point in time, the world's dispersed populations have been slowly and sporadically coming back together. Thus, integration and globalization are not necessarily a new thing. Looking back to the Roman or Persian Empires, for example, the integration of peoples under one empire could be seen as a precursor of contemporary globalization. The thing that is novel about this era is the scope and pace of the globalization process.

There is no reason to dwell on the world of ancient empires. Let us fast forward to the present. The contemporary world is still composed of between 5,000 and 6,000 distinguishable biological human populations. On the other side of the disciplinary divide these are called cultures. Each of these populations carries a collective biological and sociocultural genome that represents evolutionary learning. In other words each population represents a unique biological and a cultural heritage. This is the evolutionary material that globalization is leveling in unprecedented genetic and cultural simplification.

The pace of this re-integration is now frenetic by historical standards. The combined impact of well-known innovations in transportation, telecommunications, computers, and aerospace is to draw or drive together human populations or cultures that have been evolving apart for millennia. The problem is not that it is occurring. These and other technological innovations make it inevitable. But it is the pace of change that is critical. The question that now must be addressed is how much globalization and how quickly.

Let us focus briefly on some of the often ignored costs, problems, and issues associated with rapid globalization. The image often used to describe the process is that of creating a global village. But this emerging village or city has many different neighborhoods. Some neighborhoods are rich and others are poor. And one of the most critical problems that must be faced is that the growing global village or city has no village council.

Let me begin with the first category of concerns—the many new challenges to political authority, also known as the state. Politics refers to the methods by which societies collectively decide upon goals and policies. To retreat to some professional jargon, politics is called the “authoritative allocation of values.” The political arena is where we supposedly collectively debate and decide the nature of our future societies. But globalization is in many ways dramatically weakening the capabilities and authority of the state and providing no obvious replacement for it.

Globalization challenges the power of the state because it increasingly makes state borders obsolete. There are growing concerns that activities banned as immoral within states may simply be transferred to the Internet. These activities include gambling in virtual casinos, pornography, and even prescription drug sales. And as commerce increases over the Internet, the loss of sales tax revenue is becoming an important consideration. There are also challenges to state power in the economic realm. Of the one hundred largest economic units in the world, as measured by the value of their products, nearly one-half are now corporations. And while corporations, for the most part, do not raise armies, they have enough clout to interfere with politics in many countries. In brief, governments have increasing difficulty controlling the flow of images—which could be a negative or positive development—and a diminishing role in determining their own economic destinies.

There are related changes that increasingly complicate foreign policy decision-making. The most prominent is the loss of time and distance buffers. In the good old days—before e-mail, before the Internet, and before CNN—policymakers had time to reflect carefully on issues. There was an opportunity to reflect, deliberate, and to decide. Today decision-making must be immediate. The media revolution has accelerated and globalized foreign policymaking. In recent administrations, presidents have turned from intelligence analysis to watching CNN to get more immediate information on foreign events. The global telecommunications revolution freely penetrates the borders of previously protected nation-states. And televised images increasingly have an impact on domestic politics. Witness the political odyssey of little Elian Gonzalez in Miami or the impact of live television coverage of Serb atrocities in the former Yugoslavia.

The second category of globalization concerns relates directly to the process of economic integration. Much is made about the virtues of an integrated global economy. But is there a downside? I see four sets of

problems to be directly associated with deeper economic integration: contagion, vulnerability, exploitation, and dislocation.

**Contagion.** The emerging global economic system now has more closely linked economies that can quickly become victims of rapidly spreading economic “viruses.” Why the persisting concern with the health of the Japanese economy? Why the frequent concern with inflation in Brazil? Why in recent years has there been such concern with the economic health of Asian countries? The answer is simple. With all key economies closely connected in a globalization process, they now have become mutually vulnerable. This means that various forms of economic diseases can spread rapidly from one country to another.

**Vulnerability.** Vulnerability refers to rapid capital movements and the associated destabilizations of currencies. Predators can make a lot of money speculating on currencies, but at a heavy cost to the countries being attacked. Recent examples are the huge fluctuations in the value of the yen over the last five years or the wholesale destruction of the currencies of several other Asian countries.

**Exploitation.** This, in many ways, could be considered old wine in new bottles. Exploitation of labor and natural resources has been taking place since the beginning of the Industrial Revolution. But the exploitation of cheap labor has increased greatly as has the devastation of natural resources in poorer countries. Witness the ecological devastation associated with the recent collapse of the Indonesian economy.

**Dislocation.** Globalization is accompanied by a related human tragedy in displaced workforces. Regard the wandering heavy industries that move frequently from one country to another. My favorite example of this is the tennis shoe industry in Asia. It has moved every few years from one country to the next, leaving behind displaced workers while jobs are created in other countries.

My third set of concerns is that greater global integration brings increasing ecological insecurity. Bringing together thousands of different populations that have previously evolved in isolation is filled with risks of the spread of various kinds of illnesses and possibly epidemics. McNeill’s classic work, *Plagues and Peoples*, demonstrates that from the time of the Roman Empire to the present, occasions when previously isolated civilizations or societies have been brought together have been times of increased risk of disease and plagues. This occurs because native immune systems suddenly encounter pathogenic microorganisms with which they have little previous experience.

Globalization is also associated with increased bio-invasion, species hitchhiking from the ecosystems in which they have evolved to other ecosystems where they often create havoc. Many kinds of animals and some kinds of plants are now moving around the world with commercial cargoes. These scourges range from the zebra mussel, which is doing tremendous damage in the Great Lakes region, to the Formosan termite, which is munching its way through Louisiana.

The last set of concerns involves cultural simplification and destruction. Cultural diversity, like biological diversity, is an important resource. Cultures contain important survival wisdom that is the product of hundreds of generations of evolutionary experience. Indigenous cultures around the world are now being threatened by the monoculture associated with western industrialization. The process of cultural integration is much more of a monologue than a dialogue. Western values, or lack thereof, will soon overcome these other cultural voices speaking from a weaker position. This “soft power” of the United States is anchored in control of the mass media, films, and global telecommunications. The term “McWorld” has been used to describe this homogenous and boring new reality. Why travel to distant parts of the world to have the experience of feasting on a Big Mac?

But cultural diversity is also an issue among developed countries. Under the guise of free trade, for example, Canadians cannot interfere with the cultural invasion from the United States and the French cannot even protect their domestic film industry. From the U.S. perspective, protecting domestic cultures could be considered reactionary. But it is essential to pause and reflect for a moment on preserving some of the attributes of different cultures and the losses that might be involved in the long run.

In conclusion, I return to the main point. The issue is not whether globalization should be reversed, but rather whether the pace can be slowed and tremendous collateral damage can be avoided. Significant ecological and cultural trade-offs are involved in this hectic rush to globalize. Are the rapidly changing and supposedly more efficient markets worth the associated cultural and ecological damage? Surely an extended political dialogue over the risks and rewards of globalization is in order, unless market forces are to be the sole arbiters of the direction of human progress or possibly regress.