

**WHAT IS GLOBALIZATION?
Four Possible Answers**

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Introduction

The end of the Cold War provided a major shock for scholars of politics and policy in at least two respects. First, it provided a classic example of the limitations of both social and policy sciences predictive capacity. Few foresaw, let alone predicted, the tumultuous events that marked the end of the decade. Second, those events simultaneously dislodged the organizing principle—the foundation—upon which much of the study of international relations was constructed in the postwar period.¹ The parsimony and simplicity of bipolarity signaled the hegemony of structural arguments in international studies and a corresponding ascendancy of questions posed by security studies over those relating to international and comparative political economy. Scholars and policy analysts alike thus favored these approaches, employing theories such as deterrence, compellence, and modernization in political science, while policy analysts often subsumed critiques of American policy in the Third World for the sake of strategic advantage over the Communist bloc.

Faced with the intellectual vacuum caused by the end of the Cold War, it was only natural that scholars in international affairs should grasp for a new organizing principle around which to orient their work. Such efforts did not take long to bear fruit. Structuralism, with its rationalist underpinnings, came under attack in political science from constructivists, and within a short period no professional conference or symposium was complete without a genuflection towards the attributes of ‘globalization.’² What was the case at the beginning of the 1990s remains true towards the end of the decade, although the substance of the subjects studied under the rubric of globalization varies dramatically. This list includes, but was not confined to, the study of democratization, development, market deregulation, privatization, welfare reform, new security

¹ For early work in comparative politics predicated on addressing questions posed by the Cold War structure, see Carl J. Friedrich and Zbigniew Brzezinski, *Totalitarian Dictatorship and Autocracy* (Cambridge, MA: Harvard University Press, 1956); Daniel Lerner, *The Passing of Traditional Society: Modernizing the Middle East* (Glencoe, IL: Free Press, 1958); Samuel Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968). The extensive literature in this field in international relations is exemplified by the work of John Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (New York: Oxford University Press, 1982). On the question of the predictive capacity of political science in foreseeing the end of the Cold War, see Simon Reich, “Continuity, Change and the Study of Germany in the New Europe” in Michael Huelshoff, Andrei Markovits, and Simon Reich, *From Bundesrepublik to Deutschland: German Politics after Unification* (Ann Arbor: University of Michigan Press, 1993).

agendas (such as immigration and drugs), and the general retreat of all aspects of the state from policy intervention. Little attention is paid, however, to how these diverse areas of study can be reconciled under a single intellectual framework. Furthermore, although an embryonic field of 'globalization studies' may be forming, there is precious little discussion of what defines that field or its subcomponents.

Despite the breadth with which the term has been applied, the meaning of 'globalization' remains so elusive as to defy definition. Indeed, to suggest the concept is contested would indicate that there are at least some general schools of thought on the issue. A provisional examination of those using the term would suggest such a claim to be preliminary. The substance of its definition appears just as vague, rarely reaching beyond a laundry-list of subjects. So, what is globalization?

At a symposium held at the University of Pittsburgh in the fall of 1996 five distinguished scholars working on aspects of globalization were asked to discuss recent developments in (what might be construed as functional) subfields of globalization: finance, technology transfer, transnationalism, multilateralism, and regionalism.³ All the speakers systematically presaged their commentaries by suggesting that, while they had no idea what globalization was, they could address descriptive and analytic questions in their own areas of specialty. The audience participants at the symposium (an informed group of scholars and practitioners, numbering over seventy) candidly admitted that they could provide no better insight in addressing this definitional issue. In fact there is not only disagreement on the definition of globalization; there is also no clear consensus on whether the term 'globalization' is employed as a historical epoch, a process, a theory, or as a new paradigm. Its meaning remained unspecified.

Intuitively, all participants at the symposium recognized that globalization signaled the reduced importance of (at least traditional forms of) security studies in international relations and a corresponding elevation of international political economy questions—as well as suggesting new linkages between OECD and non-OECD states, the private and public sectors, capital and labor, work and leisure, state and society. But its precise attributes remain a source of confusion, as does the issue of how one possible field of study (e.g., finance) relates to another (such as manufacturing production). A similar confusion is apparent in the world of policy; while policy commentators, for example, suggest that globalization explains the Clinton Administration's

² For a constructivist critique, see Peter Katzenstein, *Cultural Norms and National Security* (New York: Columbia University Press, 1997), chapters one and two.

³ The five scholars concerned were Paul Doremus, Robert Kudrle, Sylvia Maxfield, John Odell, and Richard Stubbs.

preference for focusing on economic issues in foreign affairs, the causal linkage between this apparently global phenomenon and current policy remains elusive.

This revealing tendency towards employing the term as if its meaning were clear and uncontested in the context of intellectual disarray poses a series of puzzles for contemporary scholars in international relations. For while a 'cottage industry' of publishing has grown around the term—indeed the study of globalization has even been institutionalized through the creation of centers and programs devoted to its study⁴—few have explored its attributes with the aim of consolidating an operational definition.⁵

I do not offer a simple nor definitive solution to this problem here. Rather, this paper represents a modest effort towards achieving the goal of articulating definitions of globalization, with their distinct underlying conceptions of just how radical a break we are witnessing from the past. The implications of which definition is adopted are extensive, indicating how radical a break leaders should anticipate in their formulation of public policy.

Definitions

Globalization is a term in heavy current usage but one whose meaning remains obscure, often even among those who invoke it. Indeed, Jan Aart Scholte states that "globalization stands out for quite a large public spread across the world as one of the defining terms of late twentieth-century social consciousness."⁶ The term is often distinguished more by what it is not, rather than what it is. James Rosenau recognizes such a tendency when he states that

Globalization is not the same as globalism, which points to aspirations for an end state of affairs wherein values are shared by or pertinent to all the world's five billion people, their environment, their roles as citizens, consumers or producers with an interest in collective action designed to solve common problems. Nor is it universalism—values which embrace all humanity, hypothetically or actually.⁷

⁴ British universities have been among those quickest to institute such centers and programs. See, for example, the recent decision by the British government to award a renewable five-year grant to the University of Warwick to create a center devoted to the study of globalization and regionalization.

⁵ For one leading sociological perspective on this issue that focuses on culture, see Roland Robertson, *Globalization: Social Theory and Global Culture* (London: Sage, 1992).

⁶ Jan Aart Scholte, "Globalisation and Modernity," Paper presented at the International Studies Association Convention, San Diego, 15–20 April 1995.

⁷ James Rosenau, "The Dynamics of Globalisation: Towards an Operational Formulation," San Diego, Paper presented at the International Studies Association Convention, San Diego, 18 April

Another temptation is to indeed specify a definition but one that offers little by way of operational value. Anthony McGrew is hardly the only example of this, nor the most egregious, when he states that globalization constitutes a

multiplicity of linkages and interconnections that transcend the nation states (and by implication the societies) which make up the modern world system. It defines a process through which events, decisions and activities in one part of the world can come to have a significant consequence for individuals and communities in quite distant parts of the globe.⁸

Philip Cerny furthermore suggests that globalization redefines the relationship between territoriality and authority, shifting authority from the level of the state to supranational and sub-national units, perhaps offering more to grasp onto in operational terms but precious little in causal terms.⁹ Robert Z. Lawrence is emphatic in stating that globalization shifts authority—to specifically the local and the regional level.¹⁰ Cerny adds elsewhere that:

Globalization is defined here as a set of economic and political structures and processes deriving from the changing character of the goods and assets that comprise the base of the international political economy—in particular, the increasing structural differentiation of those goods and assets.¹¹

Like McGrew's statement, Cerny's may well be true. It just appears to offer limited heuristic insights and little operational value. So, beyond vague conceptions of changing definitions of identity and altered interactive processes, there is a need to solidify what alternative definitions exist, and if not to consolidate them into one choice, then at least to understand what distinguishes one from another.

My preliminary examination indicates that there are at least four potential definitions of globalization that are increasingly radical in their understanding of the change represented by globalization and thus its relational implications. They can be delineated as follows:

1. Globalization as a Historical Epoch

1996, 3–4.

⁸ Anthony McGrew, "A Global Society" in Stuart Hall, David Held, and Anthony McGrew, *Modernity and Its Futures* (Cambridge: Polity Press, 1990).

⁹ See Philip G. Cerny, "Paradoxes of the Competition State: The Dynamics of Political Globalization," *Government and Opposition* 32 (2, spring 1997): especially 270–1.

¹⁰ Robert Z. Lawrence, *Regionalism, Multilateralism and Deeper Integration* (Washington, DC: Brookings, 1996), 8.

Historians have long debated the timing of the onset of the Cold War, although there appears to be less debate about when it ended—the Fall of the Berlin Wall. What is clear is that they agree that it can be defined as a *period* of history rather than, for example, a sociological phenomenon or a theoretical framework.¹² The Cold War was thus a period marked by certain features such as a bipolar distribution of power, the primacy of strategic theories of nuclear deterrence and conventional force compellence in security issues, and an ambiguous tension between isolation and détente in the context of spheres of influence. But it is understood by historians as a discrete period of time with specific characteristics where certain attributes applied and some theories had greater relevance; it is not a theory itself.

The demise of the Cold War coincided with the onset of globalization, raising the question of whether there is a causal relationship between the two. Certainly, the comments of scholars like Immanuel Wallerstein (echoing Trotsky), who registered concern that Communist states could not sustain themselves in the context of a capitalist system, may be interpreted to imply as such.¹³ Whether causally related or not, globalization as a period might be said to ‘succeed’ the Cold War historically. The economic counterpart to the Cold War, according to Philip McMichael, was what he terms the ‘developmentalist project’ which

¹¹ Philip G. Cerny, “Globalization and the Changing Logic of Collective Action,” *International Organization* 49 (4, autumn 1995): 596.

¹² There is an extensive literature on this question. Among works with the most extensive discussion of definitions of the Cold War, see Richard Crockatt, *The Fifty Years War: The United States and the Soviet Union in World Politics, 1941–1991* (London: Routledge, 1995). But for general discussions of the Cold War, as a historical period, see, for examples, Melvyn Leffler, *The Spectre of Communism: The United States and the Origins of the Cold War, 1917–1953* (New York: Hill and Wang, 1994); Vojtech Mastny, *Russia’s Road to the Cold War* (New York: Columbia University Press, 1979); John Lewis Gaddis, *The Long Peace: Inquiring into the History of the Cold War* (New York: Oxford University Press, 1987); William Hyland, *The Cold War: 50 Years of Conflict* (New York: Times Books, 1991); Thomas Patterson, *On Every Front: The Making and Unmaking of the Cold War* (New York: W.W. Norton and Company, 1992); Raymond Garton, *The Great Transition: American-Soviet Relations and the End of the Cold War* (Washington, DC: Brookings Institution, 1994); Ann Deighton, ed., *Britain and the First Cold War* (London: St. Martin’s, 1990); Melvyn Leffler and David S. Painter, eds., *Origins of the Cold War: An International History* (London: Routledge, 1994); Anders Stephanson, “The United States” in David Reynolds, ed., *The Origins of the Cold War in Europe: International Perspectives* (New Haven: Yale University Press, 1994), 23–52.

¹³ See, as examples, Immanuel Wallerstein, “The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis,” *Comparative Studies in Society and History* 16 (4, September 1974): especially 414–5; Immanuel Wallerstein, “Dependence in an Interdependent World: The Limited Possibilities of Transformation within a Capitalist World Economy” in Hector Muñoz, ed., *From Dependency to Development* (Boulder: Westview Press, 1981), 273 and 287–8.

was a postwar construct through which the capitalist economy was stabilized. Like any social construct, the institutions of the market economy are historically specific...mid-20th century capitalism was organized within the framework of the (now universal) nation-state system...[which] combined the principles of mercantilist and liberal organization into a new international regime of 'embedded liberalism.' This regime subordinated trade to systems of national economic management, anchored in strategic economic sectors like steel and farming. Together, international and national institutions regulated monetary and wage relations to stabilize national capitalisms within a liberal trade regime. Its extension to the so-called Third World, as the decolonization process unfolded, generated the paradigm of 'developmentalism.'¹⁴

This compromise among capital, labor, and the state in an amalgam of macroeconomic Keynesianism, welfarism, corporatism, full employment, and an emphasis on mass production systems has commonly been denoted by the term 'Fordism' in political economy in reference to

¹⁴ Philip McMichael, "Globalization: Myths and Realities," *Rural Sociology* 61 (1, 1996): 29.

advanced industrialized countries.¹⁵ Here, McMichael labels the same cocktail as ‘developmentalism’ for the Third World. Whichever aphorism is used, it is clear that, for McMichael, the globalization ‘project’ is ‘historically specific’ and “grows out of the dissolution of the developmental project”—the former supplanting the latter—although, in the interest of accurate representation it is important to note that he subsequently does suggest that it constitutes more than a historical period.¹⁶

Like the Cold War before it then, the term ‘globalization’ might therefore serve as a time-bound template for describing a context in which events occur. Globalization might be considered (retrospectively) as a historical period—comparable to Ernst Nolte’s claim that fascism represented an epoch and not a specific form of political regime,¹⁷ or to the way that *the* Depression remains a distinct phenomenon distinguished by historians and political economists from a depression.¹⁸

If we accept this definition, from when would globalization be dated and why? In this vein, the globalization period might be described as one that began in the midst of the 1970s, thus briefly overlapping with the end of the Cold War.¹⁹ This period is a likely candidate because it suggests that globalization began with two phenomena simultaneously. The first was the introduction of détente between the United States and Soviet Union. The second was the breakdown of the ‘Social Contract,’ initially in Britain but eventually throughout the advanced industrial countries. The significance of the end of the ‘historic compromise’—the linkage among labor representation, wage restraint, social welfarism, full employment, and the dominant mass production system—is that globalization represents a transition to a new formulation about the

¹⁵ For a comprehensive statement of this perspective, see David Cameron, “Social Democracy, Corporatism, Labor Quiescence, and the Representation of Economic Interest in Advanced Capitalist Society” in John H. Goldthorpe, ed., *Order and Conflict in Contemporary Capitalism* (New York: Oxford University Press, 1984), 143–78. For a discussion of the linkage between Fordism and the liberal international regime, see John G. Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Post-War Order,” *International Organization* 36 (4, autumn 1982): 379–415.

¹⁶ *Ibid.*, 28.

¹⁷ See Ernst Nolte, *The Three Faces of Fascism* (New York: Holt, Rinehart and Winston, 1966).

¹⁸ Peter Gourevitch, for example, when discussing comparable phenomena, terms the period after the ‘Great Crash of 1929’ as The Depression while he refers to the other two periods he studies as ‘downturns.’ See Peter Gourevitch, *Politics in Hard Times* (Ithaca: Cornell University Press, 1986), 68, 77, and 124.

¹⁹ For a discussion of this view, see Paul Hirst and Grahame Thompson, *Globalization in Question: The International Economy and the Possibilities of Governance* (Cambridge: Polity Press, 1996).

terms and nature of work. This change involves a distribution of labor between high and low value-added processes focusing on subcontracting;²⁰ it reifies markets as institutions while condemning unionism and welfarism as antiquated; it disowns fiscal policy as a useful instrument of policy; and, ultimately, it reasserts the importance of individualism at work expressed in diverse forms such as 'telecommuting' and 'flexitime.'

In contrast, alternative historical interpretations date globalization from the end (rather than middle) of the 1970s and the beginning of the ensuing decade, because of a series of events that cluster within a limited time period: the cumulative impact on Western economies of the second oil crisis; a substantial corresponding decline in the level of GNP in 1980 and rise in inflation rates; the traumatic (for the United States) episode of US hostages in Iran; and the elections of Margaret Thatcher in 1979 and Ronald Reagan in 1980, both of whom offered a radical, ideological response to what they characterized as political paralysis and economic lethargy—what Jimmy Carter had himself described as a 'malaise.' Helmut Kohl's subsequent election in the Federal Republic of Germany in 1982 offered a more modest but arguably related response to the same set of events.²¹

The critical distinction between these two historical interpretations is more than a simple quarrel about dates. It may be, rather, a difference between suggesting that globalization is a response to major structural disjuncture (between East and West, capital and labor) that generated an irresistible and significant redress and claiming that it is a response to a simple (perhaps temporary) conjuncture of factors—adverse economic conditions compounded by a lack of political will—a vacuum ultimately filled by the political Right.²² Correspondingly, it may be the difference between considering the events of the late 1970s and early 1980s as a cause or an effect of globalization; globalization as a symptom of structural tensions or the source of them.

Whichever version is ultimately accepted as the convention by this approach, it is clear that time, rather than functional attributes, best defines the term 'globalization' in this formulation. While these definitions lack a significant analytic element, being largely descriptive in character, they do provide definitive contours—as well as the possibility of using interdisciplinary research to

²⁰ For a dissenting view that these changes connote a reduction in the power of the Left in policy terms, see Geoffrey Garrett and Peter Lange, "Political Responses to Interdependence: What's 'Left' for the Left?" *International Organization* 45 (4, autumn 1991).

²¹ For an approach that emphasizes the period of the early 1980s as the historical precursor of globalization, see Robert Solomon, *The Transformation of the World Economy, 1980–1993* (London: MacMillan, 1994), especially 7.

²² For a discussion of the virtues and limitations of apparent structural versus conjunctural explanations for globalization, see Hirst and Thompson, *Globalisation in Question*, op. cit. n 19, especially 15.

understand the unique properties of the 'Epoch of Globalization.' It is, in sum, a historical approach to defining globalization; time is the crucial definitive element.

2. Globalization as Confluence of Economic Phenomena

Alternatively, globalization might be characterized functionally by an intrinsically related series of economic phenomena. These include the liberalization and deregulation of markets, privatization of assets, retreat of state functions (particularly welfare ones), diffusion of technology, cross-national distribution of manufacturing production (foreign direct investment), and the integration of capital markets. In its narrowest formulation, the term refers to the worldwide spread of sales, production facilities, and manufacturing processes, all of which reconstitute the international division of labor.

Many analysts suggest that we have witnessed prior periods of globalization or that this is a culmination of an extended process. Crucially, however, many of these people are economists whose discussion is particularly narrow in its application. Often globalization is condensed into a discussion of whether national income, as measured largely in terms of growth, is converging or diverging. Relatively obscure considerations of the appropriateness of one or another indicator as a measure of convergence ends up taking precedence over broader considerations of whether income distribution is a meaningful indicator of globalization. It is very easy to locate supporting arguments and data to buttress the claims of convergence or divergence, depending on what one seeks. Linking globalization to processes of economic integration, Robert Z. Lawrence, for example, makes the broad statement that "economic integration generally leads to convergence, with poorer economies growing more rapidly than richer economies."²³ Jeffrey G. Williamson, noted Harvard economist and then President of the of the Economic History Association, also argued in his presidential address that globalization leads to convergence—and has done in prior historical periods. The substance of this argument, he said, was that "the critical bottom line for me is whether the living standard gap between rich and poor countries falls over time. Convergence implies an erosion of this gap, at least in percentage terms."²⁴ The data set turns out to be rather limited, confined to the OECD countries of European origin. His ultimate statement is therefore more conditional than Lawrence's. Williamson himself

²³ Lawrence, *Regionalism, Multilateralism and Deeper Integration*, op. cit. n. 10, 106.

²⁴ Jeffrey G. Williamson, "Globalization, Convergence and History," *Journal of Economic History* 56 (2, June 1996): 278.

confesses that much of the convergence disappears when the data set is expanded,²⁵ which is precisely the argument offered by Lant Pritchett of the World Bank. As he states,

Along with 'globalization' and 'competitiveness,' the theme of 'convergence' has spilled over into public discussions of policies and prospects for developing countries. Well, forget convergence—the overwhelming feature of modern

economic history is a massive divergence in per capita incomes between rich and poor countries, a gap which is continuing to grow today.²⁶

Clearly, a discussion about the suitability of data sets for measurements of income distribution is too limited and esoteric for our purposes. Even a cursory reading of the literature of economic historians and political economists suggests that none of the broad economic trends identified earlier are themselves original.²⁷ All these economic phenomena—liberalization, deregulation, etc.—appear to have historical precedents.²⁸

What *may* be unique about these phenomena, however, and thus justify a distinction between globalization and its economic predecessors, is their cluster, scope, and domain. These collections of events have never occurred in such volume, with such breadth, with such speed, and on such a systematically linked basis before. While we have seen market reform and the retreat of the state in the past, they may not have been coupled with the simultaneous explosion in foreign direct investment, the growth of multilateral institutionalism, and the spread of democracy. Globalization thus characterizes an intensification and linkage of a number of old processes rather than the development of a new one.²⁹ As Dave Broad states it boldly:

So, is anything new with the current phase of globalization? Well, in fact, yes, but more by way of a 'deepening' than a qualitative change in the global economic structure.³⁰

²⁵ Ibid., 279.

²⁶ Lant Pritchett, "Forget Convergence: Divergence Past, Present and Future," *Finance and Development* (June 1996): 40.

²⁷ Most prominent in this regard is the work of Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 1944).

²⁸ Even an avowed realist like Kenneth N. Waltz, for example, has noted that high levels of trade interdependence have historic precedents. What he contests is whether such interdependence is a precursor of conflict or enhances the prospects of peace. See Kenneth N. Waltz, "The Myth of Interdependence" in Charles Kindleberger, ed., *The International Corporation*, 220–1.

²⁹ See The Group of Lisbon, *Limits to Competition* (Cambridge, MA: MIT Press, 1995), 68–77.

³⁰ Dave Broad, "Globalization Versus Labor," *The Monthly Review* (December 1995): 20–1.

The spirit of this kind of response is reflected in the approach adopted by others such as R.J. Barry Jones who suggests that globalization may simply be an intensification of the process of international interdependence, a function of the growth of competition in an international free trade system intensified by the diffusion of technology. It is therefore a function of the increase in the density and complexity of international interactions. Jones characterizes globalization as complex, layered, interconnected, and uneven. It is reflected in a quantitative growth in the volume and internationalization of finance, production, and economic transactions. The intensification of these processes has a qualitative change in the pattern of constraints and opportunities facing actors—particularly states.³¹

Wilfried Ruigrok and Rob van Tulder are specific in their characterization of globalization, associating it with increased international capital mobility and a growing incidence of mergers and acquisitions and of strategic alliances. They outline three interpretations of globalization—micro-Fordist, Toyotaist and macro-Fordist—which focus on the distribution of finance, production, technology, regulation, and authority as indicators of change. All, however, put emphasis on the firm and market, as well as on an intensifying process of global integration. Thus, despite Ruigrok and van Tulder's apparent skepticism about the deterministic nature and political character of globalization, they share a view of it as process-driven and economically defined.³²

3. Globalization as the hegemony of American values

This definition offers an interesting pair of bedfellows. Included most prominently in these approaches is the notion of diffusion and convergence; generally in the form of the assimilation of political and economic institutions in the public sector and 'best business practices' in the private sector.³³

³¹ R.J. Barry Jones, *Globalization and Interdependence in the International Political Economy: Reality and Rhetoric* (London and New York: Pinter, 1995), 11–15, 93, and 199.

³² Winfried Ruigrok and Rob van Tulder, *The Logic of International Restructuring* (London and New York: Routledge, 1995), 131–46. Their skepticism is most evident on 155–68.

³³ For a comprehensive and insightful discussion of the application of the notion of convergence in the contemporary globalization literature, see Suzanne Berger, "Introduction" in Suzanne Berger and Ronald Dore, eds., *National Diversity and Global Capitalism* (Ithaca, NY: Cornell University Press, 1996), 1–25. For an example of the application of this business logic in the context of IPE, see Razeem Sally, "Multinational Enterprises, Political Economy and Institutional Theory: Domestic Embeddedness in the Context of Internationalization," *Review of International Political Economy* 1 (1, spring 1994): 161–62; Richard J. Barnet and Ronald E. Müller, *Global Reach: The Power of the Multinational Corporations* (New York: Simon and Schuster, 1974); and

One formulation repackages many of the notions originally articulated in variants of liberal theory, such as the early modernization literature.³⁴ In the modernization literature the convergence is towards liberal democracy and modernity defined as industrialized economic development—one that involves the characteristic features of a limited state apparatus. Furthermore, the failure to follow this normative prescription risks a moral failure. How else could one interpret the title (and, of course, contents) of books such as Edward Banfield's *The Moral Basis of A Backward Society* or David Apter's comment, in describing the theme of the *Politics of Modernization*, that "Despite an emphasis on methods of comparing governments and studying their political growth and adaptation, analysis begins with moral content. My contention is that, in political life, that which is significant (both from the standpoint of the observer and from that of the participant) can only be understood in moral terms." Thus the "difference between scientific work in the social sciences and the natural sciences" is "a difference in moral point of view...beyond science lies moral intuition... Knowledge of experience requires the commitment of all our senses." And thus concludes Apter, "the overriding purpose of this book is to bring together some general methods and their moral implications," the eventual objective being the formation of 'representative government' and a concepts of freedom and choice (defined as morality).³⁵ Eventually Apter reveals this to equate with liberal democracy.³⁶

Richard J. Barnett and John Cavanaugh, *Global Dreams: Imperial Corporations and the New World Order* (New York: Simon & Schuster, 1994). Compatible notions are evident in influential works like Mira Wilkins, *The Maturing of Multinational Enterprise: American Business Abroad from 1914 to 1970* (Cambridge, MA: Harvard University Press, 1974); Peter Evans, *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil* (Princeton: Princeton University Press, 1979), 14–54; and Theodore H. Moran, "Foreign Expansion as an 'Institutional Necessity' for US Corporate Capitalism: The Search for a Radical Model," *World Politics* 25 (2, April 1973): 369–86.

³⁴ See, for examples, David E. Apter, *The Politics of Modernisation* (Chicago: University of Chicago Press, 1965); Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* (March 1959): 69–105, and the volumes of the Committee on Comparative Politics of the Social Science Research Council. For a discussion, see Richard Higgott, *Political Development Theory* (London: Routledge, 1996). Benjamin J. Cohen provides an accessible overview of the liberal literature in *The Question of Imperialism: The Political Economy of Dominance and Dependence* (New York: Basic Books, 1973). Compatible notions are evident in influential works like Wilkins, *The Maturing of Multinational Enterprise*, op. cit. n. 33. Peter Evans also provides an overview in *Dependent Development*, op. cit. n. 33, 14–54. See also Moran, "Foreign Expansion as an 'Institutional Necessity'," op. cit. n. 33, 369–386, and Sally, "Multinational Enterprises, Political Economy and Institutional Theory," op. cit. n. 33, 161–2.

³⁵ Apter, *The Politics of Modernisation*, op. cit. n. 34, xiii–xiv, 3, and 10–12.

³⁶ *Ibid.*, 450–8 passim.

Current proponents of globalization hardly sound distinct from their intellectual forebears. Francis Fukuyama suggests that convergence is inevitable:

Technology makes possible the limitless accumulation of wealth, and thus the satisfaction of an ever-expanding set of human desires. This process guarantees an increasing homogenization of all human societies, regardless of their historical origins or cultural inheritances. All countries undergoing economic modernization must increasingly resemble one another: they must unify nationally on the basis of a centralized state, urbanize, replace traditional forms of social organization like tribe, sect, and family with economically rational ones based on function and efficiency, and provide for the universal education of their citizens... Moreover, the logic of modern natural science would seem to dictate a universal evolution in the direction of capitalism... The social changes that accompany advanced industrialization, in particular universal education, appear to liberate a certain demand for recognition that did not exist among poorer and less educated people. As standards of living increase, as populations become more cosmopolitan and better educated, and as society as a whole achieves a greater equality of condition, people begin to demand not simply more wealth but recognition of their status... Communism is being superseded by liberal democracy because of the realization that the former provides a gravely defective form of recognition.³⁷

Globalization thus represents the triumph of modernization theory according to its proponents; a homogenization of values around the principles of capitalism and democracy, albeit a strictly American variant of both, built on Protestant values that purportedly epitomize the Enlightenment.³⁸ Even Samuel Huntington, noted critic of the initial formulations of modernization theory (and explicit opponent of the concept of convergence), appears to have accepted a central proposition of modernization; the stimulant of economic growth on the propensity towards democratization. When discussing the waves of democratization in Catholic countries in the late twentieth century, he notes that

Beginning in the 1950s, however, Catholic countries began to have higher rates of economic growth than Protestant countries. In large part, of course, this was because they were generally at lower levels of economic development. Economic growth, nonetheless, undoubtedly facilitated transitions to democracy in several Catholic countries.³⁹

³⁷ Quotations from Francis Fukuyama, *The End of History and the Last Man* (New York: Free Press, 1992), xiv–xv and xviii–xix.

³⁸ For a critique of the initial wave of modernization theory that focuses on its stress on the Protestant ethic, see Arturo Valenzuela and Samuel Valenzuela, "Modernization and Dependency: Alternative Perspectives in the Study of Latin American Development," *Comparative Politics* 10 (4, July 1978).

³⁹ Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman and London: University of Oklahoma Press, 1991), 76–7.

Globalization represents the universalizing of American values (if not Anglo-Saxon ones), predicated on a normative, indeed moral foundation. In the modernization literature, the convergence is towards liberal democracy and modernity defined as industrialized economic development—one that involves the characteristic features of a limited state apparatus.⁴⁰ But it is a specific form of liberal democracy—it is John Locke’s and not Jean-Jacques Rousseau’s variant. And it is, comparably, a particular form of economic development—it is the Anglo-Saxon classicism of Adam Smith rather than the ‘Continentalism’ of Friedrich List.⁴¹ In tandem, the values professed by the traditional modernization theory of comparative politics bears a startling resemblance to one popular stream of contemporary ‘globalization theory.’

While Hamid Mowlana may be correct in suggesting that “globalization has brought more surface homogenization than fundamental change,” he still concedes that it offers the prospect of American culture which he describes as “entertainment, fashion and the American way of life”—in sum, “commercial secularism.”⁴² Kiren Aziz Chaudry is unremitting in criticizing this work, notably of chief exponents, Francis Fukuyama, Jeffrey Sachs, and Bela Belassa,⁴³ suggesting that:

Long-standing questions about how to reconcile the twin goals of growth and equity were replaced with the spartan certainties of monetarist economics. Trickle-down theories long discredited in developmental economics were held out as the answer to the distributional dilemma, and crude modernization theory was resuscitated to forecast the ultimate convergence of economic and political systems across the globe. The politics of economic organization were explicitly removed from the agenda and replaced with formulas that upheld price liberalization, ‘speed’ and ‘thoroughness’ as the exclusive determinants of successful reform.⁴⁴

⁴⁰ See, for examples, Apter, *The Politics of Modernization*, op. cit. n. 34; Lipset, “Some Social Requisites of Democracy,” op. cit. n. 34, 69–105.

⁴¹ An accessible, popularized version of this distinction between contrasting forms of capitalism and polity is offered by James Fallows in three articles published in *Atlantic Monthly*, in November and December of 1993 and January of 1994, respectively, entitled “Looking at the Sun,” “How the World Works,” and “What is an Economy For?”

⁴² Hamid Mowlana, “The Communications Paradox,” *The Bulletin of Atomic Scientists* (July/August 1995): all quotes from 40.

⁴³ See Fukuyama, *The End of History*, op. cit. n. 37; Jeffrey Sachs, “Poland and Eastern Europe: What Is to Be Done?” and Bela Belassa, “Policy Choices in Newly Industrializing Countries,” both in Andras Koves and Paul Marer, eds., *Foreign Economic Liberalization: Transformations in Socialist and Market Economies* (Boulder, CO: Westview Press, 1991).

⁴⁴ Kiren Aziz Chaudry, “The Myths of the Market and the Common History of Late Developers,” *Politics and Society* 21 (3, September 1993): 246.

D.L. Sheth offers a distinct, although complimentary, response to the proponents of reconstituted modernization theory:

While democracy is becoming a preponderant form of political governance in the world, the discourse on democracy is becoming narrower and poorer. The discourse is increasingly focused today on what institutional options are suitable for a particular country from those available within one type of political democracy, namely liberal democracy. The discussion is often limited to the suitability of particular institutional structures of liberal democracy. For example, the debate could compare the presidential and parliamentary systems in the Latin American countries, or it could explore the degree of unitariness or federalism—for instance, in the South Asian countries—that a state constituted under liberal democracy should have.⁴⁵

Paradoxically, the other 'bedfellow' that emphasizes a convergence approach comparable to the proponents of reconstituted modernization theorists is Marxist analysis. This comes in two variants—both stressing the redistributive economic effects of the increasingly unfettered capitalism unleashed by globalization, rather than its democratizing and productive economic influences.⁴⁶ The first largely tracks the debate between Lenin and Kautsky, contemplating the role of structure and the capacity for reform in the capitalist system; whether underdevelopment is endemic and a convergence towards a universalization of imperialism—exported from the advanced industrializing countries—is inevitable in an era of unregulated capitalism. Lenin said remarkably little about variants in forms of capitalism in his discussion of imperialism, encouraging the notion that variations were of little significance. This strand of Marxism therefore defines the new globalization period as an accentuation of the prior period, a continued (if accelerating) epoch of capitalism.

⁴⁵ D.L. Sheth, "Democracy and Globalization in India: Post-Cold War Discourse," *Annals, American Academy of PSS* 540 (July 1995): 25.

⁴⁶ The radical and Marxist tradition in this regards extends from John A. Hobson, *Imperialism: A Study* (London: George Allen and Unwin, 1902 original, republished 1938) and Vladimir I. Lenin, *Imperialism: The Highest Stage of Capitalism* (New York: International Publishers, 1916 original, republished 1939), to Paul M. Sweezy, *A Theory of Capitalist Development: Principles of Marxian Political Economy* (New York: Oxford University Press, 1942); Paul A. Baran, *The Political Economy of Growth* (New York: Monthly Review Press, 1957); Paul A. Baran and Paul M. Sweezy, *Monopoly Capital: An Essay on the American Economic and Social Order* (New York: Monthly Review Press 1966); Andre Gunder Frank, *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil* (New York: Monthly Review Press, 1969); and Immanuel Wallerstein, *The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century* (New York: Academic Press, 1974). Cohen provided an accessible overview of the literature in *The Question of Imperialism*, op. cit. n. 34.

A second variant of the Marxist argument turns to Gramsci for its intellectual base. Epitomized by the work of Stephen Gill, this formulation emphasizes the notion of a formation of a transnational class that constitutes part of a 'historic bloc' which

refers to those situations when there is a high degree of political congruence between sets of 'relations of force.' Of these, the second type of relation of force is crucial for our discussion of hegemony. The first relation of force was structural or material, for example, the level of the forces of production, the number and location of cities etc... The second was 'political,' that is relating to the development of classes and their level of political consciousness; the third was military, including the domestic use of military power as well as the geopolitical-military forces which configured the development of a particular society... An attempt to universalize hegemony by politically synthesizing a range of interests lies at the heart of the forging of a historic bloc. The historic bloc is therefore an 'organic' link between structure and superstructure. Such a bloc cannot occur spontaneously, nor simply as a result of the force of economic necessity. It needs leadership and action based on a highly developed political consciousness within the dominant social class.⁴⁷

Supported by complementary transnational economic institutional structures such as the World Bank and International Monetary Fund and fortified by organic intellectual structures such as the Trilateral Commission, this transnational class of elites, according to Gill, exports a set of values—values consistent with the American variant of liberalism and capitalism. The effort to co-op elites, at least initially from across the Triad of Japan, North America, and Europe, has effectively defended the stability of a liberal international order and warded off any movement towards mercantilism, averting an imperialist crisis of capitalism anticipated by a Leninist approach. Here, Gramsci's stress on hegemony's reliance on consensuality rather than domination is critical in explaining the emergence of a transnational class structure which is buttressed by a substructure predicated on the free movement of capital. While American power in a realist sense may have therefore declined, the capacity of organic intellectuals like those found in organizations such as the Trilateral Commission has proven indispensable in exporting a universalist ideology (of neoliberalism), thus constructing a historic bloc and thereby sustaining America hegemony.⁴⁸

Stated somewhat differently, from a contrasting perspective of a discussion about companies, but echoing these sorts of themes, Ron Meyer suggests that

⁴⁷ Robert Cox cited in Stephen Gill, *American Hegemony and the Trilateral Commission* (Cambridge: Cambridge University Press, 1990), 44–5.

⁴⁸ Gill, *American Hegemony and the Trilateral Commission*, op. cit. n. 47, 33–55.

one could observe that globalization is not only seen as a cure-all for a range of management problems, but also functions for many as an ideology that fits nicely with the zeitgeist—the Fall of the Wall, the disappearance of the other great ideologies, joint international policing efforts and increasing internationalization.⁴⁹

What happens to the state, that apparently disintegrating notion, in this formulation? For liberals it often disintegrates as part of this change in ‘zeitgeist.’ It is in some ways bizarre to witness the American state’s attempts to savage the innermost core of its functioning as, having amputated other elements (such as the institutions of public welfare), it humiliated its own Internal Revenue Service. For the first function of any state is to collect revenue. Without revenue there can be no state. In Europe bureaucracies were created to collect taxes so that armies could defend territory. Cerny contends that authority shifts upward to international governmental bodies and down to state, provincial, local, and municipal governance structures. Ann Marie Slaughter concurs:

A new world order is emerging, with less fanfare but more substance than either the liberal internationalist or new medievalist visions. The state is not disappearing, it is disaggregating into its separate, functionally distinct parts. These parts—courts, regulatory agencies, executives, and even legislatures—are networking with their counterparts abroad, creating a dense web of relations that constitutes a new, transgovernmental order... Transgovernmentalism offers its own world order ideal, less dramatic but more compelling than either liberal internationalism or the new medievalism. It harnesses the state’s power to find and implement solutions to global problems.⁵⁰

Paradoxically, the Marxian approach emphasizes a comparable notion of convergence.⁵¹ In either approach, whether celebrating or bemoaning globalization’s political or economic effects, the emphasis is squarely placed on the ‘triumph’ of American values. This perspective thus heavily (although clearly not exclusively, given the Marxian variant) focuses on approaches employed in the political science literature, particularly in the realm of comparative politics.

4. Globalization as Technological and Social Revolution

⁴⁹ Ron Meyer cited in Debra Fleenor, “The Coming and Going of the Global Corporation,” *The Columbia Journal of World Business* (winter 1993): 10.

⁵⁰ Anne-Marie Slaughter, “The Real New World Order,” *Foreign Affairs* (September/October 1997): 194–95.

⁵¹ For a recent example see Cerny, “Globalization and the Changing Logic,” op. cit. n. 11, 595–626.

It would be remiss to ignore a more extreme theoretical perspective—that being the view that we are witnessing a decisive shift away from industrial capitalism to a postindustrial conception of economic relations. The same economic phenomena identified earlier are important not just because they represent a unique *cluster* of activity but because they represent a new *form* of activity. This view depicts a striking revolution among techno-industrial elites, driven mainly by technological advances, that ultimately renders the globe a single market.⁵² This is a comprehensive and complex vision: of globally integrated production; of specialized but interdependent labor markets; of the rapid privatization of state assets; and of the inextricable linkage of technology across conventional national borders.⁵³ Here, it is argued that we are witnessing the development of a whole ‘new economy.’ A paradigmatic shift is taking place that influences the way we think about a variety of social and economic relations.

In contrast to our first formulation, time here is of little meaning. Space, furthermore, has been compressed as a result of technological development, although the effect of such compression may be to enhance heterogeneity, captured in the notion of ‘glocalization.’ Here an extensive reorganization of economic activities is underway at regional/local levels, while an explosion of information/communication and commodities/services flows is occurring across cities, regions, and nations. While the term ‘glocalization’ is often associated with globalization, there is some dispute as to whether the two are complimentary or in tension with each other. The notion that glocalization is the localization of economic and political relations, shifting authority from the national level downward in a manner that enhances responses to globalization, conflicts with alternatives views that suggests the two are dialectically opposed.⁵⁴

One source of tension lies in the notion that globalization de-emphasizes the importance of geography while glocalization enhances it as a counter tendency. Geographic linkage in a regional, trading sense become of key importance.

⁵² In an influential work, Martin Carnoy, Manuel Castells, and Steven Cohen use the term in a generic sense to refer to investment, production, management, markets, labor, information, and technology now “organized across national borders.” See *The New Global Economy in the Informational Age: Reflections on Our Changing World* (University Park, PA: Penn State Press, 1993), 4–5. Also see Manuel Castells, *The Informational City: Information Technology, Economic Restructuring and the Urban Regional Process* (Cambridge, MA: Basil Blackwell, 1991).

⁵³ Note that it is not just business enthusiasts who speak in such terms but also spokespeople for nongovernmental organizations who seek to rally constituencies for globe-spanning environmental, labor, and other sorts of policies.

⁵⁴ For a discussion, see Richard Higgott and Simon Reich, “Putting Intellectual Order into the Global Order: Nonstate Actors and Authority in the Global System,” a paper presented at the Inaugural Conference of the Warwick University Economic and Social Research Centre for the Study of Globalization and Regionalization, University of Warwick, 31 October–1 November 1997.

Another source of tension is suggested by Winfried Ruigrok and Rob van Tulder. They, for example, define globalization and glocalization in terms of conflicting firm strategies. They suggest that globalizing firms pursue a strategy that strives for a worldwide intrafirm division of labor while glocalizing firms pursue an alternative strategy in which they seek to replicate production within a number of regions, thereby avoiding the risk associated with the formation of trade blocs.⁵⁵ Glocalizing firms therefore seek to generate a geographically concentrated interfirm division of labor.

Globalizing firms are generally labeled transnational corporations; glocalising firms, seeking to replicate themselves on a regional basis, may be better termed 'multinational corporations.' Consistent with this distinction, the two behave in very different ways. Multinational firms may decentralize production and sales but their decision-making remains firmly centralized in a hierarchical structure. This, in behavioral terms, is reflected in their propensity to retain the overwhelming majority of R&D facilities at home, with very few exceptions.⁵⁶

The distinct logic of glocalisation is reflected in Ruigrok and van Tulder's comment that:

Glocalisation pertains to a company's attempt to become accepted as a 'local citizen' in a different trade bloc while transferring as little control as possible over its area of strategic concern. Glocalisation is first of all a political and only in the second place a business location strategy: a company following a strategy of glocalisation will localize activities abroad (1) only if the company otherwise risks being treated as an 'outsider' or being hit by trade or investment barriers thus losing market share, and (2) to the extent that the company can exert more control over its host governments than vice versa.⁵⁷

Yet spatial relations have altered inexorably. Space can no longer be equated with territoriality and thus political authority, as was formerly the case. The consequence, according to Kenichi Ohmae, doyen of this view, is a 'borderless world.' As Ohmae states:

⁵⁵ Ruigrok and Tulder, *The Logic of International Restructuring* op. cit. n. 32, 9–10.

⁵⁶ Louis W. Pauly and Simon Reich, "National Structures and Mutinational Corporate Behavior: Enduring Differences in a Globalizing World," *International Organization* (winter 1997). The exceptions are generally to be found among large multinationals originating in smaller countries that lack the infrastructure to support such research. Prime examples of exceptional forms of corporate behavior in the allocation of R&D budgets are to be found among Dutch firms, while Japanese, German, and US firms generally reflect a propensity towards both centralized decision-making and the centralized allocation of R&D budgets. See US Congressional Office of Technology Assessment, *Multinationals and the US Technology Base* (Washington, DC: GPO, 1994), especially chapters 3 and 4.

⁵⁷ Ruigrok and van Tulder, *The Logic of International Restructuring* op. cit. n. 32, 179.

As private sector managers and government policymakers are discovering, it makes no sense in so borderless a world to think, say, of countries like 'Italy' or 'China' as discrete economic entities. Their internal variations are too great and their external linkages are too extensive for such slipshod generalizations to be useful as guides to action. Equally important, the sheer speed of business-related migration through the digital network now vastly outpaces the ability of governments—both leaders and institutions—to adapt and respond. Left to their own devices, governments simply cannot move quickly enough to build prosperity for their people.⁵⁸

An addendum to this kind of approach is the notion that globalization offers the prospect of what Fukuyama terms 'the end of history,'⁵⁹ comparable to Daniel Bell's argument of nearly four decades ago that modernity in America signaled the end of ideology.⁶⁰ This approach, therefore, distinguishes globalization from earlier periods in both historical and analytic terms. But the more mainstream and the extreme variety have as their base a central notion: that of a paradigmatic shift in the sociological relations that are the foundation for relations among state, economy, and civil society.

The consequence of this revolution, in its most optimistic (caricatured?) form, is reflected in the claims of Peter Schwartz and Peter Leyden who offer the prospect of four decades of sustained growth and 'remarkable transformation,' stimulated by the 'big bang' of technological development (computers, telecom, biotech, nanotech, and alternative energy) and deregulation. They contend that

In the developed countries of the West, new technology will lead to big productivity increases that will cause high economic growth—actually, waves of technology will continue to roll out through the early part of the 21st century. And then the relentless process of globalization, the opening up of national economies and the integration of markets, will drive the growth through much of the rest of the world. An unprecedented alignment of an ascendant Asia, a revitalized America, and a reintegrated greater Europe—including a recovered Russia—together will create an economic juggernaut that pulls along most other regions of the planet. These two metatrends—fundamental technological change and a new ethos of openness—will transform our world into the beginnings of a global civilization, a new civilization of civilizations, that will blossom through the coming century.⁶¹

⁵⁸ Kenichi Ohmae, *The Evolving Global Economy: Making Sense of the New World Order* (Boston: Harvard Business Press, 1995), xiv.

⁵⁹ Fukuyama, *The End of History*, op. cit. n. 37.

⁶⁰ Daniel Bell, *The End of Ideology: On the Exhaustion of Political Ideas in the 50s* (Glencoe, IL: Free Press, 1960).

I recognize that I would risk being criticized as ‘strawmanning’ this kind of argument by even invoking this rhetoric as an example, if it were not for the fact that it is representative of a common view among influential businessmen, policymakers, and politicians. We are purportedly witnessing the birth of what Schwartz and Leyden call the ‘networked economy’ where processes shift from hierarchical constructs to ones where people are vertically linked in an interconnected and flexible fashion, leading to dramatic productivity increases.⁶² The effect will also be a more open society, spurred by the effects of globalization.

Conclusion

In sum, we have identified four alternatives that all recognize the interplay among economics, politics, and culture. But, while recognizing the significance of all these features, they respectively tend towards employing definitions (albeit admittedly crudely stated) predominantly consistent with four distinct approaches; the first being historical, the second economic, the third sociological, and the fourth technological. While variation within each approach exists, with notable areas of overlap, the central focus is consistent with each of these distinct approaches.

Furthermore, as we move through the four formulations we encounter three tendencies. First, the four definitions are systematically intellectually ambitious interpretations, shifting from the descriptive to the analytic. Second, the four approaches are increasingly revolutionary in their analysis of the effect of globalization on economic and social relations. The first delineates modest political and economic changes in the relationship among superpowers and contractual relations between capital and labor. The last, in contrast, ultimately suggests a paradigmatic shift in political, economic, and social relations. Finally, the substance and (potentially) the geography of the realm of globalization expands dramatically, from a historical approach that is confined to political and economic relations within the advanced industrial states and between leaders of the latter and the leading (former) Communist powers to, again, a broader set of relations with a truly global scope.

None of these four formulations, however, offers a theory in a positivist sense *per se*. They may, in some variants, provide a heuristic basis for developing theory. They may suggest testable hypotheses. But none in its present form offers a theory of change. Equally, none explains the linkages among the disparate substantive realms studied under the rubric of

⁶¹ Peter Schwartz and Peter Leyden, “The Long Boom: A History of the Future, 1980–2020,” *Wired* (July 1997): 116.

⁶² *Ibid.*, 120.

globalization. But each does offer an alternative interpretation about what is distinct about globalization and suggests what we may ultimately decide to study.

Finally, each has very different suppositions to offer to policymakers, whether located in industrialized, transitional, or underdeveloped countries. For if the changes we are witnessing indeed extend beyond the organization of work practices into the organization of the economy and society, then we are indeed crossing a rubicon as far as the nature and role of the state are concerned as well as the dominant forms of social relations.