

Globalization: Theoretical Perspectives
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Lecture 5
Globalization - Major Players

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Globalization: Major Players

George M Thomas



Welcome back to the class. The lecture's title is Globalization - Major Players in today's class. George M Thomas writes this. Moreover, this essay is also taken from George Richter's book Globalization - A reader. This book is one of our textbooks, and as it contains quite a lot of essential and influential essays on globalization.

So, as I mentioned in the previous class, I will follow the specific arguments of these scholars so that it gives some clarity and a specific direction about the arguments and the position of a particular scholar. So, this will also be a kind of continuation of the past 2-3 classes that we have been discussing globalization. All these classes are trying to understand or gather a broader initial picture about the subject of globalization. How complicated is it? How diverse is the theoretical position? How diverse are the substantial themes within this ambit of globalization?

So, in this paper, George Thomas tries to look at the major players, and interestingly he contrasts two major approaches towards addressing this very question, who are the major players? So, can we enlist some players like the nation-states, multinational corporations, and international non-government organizations? Can we list them and then say that, okay, these are the players?

So, that is one particular type of approach that George Thomas describes in the initial part of this essay. However, he argues that this is not sufficient or, instead, a highly problematic way of understanding the significant players of globalization? Because in between these players, many other dynamics shape the individuality, freedom, agency, and then the freedom of each of these players. So, you cannot list out the players and then say that these are the actual drivers of globalization because the situation is much more complicated.

Moreover, this must also be seen as a continuation of the previous class we had when we talked about the major forms of globalization; how do we conceive of globalization. So, we discussed the concept of glocalization. We discussed 3 or 4 major components identified by Roland Robertson and Kathleen White, including nation-state, individual, humanities, and institutional structure. So, let us see how George Thomas wants to explain these significant players.

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Conventional tendency- emerging from Realist theoretical position- is to identify several important players such as nation state, MNCs, INGOs and so on who act with presumably clear, coherent interests.



However, it is important to look the world as a whole is influencing actors and how actors are interacting in a world context that is, or at least recently has become, out of the control of any set of actors.



So, he argues that the conventional tendency especially emerges from the realist theoretical position within IR(International Relations). Realism is a vital theoretical position within International Relations. The realist theoretical position, a more conventional way of looking at these players, is to identify several important players such as nation-states, MNCs, INGOs(International Non-governmental Organizations), etc. Who act with presumably clear coherent interest. So, this is an extremely important point.

So, in the conventional wisdom or the conventional realist theory, we name or list these actors and then we think that these actors can act as per their own decision, their discretion, their own set of, they possess a coherent set of interests, and they act accordingly. This is the most effortless way to understand that.

For example, we think that the nation-state's interest is always to protect its boundary, establish its sovereignty, and ensure its people's development. So, we think that the interest of the multinational company is to be different. However, the point here is that that assumption is very problematic.

It is important to look at how the world is influencing actors and how actors are interacting in a world context that recently has become out of control of any set of actors. So, the most interesting argument is that the whole world is moving in a kind of a direction which we are yet to understand completely. We think that things are running out of control of any particular set of actors. So, no particular set of an actor can set agenda for the world to evolve in a particular manner.

No set of agents or actors can define the path of global progress or global social change. Things are going out of hand. Nobody can set the kind of an agenda and then act accordingly. So, this is a critical argument because we will come back to this argument when we discuss Antony Giddens work, "The runaway world". The name of one of his books is this whole term the 'Runaway world'. So, the runaway world is a very captivating title that tells you that the world in its most recent form looks out of control; it is not acting as per anybody's intention.

The kind of institutions and mechanisms that we create to control the world seems quite inadequate. It looks like that they have developed a host of consequences and then the side

effects which we never intended, which we never understood, which we never even predicted, and the world is moving according to that. We are at a loss even to comprehend the changes that are happening.

So, here the argument is that while these actors are important, things are not following or things are not moving the way these actors wanted them to move. Instead, the interaction between these actors and much larger global processes redefines these important actors' nature.

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Realist position and actor-centered approach



- Transnational Corporation: From 16th and 17th centuries on, MNCs/TNCs helped create global capitalism, and continue to reproduce capitalism as they pursue their interests worldwide.
- Both competitive and collusive, competitive with other companies and collusive when confronting the state or local societies
- While multinational in nature, corporations were vehicles for concentrating capital in their home state and furthering national development, at the expense of development in other countries.



Again, to return to the realist position of an actor-centric approach that George Thomas wants to criticize. He begins with the Transnational Corporations or multinational corporations from the sixteenth and seventeenth centuries. From the sixteenth and seventeenth centuries, these multinational or transnational corporations helped create global capitalism and continued to reproduce capitalism as they pursued their interest worldwide.

Those familiar with colonialism or the history of colonialism know that colonialism is closely interlinked with the capitalist or business interest of some of the important companies. The Dutch East India Company, then the British East India Company, and a host of similar giant business corporations from these colonial countries set out for expeditions. They established

business relations with different colonies. Later it resulted in complete colonization by the British Crown itself or different colonial powers.

There is a solid argument, especially from neo-Marxist, including Immanuel Wallerstein and Andre Gunder Frank. They argue that these multinational companies for the past 4-5 centuries have played a vital role in deciding the world order. Because the flow of capital is something so important. The very reason why specific geographies in the world were able to develop at a much faster pace at the cost of others is explained beautifully by these arguments by Gunder Frank when he talks about the dependency theory and Immanuel Wallerstein when he talks about this world system theory.

So, that ultimately comes as a major criticism against the European forces who claim that they could become world powers because of their industrial revolution and the scientific revolution. However, it has a much darker past closely connected with colonialism. These multinational companies have changed their character, especially after the world war. The kind of overt or the more visible form of exploitation or physical form of exploitation is no longer viable, but rather the logic of capitalist production, the logic of capitalist flow same. So, they continued to reproduce capitalism as they pursued their interest worldwide.


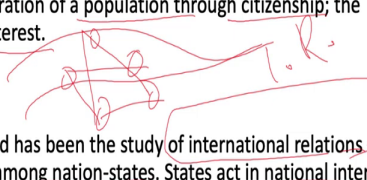
Now, Thomas argues that they are both competitive as well as collusive. They are competitive with each other to get the maximum market share. However, they also collude with each other when they have to confront the nation-states, the local societies or face opposition from the local societies. We know that very clearly because, at one stage, they will be fighting with each other. After all, they are competitors. They are competing with each other for the same market share. However, when they have to fight the state or the local opposition or local manufactures for that matter, they collude with each other.

While multinational in nature corporations were vehicles for concentrating capital in their home state and furthering national development at the expense of development in other countries, this is exactly what we mentioned. So, even though they are multinational, they played a crucial role in concentrating capital in their host countries. We often hear about the new imperialism of America or the American multinational companies, food chains or huge

soft drink companies or a host of other companies mainly from the US who can spread its networks and spread its business network across the globe.

So, what is happening through this global network of business interest is the flow of capital into their host country and have a very negative consequence, economic consequences on the countries in which they do the business. It should be noted that these models themselves are becoming more complicated, with different kinds of logic coming in, different business models coming in.

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- The state
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- The modern nation-state : rational legal authority, effective administrative control or monopoly of legitimate violence over a territory; the incorporation of a population through citizenship; the pursuit of national interest.
 - The study of the world has been the study of international relations – that is, the relations among nation-states. States act in national interests vis-à-vis other states, firms and domestic actors.
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The second important actor, the strong actor as per the realist school, is the Nation-state. And in International Relations or in political theory, we used to identify nation-states as having a a very specific set of features. The important features of nation-states are;

a) it has this rational-legal authority. It is something quite unique to the nation-state in comparison with the previous forms of administration or previous forms of governance that it is based on a rational-legal authority, and those who have studied Sociology will remember Max Weber here. Because for Max Weber, capitalism emerged in Europe during a very specific period in time, mainly because it was also the time when this rational-legal authority came into existence and was established through the rule of law or through the nation-state because the nation-state is important. In nation-state as a very powerful agency that will ensure the rational-legal authority is an important prerequisite for the growth of

capitalism—an effective administrative control or monopoly of legitimate violence over a territory.

The second important aspect of a nation-state is;

b) Effective administrative control.

Again we have to go back to Max Weber when he talks about bureaucracy as a very efficient form of rational-legal authority, which is of course, characteristic of the modern nation-state. The monopoly of legitimate violence over a territory. This is yet another important feature of the modern state. So, the modern state has the ability to inflict violence over its population in a given territory; that is why it has the police force as well as the military or para-military forces at its disposal.

No other forms of violence like anybody else by extra-state actors becomes illegitimate becomes illegal, and that will attract punishment. But state alone has the power to attack, kill and eliminate people because it claims to be having a rational-legal power. This particular point has been raised quite a lot of debates about human rights, the overreach of the state and a host of issues, but in the conventional sense, the state's authority over its territory is absolute. It is the sovereign power over a given geographical territory, and it has the monopoly over violence over its own citizens.

And the incorporation of a population through citizenship, we know that because the very base of modern nationhood is that of citizenship and anybody and everybody irrespective of their caste or class or religion as supposed to be equal members and the pursuit of national interest. So, what constitutes national interest? How is it articulated? Again it is a complicated story; let us not go into that, but every nation survives on this particular rhetoric of national interest. And sometimes this national interest can be defined as the wellbeing of all its people some other time national interest can be defined, as maybe something a kind of a position against some other country. So, these things are very different.

Conventionally, the study of the world has been the study of International Relations, that is, the relations among nation-states. States act in national interest vis a vis other states firms and domestic actors. So, this very term international relations, this conventional modern social

science international relations or IR, assumes that we are talking about a scenario where different nation-states are acting with each other, and you need to understand that.

This particular idea is again conventional, which has been seriously called into question with other terms like transnationalism. So, transnationalism is talking about a kind of a process that moves beyond all these nation-states. So, it is not something that exists between nations. It is a much larger process that supersedes or transcends these nation-states, and every nation-state is forced to do that. So, there is a kind of a disciplinary difference or a kind of a difference of orientation when we use the term International relations and then Transnational relations.

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However, globalization has complicated the realist position



- The very nature of globalization that requires firms and states to adapt and be flexible to new technologies and trends, The intensification of globalization reveals that these strong actors are reactive and adaptive to globalization processes.
- Global capitalism and the interstate system are global contexts that shape actors' identities and interests. A complementary line of argument is to see global contexts as world institutional and cultural structures.



But the whole point that Thomas George Thomas wants to come back is that this globalization has really complicated the realist position. The realist position has to be mentioned that there are actors, including multinational companies and the states, and these actors are acting as per their interest; they have the agency, set agenda, and they are acting as per agency. So, this assumption Thomas George Thomas says is highly problematic.

So, the very nature of globalization requires firms and states to adapt and be flexible to new technologies and trends. The intensification of globalization reveals that these strong actors are reactive and adaptive to globalization processes so, as we mentioned earlier that instead

of looking at these actors as if they are acting of their own will, that they are kind of exerting their own will, they have a set of agenda, and they are acting in order to fulfil these agenda.

Now, you are forced to understand how different actors, including multinational companies and nation-states and international non-governmental organizations, are forced to act, react to a host of global processes on which they have very little control. Maybe the American scenario is the classic case. The current situation in the US, the kind of a crisis that the US is facing, is an excellent case in point because America was the country that always stood for liberalization, a free market, capitalism, consumption, everything that you can attribute to that of globalization.

But now, if you look at America, America is facing the most serious backlash against globalization. And the previous President, Donald Trump, is initiating a host of anti-globalization processes, initiatives in order to protect the American economy. So, it is very important to see that how even the countries who were seen as flag-bearers of globalization are now turning around and then trying to defend their own national economy against the global processes. Many times these nation-states are actually working like they are simply reacting to the processes of globalization.

Global capitalism and interstate systems are global contexts that shape actors' identities and interests. A complementary line of argument is to see global contexts as world institutional and cultural structures. So, this term global context is something very important that George Thomas highlights. So, what is this global context? Global context would be a complex combination of a host of geopolitical, economic, cultural and social scenarios which is simply beyond the reach of any given country or any given strong player in that sense, a kind of a particular global context that exists today. For example, in the US or in Europe, there is a lot of anxiety about emigrants, job loss, refugees, about jobs being lost or jobs being taken over by people who are coming from outside, so these contexts are something which no nation-state can really ignore, or they can ignore at (its) at their loss. So, complementary global capitalism and interstate systems are global contexts that shape actors' identities and interests.

So, a host of interstate systems and the kind of a trend of global capitalism is something that derives this global context, and a complementary line of argument is to see global contexts as world institutional and cultural structures.

- According to neo-Marxist critiques of the autonomous actor, such as world systems theory, firms and capitalists individually and as a class are embedded in processes of capital accumulation. The latter are determining. The interests, strategies and actions of states and firms as well as the ultimate outcomes are interpreted in terms of global exchange relations and flows of capital.
- The emergence of institutional systems and interdependency among nation-states to address a host of issues emerging out of globally integrated economy and forms of production.
- Greater attention is given to institutions not reducible to interests of strong actors and within which states and firms are embedded.



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According to the neo-Marxist critique of the autonomous actor, such as world-system theory, firms and capitalists individually and as a class are embedded in the process of capital accumulation. So, this is what we mentioned when we talked about Immanuel Wallerstein. The latter are determining. So, this capital accumulation, how does capital get accumulated for this neo-Marxist is something so central. So, that is why they can be described as Marxist scholars because for Marxian scholars, the central question is about how capitalism work or how capital mobilization takes place, from where does capital is extracted and how this capitalism takes a different shape, what are its consequences?

So, they would argue that capital accumulation is determining all other aspects. That is a typical Marxian argument. It is influencing the nature of the nation-state, the kind of ideologies, ideas, other actors and everything. The interest, strategies and actions of states and firms, as well as ultimate outcomes, are interpreted in terms of global exchange relations and flow of capital. So, this is a typical neo-Marxian position. If Marx is elaborated on the basis of maybe early capitalist system, Wallerstein and others and other neo-Marxians are

able to extend that framework to understand the flow of capital, the other aspects of capitalist production in a global scenario.

The emergence of institutional systems and interdependency among nation-states to address a host of issues, emerging out of a globally integrated economy and forms of production. We are increasingly talking about the emergence of institutional systems, new forms of institutional systems are emerging, and there is increasing interdependency among nation-states to address a host of issues emerging out of the globally integrated economy and forms of production.

So, we realize that the world is facing global challenges. No nation-state is able to address issues on its own. A host of global challenges require global responses. And the best example, the most recent example, is that of the Covid pandemic. We know that how this argument is made again and again. So, the argument is that in a globally interconnected world, there must be increased interdependence among various nation-states to address a host of global problems, a globe, a host of global challenges because these global challenges or global problems cannot be addressed or fought or engaged with by a single state.

For example, I was giving the example of Covid-19. Covid-19 requires a global effort in terms of vaccines and protection. Similarly, environmental degradation or global warming, pollution are issues that assume a kind of a global character. So, greater attention is given to institutions not reducible to the interest of strong actors and within which states and firms are embedded.

So, I was mentioning that this is a major revision, or this is a major critique against the conventional realist approach, which assume that these important players are able to act of their own will. Rather here, the argument is that these institutions and the global context work so powerfully that these important players are supposed to react quite often or to rearrange their own arguments and ideas.

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International governmental organizations IGOs



- Economic Institutions: International Monetary Fund (IMF), the World Bank and the General Agreement on Tariffs and Trade (GATT) and so on. Role of nation-states to enforce the decision of these agencies and the power struggles and negotiations.
- The UN: Through its universalism and ideology of voluntary participation of all nations, the UN provides fundamental legitimacy and identity to states. As globalization intensifies, more and more global problems are identified and in each case something needs to be done by someone.
- International courts and Tribunals: International Court of Justice or World Court, European Court of Human Rights, The Permanent Court of Arbitration etc. IGOs and international courts and tribunals are all creatures of the interstate system.



Then, so what are the major important systems or these agencies. So, one of the essential things that he identifies is International Governmental Organizations or larger bodies constituted by the governments themselves. In other words, we call it IGOs International Governmental Organizations and quite a lot of important ones. They are mentioning only IMF and World Bank, and GATT. The role of nation-states is to enforce the decision of these organizations and the power struggles and negotiations.

So, we know that there are many such kinds of official state bodies established with the consent or active participation of nations across the globe. However, still, there are quite a lot of politics associated with that. Do these organizations work independently? Are they there to protect the interest of the weaker states? all these are entirely different sets of debates which we are not going into detail about.

The UN, the United Nations, through its universalism and ideology of voluntary participation of all nations, UN provides fundamental legitimacy and identity to states. As globalization intensifies, more and more global problems are identified, and in each case, something needs to be done by someone. So, but this is also an exciting scenario that we are seeing the role of

the UN is diminishing. When we talk about the UN as a more respected and influential organization during the 80s and 90s, now America is threatening to cut short its funding to the UN, or India is criticizing the UN for not making India a member of a permanent seat.

So, there are quite a lot of critiques against the UN, and there are arguments that the UN is becoming inefficient or losing its significance and relevance. There are a host of other international courts and tribunals, the International Court of Justice or World Court, or the European Court of Human Rights. The Permanent Court of Arbitration, etcetera. IGOs, International Courts, and Tribunals are all creatures of the interstate systems. So, these courts and tribunals came into existence because the states realized that they require a much larger, much higher kind of organization to settle the disputes between different states or states and multinational organizations and other things.

For example, in Hague, The Permanent Court of Arbitration recently gave a verdict against the Indian state favouring Vodafone, the big mobile company saying that the money they were supposed to pay to India, some 20000 crore rupees, need not be paid. So, these are important institutions that try to negotiate or try to settle down or try to arbitrate between states or states and international organizations or capital or multinational companies.

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- International non-governmental organizations and global civil society INGOs:
 - A host of organizations working in the field of human rights, environmentalism, wild life, consumer rights and so on. INGOs claim to represent and express universal human interests, are individualistic and democratic in their goals and organization, and are committed to global rationalism or progress.
- Transnational religious organization, terrorist organizations,
- Influential individuals, the elite



Then, you have a host of other international non-governmental organizations and global civil society organizations or INGOs. Another significant set of players is compelling, highly influential bodies that are not part of any official state but are extremely powerful. A host of organizations working in Human Rights, Human Rights watch, for environmentalism there is Greenpeace, World Wildlife Fund- WWF, consumer rights and so on.

INGOs claim to represent and express universal human interest, are individualistic and democratic in their goals and organizations and are committed to global rationalism or progress. This is a kind of a position that they adopt. Most of these NGOs speak the language of secular liberalism, emphasizing human rights and liberal values. They try to present themselves as the champions of democracy. They watch different countries and see how, to what extent, human rights are protected, to what extent the environment is protected, and to what extent wildlife is protected, so they were considered extremely important.

Nevertheless, if you look at the current scenario, we see that the kind of conventional legitimacy that they had is now being questioned. It seems that more nation-states are increasingly dismissing their allegations or arguments, which are not taking them seriously. For example, organizations like Amnesty International are considered to be very powerful, but more and more states are now brushing aside their criticisms. So is the case with, say, Greenpeace or other organizations.

Another set of exciting players is these transnational religious organizations. Again, this is a fascinating topic because we know that organizations like the Roman Catholic Church are global in their very character from the past so many several centuries themselves. How differently, including Hinduism, Buddhism, and Islam, spread to other parts of the world; they were all global.

It does not mean that they are all becoming global now, but what is more interesting is that they are increasingly making use of the avenues of globalization, using all these possibilities of technology, transfer, travel of people. They are also very important active players, especially new forms of spiritual movements and new religious movements. So, there is much exciting literature on that new religious movement. What is the kind of a newness associated with that? New types of spirituality.

For example, the Sri Sri Ravi Shankar, the spiritual leader in India or Amritanandamayi, a very important spiritual leader from Kerala, has a vast organizational structure spread across the globe. They have offices and ashrams in quite a lot of foreign countries. They are very important players, and then similarly, there are these terrorist organizations, ever since the world was very rudely awakened to the spectre of terrorism after this 9/11 on the Twin Tower attacks in the US.

A host of terrorist organizations, including Al- Qaeda or ISIS, operates globally. It is not confined to one particular small country; instead, they have a global network. It is much easier for them to reach out to people across the globe through social media like WhatsApp, Facebook or YouTube. The propagation of their ideology becomes very important, and communication becomes essential, so building networks becomes important. So, all these organizations are using these opportunities provided by globalization.

Then Thomas George also mentions influential individuals because that is an interesting argument, especially the elite. We cannot reduce individuals to as a known entity. Individuals play a vital role, scientists, intellectuals, CEOs, and the people we consider as the crème or the elite. So they embody and represent the important people who represent the processes and values, the materiality of the globalization process. We understand that human beings are manifesting these forms of globalization, is not it? Human beings undergo this process of globalization. They are the ones who are seen as the manifestations or as representatives of globalization. These are the people in the middle of all these things, the financial analysts, the software developers, and the people working in advertisement agencies.

So, these people who are constantly travelling, people who migrate from one country to another, who are always on the move, these are the people who represent the when it comes to individuals. These people embody the process of globalization. So, these are the points that Thomas George elaborates in his paper, The Globalization-the major players. And as I mentioned, he cautions us not to go by a very conventional understanding that these are the important players and they are deciding the process of globalization.

So, that argument no longer holds because we increasingly realize that a host of global forces, a host of global contexts, force these actors to act reactively. No nation-state can set agenda for globalization as we know it today. No multinational company can set agenda for a

nation-state or other people to follow; things are not in anybody's custody, nobody is a master of this process of globalization. So, they all realize that they have to constantly adapt and then react to the unfolding processes that are coming as a part of globalization, and they need to adapt accordingly.

So, this is the most important argument put forward by Thomas George Thomas, which I found important. So, let us wind up this class and this one first week of classes where I hope you must have got some idea about the introductory aspects or introductory explanations about the course and these whole ideas of globalization. So, I hope I have succeeded in communicating with you that the subject matter that we will study is highly complicated, incredibly vast, multidisciplinary. It is not that you can study only from a Sociological or Political science, or Economics perspective. It is a multidimensional, multidisciplinary perspective, phenomena subject that requires that.

So, while it is complicated, it is challenging to look into that in that sense. So, next class, next week, we will start with one of the very important dimensions of globalization that is cultural globalization. So, see you there. Thank you.