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The Global Village and the social and cultural aspects of globalisation

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Introduction

During the last few decades, human dynamics, institutional change, political relations and the global environment have become successively more intertwined. While increased global economic integration, global forms of governance, globally inter-linked social and environmental developments are often referred to as globalisation, there is no unanimously-agreed upon definition of globalisation. It means different things to different people. Depending on the researcher or commentator, it can mean the growing integration of markets and nation-states and the spread of technological advancements (Friedman 1999); receding geographical constraints on social and cultural arrangements (Waters 1995); the increased dissemination of ideas and technologies (Albrow 1996); the threat to national sovereignty by trans-national actors (Beck 2000); or the transformation of the economic, political and cultural foundations of societies (Mittleman 2000). (Scholte 2002) argues for the globalisation concept moving beyond being a buzzword for almost anything that is vaguely associated with it. Otherwise, discourse on globalisation runs the risk of being brushed aside as being "… 'globaloney', 'global babble' and 'glob-blah-blah'".

If things were not sufficiently confusing, there has also been a spawning of preferred terms and descriptors. (Keohane and Nye 2000) distinguish between globalisation and globalism, where the former term refers to the process by which globalism, i.e., "the networks of interdependence at multicontinental distances", is altered. The concept of internationalisation is also highly significant (see, e.g., (Sassen 1993); (Chomsky 1994); (Held, McGrew et al. 1999). It refers to the role of the nation-state, often in cooperation and interaction with other nation-states, in adapting to global challenges. In contrast, globalisation is often thought to be a direct threat to the existence of the nation-state itself. So, by and large, internationalisation is best thought of as the response to globalisation.

The world increasingly shares problems and challenges that are not confined within national boundaries. Multi-regional financial crises, world-wide pandemics and cross-border pollution are obvious examples. Such problems place the spotlight on the world's most prominent supra-national organisations – the United Nations (UN), the World Bank, the World Trade Organization (WTO) and the International Monetary Fund (IMF). Citizens' interests and welfare are increasingly being affected and, according to some, undermined by these bodies. If true, not only might such a development threaten representative democracy, but also it potentially abrogates the role of the nation-state itself.

It is also clear that globalisation is something more than a purely economic phenomenon manifesting itself on a global scale. (Friedman 1999) associates modern-day globalisation with Americanisation (or

more pointedly, U.S.-isation). And, after all, shouldn't everyone just flow with the times and spell globalisation with a 'z'!? (Fiss and Hirsch 2005) analyse full-text datasets of newspaper articles and press releases related to globalisation and show that the globalisation discourse emerged as a response to greater U.S. involvement in the international economy. Between 1985 and 1998, the use of the term "globalisation" increased substantially. The authors argue that the term originates in the early 1970s, with little consensus of what it means or how it should be defined. Politically, socially and culturally, globalisation is thought to erode national cultures due to the pervasiveness of the global media and the information and communication technologies (ICT) revolution. The economic dimensions of globalisation have an impact. The flows of goods and services and factors of production – labour and capital – have both direct and indirect effects on the nation-state (Gaston and Nelson 2004). With respect to the latter, national policies are affected – internationalisation, recall – and the economic, political and socio-cultural fabric of societies is fundamentally altered.

Among the more visible manifestations of globalisation are the greater international movement of goods and services, financial capital, information and people. In addition, there are technological developments, new and enhanced legal systems and institutions that facilitate these flows. On the cultural front, there are more international cultural exchanges, the spread of multi-culturalism and greater cultural diversity within many countries. Such developments are facilitated by the freer trade of more differentiated products as well as by tourism and immigration. Flows of immigration – both legal and illegal – also contribute to today's melting pot societies.

For many commentators, particularly economists, there is little doubt that globalisation has produced significant gains at the global level (Bhagwati 2004). Foreign trade in goods and services, capital, technology and labour all move more freely across borders. In addition to economic gains, there have been significant benefits in the areas of culture and governance (Falk 2000). Public awareness of issues such as human rights, democracy and gender equality has increased significantly because of the greater access to newspapers, radio, television, telephones, computers and the internet. These developments have arguably led to improved allocative efficiency that, in turn, enhances growth and human development (UNDP 1999).

At the same time, globalisation is also perceived as creating new threats: to individuals, societies and eco-systems. There are fears that it may exacerbate the gap between rich and poor – both within and across countries – creating new threats to human security in terms of financial volatility, political and cultural insecurity and environmental degradation. In other words, the beneficial, innovative and dynamic aspects of globalisation are being tempered, and according to some more than offset, by forces that create disruption and marginalisation, such as population growth and migration, the emergence of infectious diseases, widening disparities in development world-wide, climate change, an accelerating loss of bio-diversity and the scarcity and pollution of fresh-water resources.

The subject of fierce debate, protests and occasional violent confrontations, modern globalisation is a lightening rod for both its supporters and detractors. The massive protests against globalisation were highly visible at the WTO summit in Seattle in December 1999. Seattle became a launch pad for further protests whenever the WTO, World Bank, the Group of Eight (G-8) or multinationals convened, e.g., at Quebec, Geneva, Göteborg and Genoa. Although the anti-globalisation activists were initially portrayed as a bunch of spoiled brats – donning New York Yankees baseball caps while chomping on Big Macs and quaffing Starbucks' lattes – there has been a growing acceptance that the protest movement is heterogeneous. It consists of various groups of people that do not all share the same vision. Some oppose globalisation in its current form because it is seen as predominantly capitalist in nature. Others see it as a threat to national sovereignty. Other groups do not oppose capitalism per se, but criticise the inability to more equitably distribute the benefits of globalisation.

The delicate balance between the costs and benefits of greater global integration and reduced geographic isolation is illustrated by the temptation to closely associate contemporary globalisation with the growth of terrorism. Terrorist attacks more often take place in foreign countries that are geographically, culturally, socially and politically distinct from the terrorists' own countries. On the other hand, the least globalised countries seem to suffer the worst of the significant terror attacks (Foreign Policy (with A.T.

Kearney) 2005). This is but one of many issues, which seem so closely linked with the process of globalisation.

The Global Village

The late 1960s witnessed remarkable socio-cultural changes. The rise of the flower power generation, anti-Vietnam protests, the sexual revolution, and movements for the emancipation of women, non-whites, homosexuals and other "minorities" represent only the tip of the iceberg. For example, the emergence of pop art also marked the change to a post-modern culture (Harvey 1989). Moreover, the publication of Marshall McLuhan's *The Medium is the Massage* in 1967, in which the world is described as becoming a 'global village', is one of the first socio-cultural landmarks that points at the existence of globalisation. Considering these circumstances, it is impossible to regard globalisation as purely an economic, political or technological phenomenon.

The increased influence of the media on our daily lives has not only changed our way of perceiving the world and our consumption patterns, it has also affected local cultures. In the view of the cultural pessimists, the United States (particularly Hollywood) has established a global culture, arguably at the cost of traditional and local ones (Bourdieu 1998). Youth the world over have especially embraced this culture, emphasising the freedom of choice that this global culture often advocates.

The introduction of the television in the 1950s, for example, has had a profound impact on people's daily lives. Moreover, the growth of ICT has also influenced a lot of people's lives with its introduction of e-mail, chat rooms and blogging. As long as the technological facilities are available, personal communication between individuals is possible, regardless of the distance separating them. However, the world has not only become practicably smaller – new spaces, such as the internet, have simultaneously shaped a new dimension in our lives. (Castells 1997) refers to the present era as the information age. The emergence of the information super-highway and international and global media networks such as BBC-World, CNN or Al-Jazeera, as well as national and local media connected to global media networks, provide us daily with news from all over the globe (Kellner 1995). The world is increasingly becoming a global village because people's lives – irrespective of their specific location – are connected with other parts of the world through the media. The news of oppressed Afghan women in burkas does not leave us unaffected. Less than sixty years ago the average citizen may barely have known that Afghanistan existed.

At the local level, globalisation has not led just to what some commentators argue to be an 'Americanisation' of traditional cultures. It has also increased interpersonal international cultural exchanges via migration, tourism and exchange studentship. Many homogeneous societies have been transformed into multicultural communities in which people from different cultural backgrounds and ethnicities live together.

The development of multicultural societies has certainly not been without its problems, or its detractors. The unsettling re-emergence of extremist political parties, the segregation of cultures and even ethnic riots, illustrate the problematic side of socio-cultural integration at the local level. In a world in which financial capital and many goods can be moved freely from one country to another, the tightening of immigration laws seems to be 'deglobalising'. Socio-cultural factors therefore not only change as a result of globalisation, they can be causes, as well as challenges to the process of globalisation itself.

Cross-cultural interaction

Many developments in the globalisation process are causing worldwide changes in culture, but does this mean that a unified world culture is emerging? Coca-Cola's famous 1970s advertisement in which children representing cultures from around the world were singing and, of course, drinking Coke symbolised the emergence of a 'global culture'. Some commentators even speak about cultural imperialism or 'McDonaldisation' (Ritzer 1993; Ritzer 1998). This perspective is based, however, on the

assumption that Western cultural elements are uncritically absorbed by non-Western nations and that cultural inflows are suppressing existing local meanings and forms (Schuerkens 2003).

A second theory refers to cultural differentiation or lasting difference. According to this view, the future will be characterised by a mosaic of immutably different cultures and civilisations (Nederveen Pieterse 2004). Huntington (Huntington 1993) argues that world politics is entering a new phase and that the fundamental source of conflict in this new world order will be cultural. The increasing interaction between peoples of different civilisations will 'intensify civilisation consciousness and awareness of differences between civilisations and commonalities of civilisations'. He envisions that 'civilisation identity will be increasingly important in the future' and that the world will be shaped in large measure by the interactions among seven or eight major civilisations (i.e., cultural entities), which include Western, Confucian, Japanese, Islamic, Hindu, Slavic-Orthodox, Latin-American, and possibly African civilisation. However, Huntington's views have given rise to extensive debates and his argument has been widely rejected (Nederveen Pieterse 2004).

A third theory argues that local cultures are more robust and adaptive than the rhetoric of globalisation would have us believe: a well-established viewpoint among social-cultural scientists considers globalisation as a process of hybridisation that gives rise to a global mélange (Nederveen Pieterse 2004). Cultural hybridisation or cultural mixing refers to processes of local absorption of cultural flows and the mixture between global and local cultural elements. Inflowing cultural elements, such as television series, Western consumer articles and values introduced by migrants, can become elements of the local daily life, often in changed forms and adapted to the local context (Schuerkens 2003). (Hannertz 1996) argues, for example, that the local is the area 'where the global, or what has been local somewhere else, also has some chance of making itself at home'.

Towards an understanding of the concept of globalisation

In any discussion about globalisation very few of the debate's participants deny the existence of the phenomenon. It is widely accepted that we all live in a globalising world. The debates and protests emphasise how important it is to measure globalisation. Without doing so, it is impossible to assess the severity or benefits of its effects and how it should be managed – if, in fact, it can even be managed. The winners and losers from structural changes that globalisation seems to accelerate are the prime political actors in the debates. As mentioned previously, globalisation became a prominent topic from the early 1980s. Until that time, the topic was irregularly discussed. While deindustrialisation in developed economies has long been a concern, it is moot as to why the most recent wave of globalisation has been such a hot issue.

Each perspective on globalisation emphasises different factors as the key elements behind the contemporary impact of this phenomenon. Moreover, they each presuppose a different definition of globalisation. In our opinion, rather than attempting to define globalisation and determine its effects by emphasising particular aspects or factors, it would be far more useful to adopt a more multi-dimensional, pluralistic approach. This will prevent an over-simplification of the complexities involved in understanding globalisation, while permitting a flexible definition of contemporary globalisation.

Globalisation has become far more than a social commentator's buzzword in modern times. Whether the world may have flattened or not, measuring globalisation is now a central concern in academia, business, the mass and specialised media as well as in policy-making circles. Many analyses of globalisation emphasise different elements of the phenomenon, often presupposing a different and idiosyncratic definition of globalisation. In our opinion, rather than attempting to narrowly define globalisation and determine its effects by emphasising specific aspects, it is far more useful to adopt a more multi-dimensional, pluralistic approach that avoids an over-simplification of the complexities involved in understanding contemporary globalisation. In order to be in a position to evaluate the consequences of globalisation, objective indicators, such as the Maastricht Globalisation Index (MGI) (Martens and Zywietz 2006), developed by the Dutch research institute ICIS, Maastricht University, and

the Globalisation index produced by the KOF Swiss Economic Institute (Dreher 2006) are extremely insightful.

To assess the extent to which any country is more (or less) globalised at any particular point in time requires much more than employing data on flows of trade or foreign direct investment. Both political integration and social integration are also important for a range of issues that affect social welfare. For example, in the absence of restrictions on capital mobility, a country is more likely to competitively lower taxes or offer subsidies to attract investment, the closer is a potential host country's culture to that of a source country and the easier it is to exchange information. Lower taxes may also lower the social safety net. On the other hand, political integration may ameliorate a potential 'race to the bottom', which may be induced by economic globalisation.

The MGI and KOF index are founded on the idea that *globalisation* includes social, political as well as economic factors (and, in case of the MGI, ecological factors as well). Specifically, globalisation is defined as the intensification of cross-national economic, political, cultural, social and technological interactions that lead to the establishment of trans-national structures and the integration of economic, political and social processes on a global scale (see (Dreher, Gaston et al. 2008), (Rennen and Martens 2003)).

In order to operationalise this definition, the KOF index further defines

- *Economic globalisation* as the long distance flows of goods, capital and services as well as information and perceptions that accompany market exchanges;
- *Political globalisation* by the diffusion of government policies;
- *Social globalisation* as the spread of ideas, information, images and people.

A potential danger associated with indices of globalisation is that countries in the top ten of a globalisation index ranking are regarded as the most meritworthy. However, to evaluate the rankings, we need to consider what it means to be at the top, middle or bottom of a globalisation ranking. We provide such an evaluation in *Measuring Globalisation - Gauging its Consequences* (Dreher, Gaston et al. 2008). For example, when the natural environment and the trade in conventional arms are included in these indices, like the MGI does, countries may be more globalised when their ecological footprint is high or when they are actively involved in arms trading. Not necessarily a good thing. On the other hand, most economists consider the average effect of globalisation on the economy to be positive. One of the virtues of indices of globalisation is that they provide a tool with which to empirically examine and discuss such widely held beliefs. However, as stressed above, other non-economic elements are equally important in the globalisation debate. In Box 1, we will discuss the social dimension of globalisation in more detail.

Box 1: The social dimension in the MGI and KOF indices of globalisation

The MGI includes the following social and political indictors (in addition to the environmental and economic ones):

Global Politics: First among the indicators of political integration are the diplomatic relations that constitute an historical basis for communication between countries. It seems logical that the more important are the links to the outside world, then the more diplomatic links countries will establish to stay informed, protect their interests and facilitate communication. Since no aggregated statistics on diplomatic relations are available at a global level, the number of in-country embassies and high commissions are used. Membership in international organisations is a similar measure of the extensity of the international relations and involvement of a country. Moreover, since such memberships do not necessarily entail the need to maintain expensive representations abroad, this measure is less dependent on the size of the country.

Organised Violence: This military indicator measures the involvement of a country's military-industrial complex with the rest of the world. While data quality is low, they nevertheless offer an insight into weapons proliferation, international military aid and the reasons and results of international peace-keeping operations. This dimension has not previously appeared in other globalisation indices. Of the quantitative military indicators proposed by (Held,

McGrew et al. 1999), trade in conventional arms, compiled by the Stockholm International Peace Research Institute (SIPRI), is the only variable available for a reasonable number of countries.

People on the Move: This measure encapsulates migration and the international linkages that come with the movement of populations between different countries. Newly-arrived immigrants often maintain close connections to their home countries based on family ties and cultural similarities, often sending money home to their relatives and economic dependents.

Tourism brings people in contact with each other. It changes attitudes and promotes understanding between cultures that would otherwise have little contact. As a major economic activity, it can bring prosperity to regions with no other resources than the natural beauty of the surroundings or the cultural value of historic sites. Tourism has grown steadily in the last century, the major impetus being cheaper air travel. It represents an important part of globalisation and is therefore included in the index.

The KOF Index classifies social globalisation in three categories. The first covers personal contacts, the second includes data on information flows and the third measures cultural proximity.

Personal Contacts: This index is intended to capture the direct interaction among people living in different countries. It includes international telecom traffic (outgoing traffic in minutes per subscriber), the average cost of a call to the United States and the degree of tourism (incoming and outgoing) a country's population is exposed to. Government and workers' transfers received and paid (as a percentage of GDP) measure whether and to what extent countries interact, while the stock of foreign population is included to capture existing interactions with people from other countries.

Information flows: While personal contact data are meant to capture measurable interactions among people from different countries, the sub-index on information flows is meant to measure the potential flow of ideas and images. It includes the number of internet hosts and users, cable television subscribers, number of telephone mainlines, number of radios (all per 1,000 people) and daily newspapers (per 1,000 people). To some extent, all these variables proxy people's potential for receiving news from other countries – they thus contribute to the global spread of ideas.

Cultural Proximity: Cultural proximity is arguably the dimension of globalisation most difficult to grasp. According to (Saich 2000), cultural globalisation in large part refers to the domination of U.S. cultural products. Arguably, the United States is the trend-setter in much of the global socio-cultural realm (Rosendorf 2000). As proxy for cultural proximity, the number of McDonald's restaurants located in a country is included. For many people, the global spread of McDonald's is synonymous with globalisation itself.

Conclusion

Overall, globalisation can not be considered to be universally good or bad. According to (Dreher, Gaston et al. 2008), globalisation increases economic growth, but also inequality. It is beneficial to the natural environment in the medium term, but harmful in the longer run. Deunionisation increases as a consequence of globalisation. How to weigh, e.g., the positive impact of globalisation on economic growth against reduced deunionisation or increased inequality is not obvious and, clearly, the overall judgement depends on one's preferences and political inclinations.

In most economists' reading, the average effect of globalisation on the economy appears to be positive in net terms. However, it is obvious that globalisation also produces losers. This is hardly surprising, because globalisation affects the underlying structure of economies causing the shift of workers and other factors of production from industry to industry as well as from country to country. According to normative economic theory, the losers from these structural shifts should be compensated from the winners' gains. Of course, it is stating the obvious that they most often are not. This is one reason for the visible concern about globalisation. Transfers from the winners to the losers of globalisation are more difficult to implement in practice than in theory. First, the losers have to be identified. Second, they have to be compensated without producing adverse incentives to the economy as a whole. While there is now sufficient empirical evidence to at least tentatively conclude on the first of these issues, the

second, more pressing one, remains as one of the most challenging research questions for social scientists.

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