
The Reaction to Globalisation – A Case of the “True Believer”?

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Le ciel est vide, la terre livrée a la puissance sans principes.

Albert Camus in “Les Déicides”

INTRODUCTION

When the editorship started planning this special issue some 18 months ago, there were in excess of 700 titles on the topic of globalisation available on the website of Amazon.com. The decision to devote an entire issue of SAJEMS to globalisation did not flow from a need to investigate a new field in the political economy, but was rather intended to contextualise the effects of globalisation for the Southern African region. And indeed, as work on the issue progressed, international interest in globalisation has heightened rather than waned. It is a near impossible task to present an entirely representative overview of all the divergent opinions on globalisation, or to suggest the solutions to the fundamental shortcomings of the current tide of increased integration. Hopefully, a general perspective of the dimensions of globalisation is provided. These dimensions include a general background, the demographical and political dynamics of globalisation, a few trade and financial-flow perspectives, some regional aspects and, finally, the domestic considerations to be taken into account.

A NEW FORCE FLOUNCING THIS EARTH

Globalisation means different things to different people. The term entered common usage in the 1980s, but has increasingly been punted as the golden key to future economic development since the early 1990s, in the period immediately superseding the Cold War. As if yet another propaganda blitz, it has swept across the globe and on to the agendas of policy-makers and governments the world over. Since then, it seems that nobody was awarded the luxury of a neutral stance on globalisation: It impacts on everyone and everyone

seems strongly opinionated about it. One is reminded of the words of Shakespeare in Julius Caesar:

There is a tide in the affairs of men
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea we are now afloat,
And we must take the current when it serves,
Or lose our ventures.

The effects of globalisation were apparent almost from the onset of increased trade integration. But it has failed to impact by equal measures on all of the nations of the world. The immediacy (and the uneven distributive powers) of globalisation prompted a strongly positive response from those on the receiving end. Thus yet another world divide emerged – those in favour of globalisation and those vehemently opposed to the concept of “the global village”. Initially, the consensus had it that the effects of globalisation were inexorable. The proponents argued that globalisation is a decidedly beneficial process that, through increasing integration of economies around the world by effecting unrestricted trade and financial flows, will enable economies to focus on efficiency, allowing the world to shift economic activity from failing areas to more successful ones. Heightened efficiency in global production should, at least in theory, benefit all.

Others (the dissident voices) argued that globalisation only serves one (or at least then, only a few) master(s). In their view, globalisation feeds on the inherent inequalities in human capacity prevailing amongst different nations, thereby hampering the unfettered diffusion of technology across borders. Consequently, this tree of good and evil bears its fruit unevenly, with some nations experiencing unprecedented abundance and with others, who are understandably indignant, caught in the famine of a severe poverty trap.

With the US emerging victorious from the Cold War, the dissidents claimed that it had used the Cold War to race ahead in virtually all fields of applied technology, creating a position of near totalitarian global technological control, or a “technopoly” as termed by the American writer Neil Postman. Also, throughout the nineties we have witnessed a world reeling from the aftermath of the financial crises in Russia, South-east Asia, Mexico, Brazil and presently in Argentina. These were in most part brought about by the free flow of capital caused by globalisation. South Africa too is no stranger to the impact of the fickle global investor sentiment on a freely tradeable currency.

Hence the growing outcry for “managing” the effects of globalisation, with the core of the present debate seemingly focused on the unequal development brought about by globalisation and especially its effect on the developing world. Finally, the once inevitable and irreversible consequences of globalisation are being questioned or, at the very least reconsidered, by both camps alike.

“THERE IS NOTHING NEW UNDER THIS SUN”

Globalisation in its simplest form implies ever increasing levels of economic integration. Economic integration as such is no new phenomenon. Historically, this process usually manifested in some form of regional co-operation. European economic co-operation for instance dates back some 700 years. And whenever there was co-operation of an economic nature, there was a “downside”, with dissidents clamouring for protection. The French economist Frederic Bastiat (himself an ardent believer in the distributive power of undisrupted competition) often derided the voices favouring protection. In his *Fallacies of Protection* from the *Sophismes Economiques* (first published in 1845), he used the following satirical analogy for such a purpose. The excerpt is from the candlemakers’ petition to government for protection against a very powerful trade rival:

We are suffering from the intolerable competition of a foreign rival, placed, it would seem, in a condition far superior to ours for the production of light that he absolutely *inundates* our *national market* with it at a price fabulously reduced. The moment he shows himself our trade leaves us – all consumers apply to him; and a branch of native industry, having countless ramifications, is all at once completely stagnant. This rival who is no other than the sun, wages war to the knife against us, ... (translated by A. Goddard, 1964: 60,61).

What *does* make the present debate unique is that it seems, at first glance at least, to have transcended ideological divides. The burial of Communism in Eastern Europe in 1990 and in Mother Russia shortly thereafter, seemed to have united the world on the virtues of the market system. However, globalisation has developed into a highly pragmatist creature making its own rules as it goes along. A series of incongruous policies attempt to transform the familiar features of the (free) market system.

Global multinational firms utilise their technical prowess to pinpoint the best spots across the globe for their pursuit of ever-increasing profits. Their products are thoroughly globalised; their parts made in factories across the globe. But

these locations are chosen for mainly two reasons: Cheap labour and lax environmental regulations. There is a free flow of tradeable products and capital across nations, in line with the growing allegiance to a global market system. However, the tougher immigration laws imposed by global leaders cause significant restrictions on the unencumbered flow of human resources across national borders.

But with every new restrictive legislative measure imposed, these corporate giants and governments alike hone the weapons of the anti-globalisation protesters. The protesters' ultimate target: International organisations like the World Economic Forum, the World Trade Organisation, the World Bank and the International Monetary Fund that have come to personify all of the evils associated with globalisation to its critics.

What started off as mutterings of dismay amongst the critics of globalisation, had grown to a cacophony of discontent. The dissidents of globalisation had started to mobilise.

In an astonishingly brief period, a new force emerged. Anti-globalisation protesters staged demonstrations at every meeting of these multinationals. However, these once peaceful demonstrations rapidly mutated into mass displays characterised by increasingly violent tendencies. The movement dubbed themselves "anti-capitalism activists".

The first time that the world took notice of such protests were probably in Geneva in May 1998, when GATT's 50th anniversary was celebrated by its successor, the WTO. One of the guest speakers at the time was former president Nelson Mandela. In his address at the United Nations' *Palais des Nations*, he remarked on globalisation: "It's a process we have to accept and adjust to (Business Report, May 20 1998). The protesters this time were farmers and development groups who maintained that "the WTO and free trade are a plot against the poor" (*Ibid.*). This protest could easily have been written off by the international community as akin to the petition of the candlemakers for protection against "unfair competition".

But after Geneva, the protests assumed a distinctly different nature. Demonstrations became riots. Protests were evidently well-organised, concerted in their focus to force the world, by whatever means necessary, to yield to their demands.

A KNOWN OGRE WITH A NOT SO UNFAMILIAR FACE?

Protests once again occurred at the beginning of 1999 at the annual meeting of the World Economic Forum in Davos, Switzerland. This was met with fully fledged protests by “anti-capitalism activists”. Resistance by police led to clashes between them and the protesters, leaving several injured. This event was followed by mass disruptions at the meeting of the WTO in Seattle in December of the same year. Another similar disruption occurred in Melbourne in August of 2000. To this point, all of the meetings at which the protests were staged, finished on schedule amid heavy protection of delegates by the riot police (The Weekly Telegraph, October 4-10, 2000).

In October of 2000 however, the protesters claimed their first victory at the annual meeting of the IMF and the World Bank in Prague. Violent street clashes between 12 000 protesters and riot police which, this time, came to within 50 yards of the meeting left 158 injured and led to the assured marring of the proceedings. This time around, the protests triggered an exodus of the IMF and World Bank delegates, most of them fearing physical harm.

Similar riots, meanwhile, took place on May Day of 2000 and 2001 – a day historically associated with distinctly socialist ideologies. These protests united the “anti-capitalist” movements across the globe (Weekly Telegraph, 10-16 May 2001; Pretoria News, May 2 2001), with the common denominator amongst them being the fight against global capitalism. In 2001, the May Day protest rallies swept across cities around the world including London, Berlin, Frankfurt, Zurich, Sydney, Melbourne, Oslo, Taipei, Hong Kong, Harare and in South Africa in Cape Town, Durban, Johannesburg and Pretoria (Pretoria News, May 2 2001).

Henry Kissinger reflected in his *White House Years*: “History is not, of course a cookbook offering pretested recipes. It teaches by analogy, not by maxims. It can illuminate the consequences of actions in comparable situations, yet each generation must discover for itself what situations are in fact comparable” (1979: 54).

Curiously enough, a middle-aged Czech woman remarked with disdain when asked about her perceptions of the protesters of October 2000: “The only hardline communists these days are people from wealthy Western countries” (The Weekly Telegraph, 4-10 October 2000).

THE “TRUE BELIEVER”

Eric Hoffer defined the “true believer” in the preface of a 1951 publication by the same title as “... the man of fanatical faith who is ready to sacrifice his life for a holy cause ...”. The book deals with the features of mass movements. He continues on mass movements:

All mass movements generate in their adherents a readiness to die and a proclivity for united action; all of them irrespective of the doctrine they preach and the program they project, breed fanaticism, enthusiasm, fervent hope, hatred and intolerance;... (*Ibid.*).

The “anti-capitalism” protesters clearly belong to such a mass movement. One cannot help but to doubt the motives of this movement. It focuses on the “plight of the poor”. It proclaims that governments are not powerless against the global capitalism – a belief that even the proponents of globalisation are now subscribing to (*Economist*, 23 September 2000: 17).

But these protesters are most certainly not peasants. Nor are they, ironically enough, greatly impoverished as a consequence of globalisation. They are therefore not from the so-called “smaller, more vulnerable economies”. After the events in Prague, a lot was written about their true origin. One report remarked that they were loose-knit groups united for the short-term purpose of discomfiting the world’s rich and powerful. But they are largely composed of highly educated offspring of the wealthy rejecting the ways and wealth of their parents. In the same report, one of the organisers of the Prague protest, a Nottingham University graduate, acknowledged that they drew their strength from the middle classes of Western Europe and North America. In his words: “Working people don’t have the benefits of and educational system and they are afraid of losing their jobs” (*Weekly Telegraph*, 4-10 October 2000:16). They are by own admission “revolutionaries”. This bears a disconcerting resemblance to the “professional revolutionaries” referred to by Lenin in *What is to be done?*

The longer the protests continue, the more one starts to recognise the face of Marxism. However, it is Marxism with a make-over. Hoffer contends that any revivalist movement is more dangerous than the classical doctrine it is based upon. He argues that every revivalist movement is chiefly driven by the fanaticism of the true believer: “For though ours is a godless age, it is the very opposite of irreligious. The true believer is everywhere on the march, and both by converting and antagonizing, he is shaping the world in his own image” (1951: 10). This brings to mind the quote by Albert Camus at the beginning:

“Heaven is empty, the earth given up to a force without principles”.

“COMMUNISM IS DEAD, LONG LIVE THE COMMUNISTS!”

The appeal of classical Marxism to the developing nations of the Third World has never been surprising, except perhaps to Marx himself. Marx had thought Russia to be one of the most unlikely places to experience a socialist revolution, due to its low level of industrial development at that stage. Marx argued that a socialist revolution is an evolutionary process driven by industrial change. On this Kissinger remarked that:

By one of the ironies of history, Marxism has proved attractive to developing nations not because of the economic theory on which it prides itself but because it has supplied an answer to the problem of political legitimacy and authority – a formula for social mobilization, a justification for political power, a means of harnessing resentment against Western cultural and political dominance (1979: 69).

Lenin of course proved Marx wrong on a socialist revolution in Russia by *making* it happen in the former USSR. In a way, Lenin had redesigned classical Marxism when implementing its doctrines in the former USSR. As Hoffer explained, a revivalist movement always feeds on the fanaticism of its supporters rather than the discipline of the doctrine it subscribes to. Marx himself expressed discontent with this characteristic of mass movements, claiming to be his would-be disciples, when he exclaimed towards the end of his life: “As for me, I am no Marxist!” (McLellan, 1983: 182).

The appeal of socialism to developing nations is seated in its promise to generate greater wealth than capitalism and to spread that wealth in a more equitable fashion. Anthony Giddens, one of the ardent promoters of a new social democracy, and himself a believer in “managing globalisation”, also highlighted this as the possible reason for the appeal of socialism in *The Third Way*, published in 1998.

The present revivalist movement poses a greater danger to future prosperity than classical Marxism. The anti-capitalism activists claim to promote a more fair distribution of resources. John Rawls highlights economic freedom, the very freedom being restricted by these protests, as the most important prerequisite for distributive justice in the economic sense in *A Theory of Justice* (1971: 273).

The real danger of this present revivalist movement insofar as it limits economic freedom, however, lies in its ability to block the effects of technological progress on economic integration, thereby derailing progress that have already been made and its benefits to especially the developing world. Innovation (or technological progress) would be hard to force to a halt (though history serves

several accounts proving that it is not impossible), but the benefits of technological progress in the form of productive employment opportunities and ultimately higher living standards to the developing world can be blocked more easily. In an article in the *Economist*, the author aptly summarises the true nature of this threat:

International economic integration is not an ineluctable process, as many of its most enthusiastic advocates appear to believe. It is only one, the best of many possible futures for the world economy; others may be chosen and are even coming to seem more likely. The protesters are right that governments and companies – if only they can be moved by force of argument, or just by force – have it within their power to slow or even reverse the economic trends of the past 20 years (*Economist*, 3 September 2000: 17).

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