

The Globalization Debate: The International vs. the Global

The debate about globalization has taken a number of different forms since it became a familiar term of reference in the 1980s. That debate has circulated around several different issues and moved in several different directions. Quite apart from disputes about the meaning of the term itself--how best to conceptualize it, when it began, what its causal dynamics are, how to measure its consequences, and in what ways it has or hasn't changed-- there is, first, a debate about whether such developments are the result of a world system that has been fundamentally altered globally in the latter half of the twentieth century or are simply the continuation of socio-economic and political trends long in process. Second, there is a debate about what, within its latest phase during the last third of the twentieth century and the first years of the twenty-first, it has or hasn't produced. Third, there is a debate about what difference there is between a world organized internationally around nation-states, and the institutions that manage the relations between and among them, and a world order organized as well around processes that go on above nation-states and below them and also within them. These are issues to which we will return throughout the course of this book, but it is important that we take an initial look at them as we set out on this journey.

To begin with the third debate first because it provides the background necessary to understand the other two debates, there is a divide between those who believe that the world is organized around institutions and practices that are principally, though not necessarily exclusively, geopolitical, and those who believe instead that the world is organized around institutions and practices that at least at times either transcend such factors or strongly, sometimes even definitively, shape their articulation. The first group includes those who assume that the world, or at least world order, is organized around, and driven by, territorially bounded states that are sovereign within their own realm and seek to govern themselves through processes of law-making and structures of law enforcement. The relations between states tend to be defined by concerns about security and status, but even when

states act, as they always do, in their own self-interest, they tend to share a collective desire both to minimize impediments to state freedom and to maximize the scope of its exercise.

The problem with this system of governance, created as a result of Peace of Westphalia in 1648 designed to end the European wars of religion, is that the power of states is always unequal which makes the system itself unstable. This instability has become even more apparent during the several centuries it took for the Westphalian system to be established, when states have had to reinforce their own legitimacy by relying on the development of newer movements, such as nationalism, imperialism, colonialism, democracy, and socialism that are not only difficult to control but have also brought them into new kinds of conflicts, more ideological than geopolitical, both among themselves and also with their own people. As a result, a mode of governance that originally seemed to be defined by means of fixed boundaries and clear identities has never been able to sustain itself alone either by brute force or by legal distinctions but has instead always found itself dependent for its definition and defense on symbolic forms and practices that were more cultural than political.

Over against this seemingly internationalist way of mapping the world is the more trans-nationalist perspective of those who for the most part concede the existence of the state-based system of international order but also insist that there is much that goes on above and below as well as within nation-states that sometimes controls, but in any case influences, the kind of power they command and the way they seek to deploy that power. Such trans-nationalists, or globalists as they might be called, believe that the state is, at a minimum, influenced from above in one of several different ways: economically in the form of organizations like the World Trade Organization (WTO), the World Bank (WB), the International Monetary Fund (IMF), the Organization of Petroleum Exporting Countries (OPEC); politically by such institutions as the United Nations (UN), the North Atlantic Treaty Organization (NATO), or the New American Empire; and religiously through apocalyptic or jihadist organizations, whether they be Islamic, Hindu, Christian, or Jewish, or other faiths. Such globalists also believe that the international state-based system is influenced by globalization from below by such regional associations as the European Union (EU), the African Union (AU), the Arab League (AL), the Association of Southeast Asian Nations (ASEAN), and the Union of South American Nations (USAN), and by literally thousands of civic ones, such as the International Red Cross, Doctors Without Borders, Oxfam, Human Rights Watch, Islamic Relief International, and the Grameen Bank.

Yet this is only the tip of the iceberg. Just as globalization from above and below have influenced, and in some major respects reshaped, aspects of the Westphalian system, so the states that comprise that system are far from uniform—Russia is not Singapore, India not Norway—and they are constantly being altered, the better word sometimes is “assaulted,” by global forces flowing through them that affect everything from notions of identity and belief to aesthetic styles and food preferences. Strong globalists like the theorist Barrie Axford, in the second selection of this chapter, actually go so far as to argue that the world is being made into one place, a map of variable tastes and temperaments, where whole cultures and identities are either being replaced by those less pure or traditional or are being hybridized and intermingled with them. This image of a world where, in Axford’s language, the “local” can adapt the “global” to its own needs is probably more extreme than most students and interpreters of globalization would be prepared to endorse, but Axford is certainly correct in describing some of the chief properties of that world as multidimensional, complex, contradictory, and unpredictable. In his view, as in that of many proponents of the growing dominion of globalization,

its largest effects are not reflected primarily in the fate of states and their continuing self-conceptions but rather in the spatial reordering of most social and cultural as well as political networks, the stretching of interpersonal relations, and the restructuring of the consciousness of consciousness itself.

This debate that puts someone like Barrie Axford on one side of the argument about globalization and on the other political “realists,” as they are termed, who believe that the state-centric system of world order retains primacy, has been given further differentiation by David Held and his collaborators who, in the first selection in this chapter, distinguish between what he calls “Hyperglobalizers,” “Skeptics,” and “Transformationalists.” “Hyperglobalizers” refer to those who have gone “all in” on globalization because of their belief that a single global economy has now subsumed all others as well as the world’s major economic regions. This new global capitalism is usually identified with neoliberalism which tends to reduce the power of states by making them increasingly dependent on de-nationalized systems of corporate capital and global finance. When national boundaries provide no barriers to the instantaneous transfer of wealth, power is distributed more decisively by the operations of transnational banks and hedge funds than it is by international states.

But this hyperglobalist embrace of the new economic order that has replaced, or at any rate is outrunning, the old international political order has been disputed by “Skeptics.” “Skeptics” believe that while much has changed in the world economy, that economy has not overthrown the ability of states to act on their own and in concert with others. If the world has broken up into a number of different economic blocs employing different forms of capitalism (market, finance, and state), the structures of power are still under the control of the most powerful states which use their new economic freedoms to consolidate their dominance.

To “Transformationalists,” on the other hand, this skepticism appears slightly blinkered or narrow-minded. If there is no complete integration of the world’s economy that has fundamentally challenged, if not hollowed out, the power of states, there is still abundant evidence of what Held and his other authors describe as a spatial re-organization and re-articulation of global power in all the major spheres of human experience, from politics and economics to culture and defense. While contemporary globalization is much too multidimensional to be reduced to any one of their individual logics, it is a process that has changed almost everything despite its uneven impacts across the globe.



So, what, then, are those impacts, those consequences, that this transformational process has had across the global? According to its initial critics at the end of the 1990s, it has produced everything from exploding economic inequalities, the erasure of local differences, the increase of Western, and particularly American, hegemony, the spread of militarism and weapons of mass destruction, increasing ethnic and religious hostilities and violence, the continued oppression of women and children, the displacement of whole populations often created by the collapse of states, and the degradation of the environment. When the anti-globalist movement initially erupted in 1999 in demonstrations like the one in Seattle against the World Trade Organization, its targets included specific practices such as sweat shops, free trade, environmental pollution, sex slavery, deforestation, and many others. The hope of its organizers and participants was, and remains, to remake the world in relation to such basic values as justice, equality, the rule of law, and humane global governance.

Since that period, however, a new and very different kind of anti-globalist movement has taken shape and is now challenging assumptions in various parts of the world. While many of the concerns

of the two anti-globalist advocates remain similar—economic inequality, the loss of work, the fear of being left behind—most of the solutions they urge are strikingly different. In its latest forms, the anti-globalism spreading across the U.K., the U.S., parts of France, the Netherlands, Hungary, and elsewhere is not global at all but rather, in most cases, ultra-nationalist. Here the enemy is things like multiculturalism, or international cooperation, or foreign aid, or international treaties, or cosmopolitanism that put at risk narrowly defined state and national interests. In the Brexit movement in Great Britain, for instance, or the “America First” movement in the United States, people are not interested in building a fairer world but only a more self-protective one. The key is a reassertion of the primacy of national loyalty and reaffirmation of the potential supremacy of those individuals and groups tasked with creating and sustaining it. Ironically, such sentiments pose great risks not only to globalization itself but also to the state-based Westphalian order that, as such movements themselves stridently allege, they are out to replace. What they want to replace it with varies from country to country, but it is an ultra-nationalism that is consistently authoritarian and racist.



Introduction to Global Transformation

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Globalization is an idea whose time has come. From obscure origins in French and American writings in the 1960s, the concept of globalization finds expression today in all the world's major languages (cf. Modelski, 1972). Yet, it lacks precise definition. Indeed, globalization is in danger of becoming, if it has not already become, the cliché of our times: the big idea which encompasses everything from global financial markets to the Internet but which delivers little substantive insight into the contemporary human condition.

Clichés, nevertheless, often capture elements of the lived experience of an epoch. In this respect, globalization reflects a widespread perception that the world is rapidly being moulded into a shared social space by economic and technological forces and that developments in one region of the world can have profound consequences for the life chances of individuals or communities on the other side of the globe. For many, globalization is also associated with a sense of political fatalism and chronic insecurity in that the sheer scale of contemporary social and economic change appears to outstrip the capacity of national governments or citizens to control, contest or resist that change. The limits to national politics, in other words, are forcefully suggested by globalization.

Although the popular rhetoric of globalization may capture aspects of the contemporary zeitgeist, there is a burgeoning academic debate as to whether globalization, as an analytical construct, delivers any added value in the search for a coherent understanding of the historical forces which, at the dawn of the new millennium, are shaping the socio-political realities of everyday life. Despite a vast and expanding literature there is, somewhat surprisingly, no cogent theory of globalization nor even a systematic analysis of its primary features. Moreover, few studies of globalization proffer a coherent historical narrative which distinguishes between those events that are transitory or immediate and those developments that signal the emergence of a new conjuncture; that is, a transformation of the nature, form and prospects of human communities. In acknowledging the deficiencies of existing approaches, this volume seeks to develop a distinctive account of globalization which is both historically grounded and informed by a rigorous analytical framework. The framework is explicated in this introduction, while subsequent chapters use it to tell the story of globalization and to assess its implications for the governance and politics of nation-states today. In this respect, the introduction provides the intellectual foundation for addressing the central questions which animate the entire study:

- What is globalization? How should it be conceptualized?
- Does contemporary globalization represent a novel condition?

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- Is globalization associated with the demise, the resurgence or the transformation of state power?
- Does contemporary globalization impose new limits to politics? How can globalization be 'civilized' and democratized?

As will soon become apparent, these questions are at the root of the many controversies and debates which find expression in contemporary discussions about globalization and its consequences. The subsequent pages offer a way of thinking about how these questions might be addressed.

The Globalization Debate

Globalization may be thought of initially as the widening, deepening and speeding up of worldwide interconnectedness in all aspects of contemporary social life, from the cultural to the criminal, the financial to the spiritual. That computer programmers in India now deliver services in real time to their employers in Europe and the USA, while the cultivation of poppies in Burma can be linked to drug abuse in Berlin or Belfast, illustrate the ways in which contemporary globalization connects communities in one region of the world to developments in another continent. But beyond a general acknowledgement of a real or perceived intensification of global interconnectedness there is substantial disagreement as to how globalization is best conceptualized, how one should think about its causal dynamics, and how one should characterize its structural consequences, if any. A vibrant debate on these issues has developed in which it is possible to distinguish three broad schools of thought, which we will refer to as the *hyperglobalizers*, the *sceptics*, and the *transformationalists*. In essence each of these schools may be said to represent a distinctive account of globalization—an attempt to understand and explain this social phenomenon.

For the hyperglobalizers, such as Ohmae, contemporary globalization defines a new era in which peoples everywhere are increasingly subject to the disciplines of the global marketplace (1990; 1995). By contrast the sceptics, such as Hirst and Thompson, argue that globalization is essentially a myth which conceals the reality of an international economy increasingly segmented into three major regional blocs in which national governments remain very powerful (1996a; 1996b). Finally, for the transformationalists, chief among them being Rosenau and Giddens, contemporary patterns of globalization are conceived as historically unprecedented such that states and societies across the globe are experiencing a process of profound change as they try to adapt to a more interconnected but highly uncertain world (Giddens, 1990, 1996; Rosenau, 1997).

Interestingly, none of these three schools map directly on to traditional ideological positions or worldviews. Within the hyperglobalist's camp orthodox neoliberal accounts of globalization can be found alongside Marxist accounts, while among the sceptics conservative as well as radical accounts share similar conceptions of, and conclusions about, the nature of contemporary globalization. Moreover, none of the great traditions of social enquiry—liberal, conservative and Marxist—has an agreed perspective on globalization as a socio-economic phenomenon. Among Marxists globalization is understood in quite incompatible ways as, for instance, the extension of monopoly capitalist imperialism or, alternatively, as a radically new form of globalized capitalism (Callinicos et al., 1994; Gill, 1995; Amin, 1997). Similarly, despite their broadly orthodox neoliberal starting points,

Ohmae and Redwood produce very different accounts of, and conclusions about, the dynamics of contemporary globalization (Ohmae, 1995; Redwood, 1993). Among the hyperglobalizers, sceptics and transformationalists there is a rich diversity of intellectual approaches and normative convictions. Yet, despite this diversity, each of the perspectives reflects a general set of arguments and conclusions about globalization with respect to its

- globalization
- conceptualization
- causal dynamics
- socio-economic consequences
- implications for state power and governance
- and historical trajectory.

It is useful to dwell on the pattern of argument within and between approaches this will shed light on the fundamental issues at stake in the globalization debate.¹

The Hyperglobalist Thesis

For the hyperglobalizers, globalization defines a new epoch of human history in which 'traditional nation-states have become unnatural, even impossible business units in a global economy' (Ohmae, 1995, p. 5; cf. Wriston, 1992; Guéhenno, 1995). Such a view of globalization generally privileges an economic logic and, in its neoliberal variant, celebrates the emergence of a single global market and the principle of global competition as the harbingers of human progress. Hyperglobalizers argue that economic globalization is bringing about a 'denationalization' of economies through the establishment of transnational networks of production, trade and finance. In this 'borderless' economy, national governments are relegated to little more than transmission belts for global capital or, ultimately, simple intermediate institutions sandwiched between increasingly powerful local, regional and global mechanisms of governance. As Strange puts it, 'the impersonal forces of world markets . . . are now more powerful than the states to whom ultimate political authority over society and economy is supposed to belong . . . the declining authority of states is reflected in a growing diffusion of authority to other institutions and associations, and to local and regional bodies' (1996, p. 4; cf. Reich, 1991). In this respect, many hyperglobalizers share a conviction that economic globalization is constructing new forms of social organization that are supplanting, or that will eventually supplant, traditional nation-states as the primary economic and political units of world society.

Within this framework there is considerable normative divergence between, on the one hand, the neoliberals who welcome the triumph of individual autonomy and the market principle over state power, and the radicals or neo-Marxists for whom contemporary globalization represents the triumph of an oppressive global capitalism (cf. Ohmae, 1995; Greider, 1997). But despite divergent

¹ The approaches set out below present general summaries of different ways of thinking about globalization: they do not represent fully the particular positions and many differences among the individual theorists mentioned. The aim of the presentation is to highlight the main trends and faultlines in the current debate and literature.

ideological convictions, there exists a shared set of beliefs that globalization is primarily an economic phenomenon; that an increasingly integrated global economy exists today; that the needs of global capital impose a neoliberal economic discipline on all governments such that politics is no longer the 'art of the possible' but rather the practice of 'sound economic management'.

Furthermore, the hyperglobalizers claim that economic globalization is generating a new pattern of winners as well as losers in the global economy. The old North-South division is argued to be an increasing anachronism as a new global division of labour replaces the traditional core-periphery structure with a more complex architecture of economic power. Against this background, governments have to 'manage' the social consequences of globalization, or those who 'having been left behind, want not so much a chance to move forward as to hold others back' (Ohmae, 1995, p. 64). However, they also have to manage increasingly in a context in which the constraints of global financial and competitive disciplines make social democratic models of social protection untenable and spell the demise of associated welfare state policies (J. Gray, 1998). Globalization may be linked with a growing polarization between winners and losers in the global economy. But this need not be so, for, at least in the neoliberal view, global economic competition does not necessarily produce zero-sum outcomes. While particular groups within a country may be made worse off as a result of global competition, nearly all countries have a comparative advantage in producing certain goods which can be exploited in the long run. Neo-Marxists and radicals regard such an 'optimistic view' as unjustified, believing that global capitalism creates and reinforces structural patterns of inequality within and between countries. But they agree at least with their neoliberal counterparts that traditional welfare options for social protection are looking increasingly threadbare and difficult to sustain.

Among the elites and 'knowledge workers' of the new global economy tacit transnational 'class' allegiances have evolved, cemented by an ideological attachment to a neoliberal economic orthodoxy. For those who are currently marginalized, the worldwide diffusion of a consumerist ideology also imposes a new sense of identity, displacing traditional cultures and ways of life. The global spread of liberal democracy further reinforces the sense of an emerging global civilization defined by universal standards of economic and political organization. This 'global civilization' is also replete with its own mechanisms of global governance, whether it be the IMF or the disciplines of the world market, such that states and peoples are increasingly the subjects of new public and private global or regional authorities (Gill, 1995; Ohmae, 1995; Strange, 1996; Cox, 1997). Accordingly, for many neoliberals, globalization is considered as the harbinger of the first truly global civilization, while for many radicals it represents the first global 'market civilization' (Perlmutter, 1991; Gill, 1995; Greider, 1997).

In this hyperglobalist account the rise of the global economy, the emergence of institutions of global governance, and the global diffusion and hybridization of cultures are interpreted as evidence of a radically new world order, an order which prefigures the demise of the nation-state (Luard, 1990; Ohmae, 1995; Albrow, 1996). Since the national economy is increasingly a site of transnational and global flows, as opposed to the primary container of national socio-economic activity, the authority and legitimacy of the nation-state are challenged: national governments become increasingly unable either to control what transpires within their own borders or to fulfil by themselves the demands of their own citizens. Moreover, as institutions of global and regional

governance acquire a bigger role, the sovereignty and autonomy of the state are further eroded. On the other hand, the conditions facilitating transnational cooperation between peoples, given global infrastructures of communication and increasing awareness of many common interests, have never been so propitious. In this regard, there is evidence of an emerging 'global civil society'.

Economic power and political power, in this hyperglobalist view, are becoming effectively denationalized and diffused such that nation-states, whatever the claims of national politicians, are increasingly becoming 'a transitional mode of organization for managing economic affairs' (Ohmae, 1995, p. 149). Whether issuing from a liberal or radical/socialist perspective, the hyperglobalist thesis represents globalization as embodying nothing less than the fundamental reconfiguration of the 'framework of human action' (Albrow, 1996, p. 85).

The Sceptical Thesis

By comparison the sceptics, drawing on statistical evidence of world flows of trade, investment and labour from the nineteenth century, maintain that contemporary levels of economic interdependence are by no means historically unprecedented. Rather than globalization, which to the sceptics necessarily implies a perfectly integrated worldwide economy in which the 'law of one price' prevails, the historical evidence at best confirms only heightened levels of internationalization, that is, interactions between predominantly national economies (Hirst and Thompson, 1996b). In arguing that globalization is a myth, the sceptics rely on a wholly economic conception of globalization, equating it primarily with a perfectly integrated global market. By contending that levels of economic integration fall short of this 'ideal type' and that such integration as there is remains much less significant than in the late nineteenth century (the era of the classical Gold Standard), the sceptics are free to conclude that the extent of contemporary 'globalization' is wholly exaggerated (Hirst, 1997). In this respect, the sceptics consider the hyperglobalist thesis as fundamentally flawed and also politically naive since it underestimates the enduring power of national governments to regulate international economic activity. Rather than being out of control, the forces of internationalization themselves depend on the regulatory power of national governments to ensure continuing economic liberalization.

For most sceptics, if the current evidence demonstrates anything it is that economic activity is undergoing a significant 'regionalization' as the world economy evolves in the direction of three major financial and trading blocs, that is, Europe, Asia-Pacific and North America (Ruigrok and Tulder, 1995; Boyer and Drache, 1996; Hirst and Thompson, 1996b). In comparison with the classical Gold Standard era, the world economy is therefore significantly less integrated than it once was (Boyer and Drache, 1996; Hirst and Thompson, 1996a). Among the sceptics, globalization and regionalization are conceived as contradictory tendencies. As both Gordon and Weiss conclude, in comparison with the age of world empires, the international economy has become considerably less global in its geographical embrace (Gordon, 1988; Weiss, 1998).

Sceptics tend also to discount the presumption that internationalization prefigures the emergence of a new, less state-centric world order. Far from considering national governments as becoming immobilized by international imperatives, they point to their growing centrality in the regulation and active promotion of cross-border economic activity. Governments are not the passive victims of internationalization but, on the contrary, its primary architects. Indeed, Gilpin considers

internationalization largely a by-product of the US-initiated multilateral economic order which, in the aftermath of the Second World War, created the impetus for the liberalization of national economies (Gilpin, 1987). From a very different perspective, Callinicos and others explain the recent intensification of worldwide trade and foreign investment as a new phase of Western imperialism in which national governments, as the agents of monopoly capital, are deeply implicated (Callinicos et al., 1994).

However, despite such differences of emphasis, there is a convergence of opinion within the sceptical camp that, whatever its exact driving forces, internationalization has not been accompanied by an erosion of North–South inequalities but, on the contrary, by the growing economic marginalization of many ‘Third World’ states as trade and investment flows within the rich North intensify to the exclusion of much of the rest of the globe (Hirst and Thompson, 1996b). Moreover, Krugman questions the popular belief that a new international division of labour is emerging in which deindustrialization in the North can be traced to the operation of multinational corporations exporting jobs to the South (Krugman, 1996). Similarly Ruigrok and Tulder, and Thompson and Allen seek to demolish the ‘myth’ of the ‘global corporation’, highlighting the fact that foreign investment flows are concentrated among the advanced capitalist states and that most multinationals remain primarily creatures of their home states or regions (Ruigrok and Tulder, 1995; Thompson and Allen, 1997). Accordingly, the sceptical thesis is generally dismissive of the notion that internationalization is bringing about a profound or even significant restructuring of global economic relations. In this respect, the sceptical position is an acknowledgement of the deeply rooted patterns of inequality and hierarchy in the world economy, which in structural terms have changed only marginally over the last century.

Such inequality, in the view of many sceptics, contributes to the advance of both fundamentalism and aggressive nationalism such that rather than the emergence of a global civilization, as the hyperglobalizers predict, the world is fragmenting into civilizational blocs and cultural and ethnic enclaves (Huntington, 1996). The notion of cultural homogenization and a global culture are thus further myths which fall victim to the sceptical argument. In addition, the deepening of global inequalities, the realpolitik of international relations and the ‘clash of civilizations’ expose the illusory nature of ‘global governance’ in so far as the management of world order remains, as it has since the last century, overwhelmingly the preserve of Western states. In this respect, the sceptical argument tends to conceive of global governance and economic internationalization as primarily Western projects, the main object of which is to sustain the primacy of the West in world affairs. As E. H. Carr once observed: ‘international order and “international solidarity” will always be slogans of those who feel strong enough to impose them on others’ (1981, p. 87).

In general the sceptics take issue with all of the primary claims of the hyperglobalizers pointing to the comparatively greater levels of economic interdependence and the more extensive geographical reach of the world economy at the beginning of the twentieth century. They reject the popular ‘myth’ that the power of national governments or state sovereignty is being undermined today by economic internationalization or global governance (Krasner, 1993, 1995). Some argue that ‘globalization’ more often than not reflects a politically convenient rationale for implementing unpopular orthodox neoliberal economic strategies (Hirst, 1997). Weiss, Scharpf and Armingeon, among others, argue that the available evidence contradicts the popular belief that there has been a

convergence of macroeconomic and welfare policies across the globe (Weiss, 1998; Scharpf, 1991; Armingeon, 1997). While international economic conditions may constrain what governments can do, governments are by no means immobilized. The internationalization of capital may, as Weiss argues, 'not merely restrict policy choices, but expand them as well' (1998, pp. 184ff.). Rather than the world becoming more interdependent, as the hyperglobalizers assume, the sceptics seek to expose the myths which sustain the globalization thesis.

The Transformationalist Thesis

At the heart of the transformationalist thesis is a conviction that, at the dawn of a new millennium, globalization is a central driving force behind the rapid social, political and economic changes that are reshaping modern societies and world order (Giddens, 1990; Scholte, 1993; Castells, 1996). According to the proponents of this view, contemporary processes of globalization are historically unprecedented such that governments and societies across the globe are having to adjust to a world in which there is no longer a clear distinction between international and domestic, external and internal affairs (Rosenau, 1990; Camilleri and Falk, 1992; Ruggie, 1993; Linklater and MacMillan, 1995; Sassen, 1996). For Rosenau, the growth of 'intermestic' affairs define a 'new frontier', the expanding political, economic and social space in which the fate of societies and communities is decided (1997, pp. 4-5). In this respect, globalization is conceived as a powerful transformative force which is responsible for a 'massive shake-out' of societies, economies, institutions of governance and world order (Giddens, 1996).

In the transformationalist account, however, the direction of this 'shake-out' remains uncertain, since globalization is conceived as an essentially contingent historical process replete with contradictions (Mann, 1997). At issue is a dynamic and open-ended conception of where globalization might be leading and the kind of world order which it might prefigure. In comparison with the sceptical and hyperglobalist accounts, the transformationalists make no claims about the future trajectory of globalization; nor do they seek to evaluate the present in relation to some single, fixed ideal-type 'globalized world', whether a global market or a global civilization. Rather, transformationalist accounts emphasize globalization as a long-term historical process which is inscribed with contradictions and which is significantly shaped by conjunctural factors.

Such caution about the exact future of globalization is matched, nonetheless, by the conviction that contemporary patterns of global economic, military, technological, ecological, migratory, political and cultural flows are historically unprecedented. As Nierop puts it, 'virtually all countries in the world, if not all parts of their territory and all segments of their society, are now functionally part of that larger [global] system in one or more respects' (1994, p. 171). But the existence of a single global system is not taken as evidence of global convergence or of the arrival of single world society. On the contrary, for the transformationalists, globalization is associated with new patterns of global stratification in which some states, societies and communities are becoming increasingly enmeshed in the global order while others are becoming increasingly marginalized. A new configuration of global power relations is held to be crystallizing as the North-South division rapidly gives way to a new international division of labour such that the 'familiar pyramid of the core-periphery hierarchy is no longer a geographic but a social division of the world economy' (Hoogvelt, 1997,

p. xii). To talk of North and South, of First World and Third World, is to overlook the ways in which globalization has recast traditional patterns of inclusion and exclusion between countries by forging new hierarchies which cut across and penetrate all societies and regions of the world. North and South, First World and Third World, are no longer 'out there' but nestled together within all the world's major cities. Rather than the traditional pyramid analogy of the world social structure, with a tiny top echelon and spreading mass base, the global social structure can be envisaged as a three-tier arrangement of concentric circles, each cutting across national boundaries, representing respectively the elites, the contented and the marginalized (Hoogvelt, 1997).

The recasting of patterns of global stratification is linked with the growing deterritorialization of economic activity as production and finance increasingly acquire a global and transnational dimension. From somewhat different starting points, Castells and Ruggie, among others, argue that national economies are being reorganized by processes of economic globalization such that national economic space no longer coincides with national territorial borders (Castells, 1996; Ruggie, 1996). In this globalizing economy, systems of transnational production, exchange and finance weave together ever more tightly the fortunes of communities and households on different continents.

At the core of the transformationalist case is a belief that contemporary globalization is reconstituting or 're-engineering' the power, functions and authority of national governments. While not disputing that states still retain the ultimate legal claim to 'effective supremacy over what occurs within their own territories', the transformationalists argue that this is juxtaposed, to varying degrees, with the expanding jurisdiction of institutions of international governance and the constraints of, as well as the obligations derived from, international law. This is especially evident in the EU, where sovereign power is divided between international, national and local authorities, but it is also evident in the operation of the World Trade Organization (WTO) (Goodman, 1997). However, even where sovereignty still appears intact, states no longer, if they ever did, retain sole command of what transpires within their own territorial boundaries. Complex global systems, from the financial to the ecological, connect the fate of communities in one locale to the fate of communities in distant regions of the world. Furthermore, global infrastructures of communication and transport support new forms of economic and social organization which transcend national boundaries without any consequent diminution of efficiency or control. Sites of power and the subjects of power may be literally, as well as metaphorically, oceans apart. In these circumstances, the notion of the nation-state as a self-governing, autonomous unit appears to be more a normative claim than a descriptive statement. The modern institution of territorially circumscribed sovereign rule appears somewhat anomalous juxtaposed with the transnational organization of many aspects of contemporary economic and social life (Sandel, 1996). Globalization, in this account, is therefore associated with a transformation or, to use Ruggie's term, an 'unbundling' of the relationship between sovereignty, territoriality and state power (Ruggie, 1993; Sassen, 1996).

Of course, few states have ever exercised complete or absolute sovereignty within their own territorial boundaries, as the practice of diplomatic immunity highlights (Sassen, 1996). Indeed the practice, as opposed to the doctrine, of sovereign statehood has always readily adapted to changing historical realities (Murphy, 1996). In arguing that globalization is transforming or reconstituting the power and authority of national governments, the transformationalists reject both the hyperglobalist rhetoric of the end of the sovereign nation-state and the sceptics' claim that 'nothing much has changed.' Instead, they assert that

a new 'sovereignty regime' is displacing traditional conceptions of statehood as an absolute, indivisible, territorially exclusive and zero-sum form of public power (Held, 1991). Accordingly, sovereignty today is, they suggest, best understood 'less as a territorially defined barrier than a bargaining resource for a politics characterized by complex transnational networks' (Keohane, 1995).

This is not to argue that territorial boundaries retain no political, military or symbolic significance but rather to acknowledge that, conceived as the primary spatial markers of modern life, they have become increasingly problematic in an era of intensified globalization. Sovereignty, state power and territoriality thus stand today in a more complex relationship than in the epoch during which the modern nation-state was being forged. Indeed, the argument of the transformationalists is that globalization is associated not only with a new 'sovereignty regime' but also with the emergence of powerful new non-territorial forms of economic and political organization in the global domain, such as multinational corporations, transnational social movements, international regulatory agencies, etc. In this sense, world order can no longer be conceived as purely state-centric or even primarily state governed, as authority has become increasingly diffused among public and private agencies at the local, national, regional and global levels. Nation-states are no longer the sole centres or the principal forms of governance or authority in the world (Rosenau, 1997).

Given this changing global order, the form and functions of the state are having to adapt as governments seek coherent strategies of engaging with a globalizing world. Distinctive strategies are being followed from the model of the neoliberal minimal state to the models of the developmental state (government as the central promoter of economic expansion) and the catalytic state (government as facilitator of coordinated and collective action). In addition, governments have become increasingly outward looking as they seek to pursue cooperative strategies and to construct international regulatory regimes to manage more effectively the growing array of cross-border issues which regularly surface on national agendas. Rather than globalization bringing about the 'end of the state', it has encouraged a spectrum of adjustment strategies and, in certain respects, a more activist state. Accordingly, the power of national governments is not necessarily diminished by globalization but on the contrary is being reconstituted and restructured in response to the growing complexity of processes of governance in a more interconnected world (Rosenau, 1997).

The three dominant tendencies in the globalization debate are summarized in Table 2.1. To move beyond the debate between these three approaches requires a framework of enquiry through which the principal claims of each might be assessed. But to construct such a framework demands, as an initial condition, some understanding of the primary faultlines around which the debate itself revolves. Identifying the critical issues in the debate creates an intellectual foundation for thinking about how globalization might best be conceptualized and the particular grounds on which any assessment of competing claims about it might be pursued.

TABLE 2.1 Conceptualizing Globalization: Three Tendencies

	<i>Hyperglobalists</i>	<i>Sceptics</i>	<i>Transformationalists</i>
What's new?	A global age	Trading blocs, weaker geogovernance than in earlier periods	Historically unprecedented levels of global interconnectedness
Dominant features	Global capitalism, global governance, global civil society	World less interdependent than in 1890s	"Thick" (intensive and extensive) globalization
Power of national governments	Declining or eroding	Reinforced or enhanced	Reconstituted, restructured
Driving forces of globalization	Capitalism and technology	States and markets	Combined forces of modernity
Pattern of stratification	Erosion of old hierarchies	Increased marginalization of South	New architecture of world order
Dominant motif	McDonalds, Madonna, etc.	National interest	Transformation of political community
Conceptualization of globalization	As a reordering of the framework of human action	As internationalization and regionalization	As the reordering of interregional relations and action at a distance
Historical trajectory	Global civilization	Regional blocs/clash of civilizations	Indeterminate: global integration and fragmentation
Summary argument	The end of the nation-state	Internationalization depends on state acquiescence and support	Globalization transforming state power and world politics