



What do the opponents of Globalization want?

by

Dr. Michael Ehrke

Dialogue and Cooperation 2/2001

Friedrich-Ebert-Stiftung
Department for Development Policy
- Dialogue on Globalization Hiroshimastr. 17
10785 Berlin
Tel.:0049-30-26936-914

Fax: 0049-30-26935-959 <u>Roswitha.Kiewitt@fes.de</u> <u>www.fes.de/globalization</u>

The opinions expressed in this paper do not necessarily reflect the views of the Friedrich-Ebert- Stiftung or the organisations for which the author works.

What Do the Opponents of Globalization Want?

Michael Ehrke

Following the events of Seattle, Prague, Davos, Göteborg, etc., the G8 summit in Genoa provided another platform for the new rebel generation of globalization opponents. Their protest is turning into a political issue because it meets with a certain degree of underlying sympathy in the population: it is evident that the opponents of globalization are articulating a sense of disquiet which is widespread in Western societies.

Nevertheless, the actual objectives of the protesters are often unclear. This is due to the fact that the opponents of globalization are themselves a heterogeneous coalition, with some odd ingredients. However, the majority of them do advocate a number of very specific reforms, including:

 tighter regulation of the international financial system, including stricter supervision of the stock markets and

- banks, and a tax on financial transactions;
- free access for developing countries to the protected agricultural markets of industrial nations:
- no further round of World Trade Organization (WTO) liberalization; no trade agreement to protect intellectual property rights; no global agreement on investment;
- the inclusion of social, environmental and democratic standards in international trade agreements;
- debt relief for developing countries;
- the closure of offshore tax havens;
- the continuation of the Kyoto process to protect the world's climate;
- reform, democratic control and/or changes in the priorities of the World Bank and the IMF.

An Attack on 'Globalization'?

What these demands have in common is that they could feasibly form part of the manifestos of established political parties, would be applauded in chatshows, and are perfectly acceptable in international expert circles. The common denominator is not anti-globalization. The following points bear this out:

- 1. The call for more open markets for developing countries supports more globalization by advocating the removal of the last protectionist hideaways in the world economy.
- 2. The same goes for the rejection of strictly interpreted intellectual property rights, which deny developing countries access to certain technologies and products or make that access unfairly expensive; here, the so-called opponents of globalization are advocating fewer restrictions than its adherents.
- 3. Some of the demands are neutral in terms of economic globalization, e.g. debt relief for developing countries or the continuation of the Kyoto process.

- 4. Calls for controls on the global financial markets (by, for example, George Soros, Paul Volcker and Gerhard Schröder) or the closure of tax havens (by the Organization of Economic Cooperation and Development) could be interpreted as being against unfettered markets, but also as a necessary complement to a globalization process which, in principle, is irreversible and accepted.
- 5. The rejection of a further WTO round could indeed be viewed as an initiative aimed explicitly against free trade. However, in view of the degree of free trade already achieved, even mainstream economists believe that further rounds of trade negotiations would engender marginal effects at most.
- 6. Calls for democratic control of, or changed priorities in international organizations and institutions target a gap in democratic legitimization, which is also viewed as a problem by many politicians.

The movement is not a movement against globalization, and the majority of people in it are not against capitalism. They do not advocate an alternative to the prevailing economic and social order. Their degree of political coherence appears weak in comparison not only with socialist movements from the past, but also with Germany's Green Party in its formative days. Is there, in fact, any common political denominator, which distinguishes the opponents of globalization from the organizers of Berlin's 'Love Parade'?

What Is the Common Denominator of the Protests?

There Isn't One

A first possible answer: the protest movement is too heterogeneous; the various groups are linked merely by a collective Pavlovian response to international summit meetings which creates an uncontrollable urge to go to those places and engage in violent or non-violent rituals. The movement is split not only into the violent and the peaceful, into declared anti-

capitalists and reformers, but the advocates of reform also differ in terms of the degree of the changes they desire. Some want the democratization of the WTO, others are against another WTO round, still others want to abolish the WTO in its entirety, etc. Conclusion: the movement is too diverse to be able to articulate a clear message.

Emotions

A second possible answer: the unity of the movement does not lie in demands which are grounded in reason and which are basically similar to what is being debated in the prevailing institutions. No 20-year-old will travel to odd places, risking his health and – following Genoa – possibly his life in order to help improve stock market regulation. The movement's common denominator is to be found not at the rational, programmatic level, but at

the emotional level. What brings the movement together (and brings it together with many other citizens) is fear (of an uncertain process of social change, of a loss of orientation and identity, etc.), anger (at social injustice, etc.), or shame (at the affluence of the industrial nations, etc.) – i.e. feelings. An intellectual avant-garde, unrepresentative of the movement as a whole, in contrast, formulated the demands cited above.

Cultural Criticism

The unifying factor of the anti-globalization movement is the disquiet which is felt about a McWorld, dominated by company logos like Nike, McDonalds or Coca Cola, in which differences and substance are snuffed out, in which supermarkets, hotel rooms, transport facilities, etc., increasingly look exactly the same, whether they are in Kathmandu, Cairo or Cologne. National and cultural idiosyncrasies are being replaced by homogenized consumption patterns around the world. Just as the languages of this world are being levelled out into a bad New Economy English, so

our lifestyles are becoming as similar as airport interiors.

The movement of globalization opponents is motivated less by politics than by culture/subculture. They are not conducting a holy war against globalized culture; they are confronting it – not with a fundamental and uniform principle, but with a colourful collection of counter-motives, some of which, from the Aborigines to the Zapatistas, are oriented towards cultures under threat of extinction from the McWorld.

Neoliberalism

The opponents of globalization are also transformed into a political movement by their rational and explicit criticism of neoliberalism. The criticism is targeted at neoliberalism, not as a school of economic thought, but as a political project and as the resignation of proactive government. The perception is of a strategic political project - labelled 'the Washington consensus' – aimed at the homogenization of the world into a global market. This strategy has identifiable protagonists, namely the International Monetary Fund, the World Bank, the WTO, Wall Street. the US Treasury, major companies and the White House. In contrast, the resignation of proactive government is registered wherever politicians who reject the neoliberal label capitulate in the face of the force of global markets and claim that policies have to be aligned with the decisions of the market since there is no alternative.

In the eyes of the critics of globalization, neoliberal policies deepen the division of the world into poor and rich countries and of societies into poor and rich sections of the population. They undo what has been achieved to flatten out social disparities,

e.g. in the form of the welfare state. The old contrast between poor and rich, which was being tackled in the national context, is expanded by another dimension: a majority of the population which is geographically tied and remains reliant on the state contrasts with a mobile globalized upper class which can withdraw its resources from the commonwealth at any time, at little cost and with little risk.

In their battle against neoliberalism, the opponents of globalization argue that the rules set by democratic politics take precedence over the laws of the market. Markets may develop only to the extent which corresponds to the political will of citizens. They do not automatically function to the benefit of all, as is shown by the existence of markets for slaves, drugs and protection money. However, the market does not provide the criteria by which markets should be restricted. Nor are there any other prescribed systems of evaluation from which such binding criteria can be derived (such as religions or scientific systems). All we have are the processes by which citizens arrive at an understanding amongst themselves, processes, the outcome of which is open and is

transformed into government action via democratic institutions. The critics of globalization call on citizens and their representatives to utilize the political opportunities and obligations of democracy to define ecological, social and moral priorities and to enforce these, even against the laws of the economy itself.

The Selfishness of the Powerful

Ultimately, neoliberalism is nothing more than a straw doll, the burning of which is only of symbolic significance. It does not explain the functioning of the global economy, and it is not - despite the verbal attacks - the real target of the criticism levelled at globalization. After all, the global economy and politics function only partly in accordance with the laws of the market, but mainly in accordance with those of power. Markets themselves are also subject to power. The rationale of the markets is cited when it coincides with the interests of the powerful (people, companies, states) and discarded when it ceases to coincide with their interests. Via their associations, companies advocate the free market, and every individual firm will seek out and utilize every competitive advantage - even if that advantage only takes the most disgraceful form of state intervention. The question is not whether there should be regulation or deregulation, but who benefits from regulation or deregulation.

An outstanding example can be found, once again, in the agricultural markets of industrial countries, which have emerged totally unscathed from many decades of economically, environmentally and socially

motivated attacks as well as liberal and neoliberal assaults. Their legitimacy is zero in any credible system of references; the sole justification for their existence is the power of those who profit from them.

The attacks by the critics of globalization are aimed less at neoliberalism and its protagonists than at 'the powerful' in a very general sense, whether their power is derived from the market or not. This includes the politicians of the powerful states (i.e. the G8), who neglect their democratic duty to protect the less powerful. The argument used against the selfishness and opportunism of the powerful is public morality. This morality opposes what is taken as read in the political routine and openly brands as scandalous whatever contradicts the underlying rule-forming consensus of democracies. If, for example, an affordable provision of medicine to AIDS sufferers in Africa is possible only if the patent rights of international pharmaceutical firms are fully maintained, this may be plausible in economic terms, but, it could be argued, it runs counter to any credible community morality, without which, ultimately, no markets would function.

Conclusion: The Greens of the Future

The movement of the opponents of globalization is so diverse that all the motives cited here are in some way characteristic of it. It is possible that the movement will collapse due to its most obvious internal contradiction – between violent and non-violent protesters. It is

probable that (like every political movement) it feeds to a large extent on emotional energies or a subcultural aesthetic, and is less likely to become absorbed by its rational political demands. The protagonists themselves would probably perceive neoliberalism as the common enemy, but

they risk creating a scapegoat. Only a few professors of economics, not the majority of those whom the opponents of globalization attack, are neoliberal in the strict sense of the word. Ultimately, a central motive of the opponents of globalization is the contradiction between a public morality, which is at least rudimentarily valid, and mocking reality, but their target is hard to define – at the end of the day, the scandals they are denouncing are based on the lifestyles of the majority in industrial countries.

Does the movement of those opposed to globalization have a future, comparable to that of Germany's 'Greens' in their formative period? Is a new political force emerging here which could in future form itself into an independent political party and/or embrace issues which all parties will one day have to take up and tackle – just as no party today can survive without environmental policies?

Like the Greens, the opponents of globalization focus on man-made trends which, if they were to continue without any control, would lead to disaster. A common feature of the two movements is that their subject matter will never end: just as there

will always be environmental disasters, the world's economic development will also always involve disasters. However, beyond this, the opponents of globalization have two advantages over the Greens. Firstly, they stand for an issue which cannot be dismissed, like the environment, as a specific problem. And their criticisms and demands are aimed at the heart of the economic and political systems of industrial countries. And secondly, the opponents of globalization are closer to the mainstream of politics and society than the Greens were in the 1970s. They do not represent a fundamental principle opposing the prevailing system, but argue using the system's own concepts. By dramatizing them, they draw attention to conflicts, which are also perceived as such by the representatives of the system. Therefore, they are less liable than the Greens to encounter the dangerous choice between a 'fundamentalist' position, with its inherent inability to shape policies, and a 'realist' position, risking the loss of substance.

Western democracies were able to absorb the Green movement – to the benefit of those democracies. They should now adapt to a fresh challenge.