

2 How to Judge Globalism

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Globalization is often seen as global Westernization. On this point, there is substantial agreement among many proponents and opponents. Those who take an upbeat view of globalization see it as a marvelous contribution of Western civilization to the world. There is a nicely stylized history in which the great developments happened in Europe: First came the Renaissance, then the Enlightenment and the Industrial Revolution, and these led to a massive increase in living standards in the West. And now the great achievements of the West are spreading to the world. In this view, globalization is not only good, it is also a gift from the West to the world. The champions of this reading of history tend to feel upset not just because this great benefaction is seen as a curse but also because it is undervalued and castigated by an ungrateful world.

From the opposite perspective, Western dominance – sometimes seen as a continuation of Western imperialism – is the devil of the piece. In this view, contemporary capitalism, driven and led by greedy and grabby Western countries in Europe and North America, has established rules of trade and business relations that do not serve the interests of the poorer people in the world. The celebration of various non-Western identities – defined by religion (as in Islamic fundamentalism), region (as in the championing of Asian values), or culture (as in the glorification of Confucian ethics) – can add fuel to the fire of confrontation with the West.

Is globalization really a new Western curse? It is, in fact, neither new nor necessarily Western; and it is not a curse. Over thousands of years, globalization has contributed to the progress of the world through travel, trade, migration, spread of cultural influences, and dissemination of knowledge and understanding (including that of science and technology). These global interrelations have often been very productive in the advancement of different countries. They have not necessarily taken the form of increased Western influence. Indeed, the active agents of globalization have often been located far from the West.

To illustrate, consider the world at the beginning of the last millennium rather than at its end. Around 1000 A.D., global reach of science, technology, and mathematics was changing the nature of the old world, but the dissemination then was, to a great extent, in the opposite direction of what we see today. The high technology in the world of 1000 A.D. included paper, the printing press, the crossbow, gunpowder, the iron-chain suspension bridge, the kite, the magnetic compass, the wheelbarrow, and the rotary fan. A millennium ago, these items were used extensively in

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China – and were practically unknown elsewhere. Globalization spread them across the world, including Europe.

A similar movement occurred in the Eastern influence on Western mathematics. The decimal system emerged and became well developed in India between the second and sixth centuries; it was used by Arab mathematicians soon thereafter. These mathematical innovations reached Europe mainly in the last quarter of the tenth century and began having an impact in the early years of the last millennium, playing an important part in the scientific revolution that helped to transform Europe. The agents of globalization are neither European nor exclusively Western, nor are they necessarily linked to Western dominance. Indeed, Europe would have been a lot poorer – economically, culturally, and scientifically – had it resisted the globalization of mathematics, science, and technology at that time. And today, the same principle applies, though in the reverse direction (from West to East). To reject the globalization of science and technology because it represents Western influence and imperialism would not only amount to overlooking global contributions – drawn from many different parts of the world – that lie solidly behind so-called Western science and technology, but would also be quite a daft practical decision, given the extent to which the whole world can benefit from the process. [...]

Global Interdependences and Movements

The misdiagnosis that globalization of ideas and practices has to be resisted because it entails dreaded Westernization has played quite a regressive part in the colonial and postcolonial world. This assumption incites parochial tendencies and undermines the possibility of objectivity in science and knowledge. It is not only counterproductive in itself, given the global interactions throughout history, it can also cause non-Western societies to shoot themselves in the foot – even in their precious cultural foot.

Consider the resistance in India to the use of Western ideas and concepts in science and mathematics. In the nineteenth century, this debate fitted into a broader controversy about Western education versus indigenous Indian education. The "Westernizers," such as the redoubtable Thomas Babington Macaulay, saw no merit whatsoever in Indian tradition. "I have never found one among them [advocates of Indian tradition] who could deny that a single shelf of a good European library was worth the whole native literature of India and Arabia," he declared. Partly in retaliation, the advocates of native education resisted Western imports altogether. Both sides, however, accepted too readily the foundational dichotomy between two disparate civilizations.

European mathematics, with its use of such concepts as sine, was viewed as a purely "Western" import into India. In fact, the fifth-century Indian mathematician Aryabhata had discussed the concept of sine in his classic work on astronomy and mathematics in 499 A.D., calling it by its Sanskrit name, *jya-ardha* (literally, "half-chord"). This word, first shortened to *jya* in Sanskrit, eventually became the Arabic *jiba* and, later, *jaib*, which means "a cove or a bay." In his history of mathematics, Howard Eves explains that around 1150 A.D., Gherardo of Cremona, in his translations from the Arabic, rendered *jaib* as the Latin *sinus*, the corresponding word for a cove or a bay. And this is the source of the modern word *sine*. The concept had traveled full circle – from India, and then back.

To see globalization as merely Western imperialism of ideas and beliefs (as the rhetoric often suggests) would be a serious and costly error, in the same way that any European resistance to Eastern influence would have been at the beginning of the

last millennium. Of course, there are issues related to globalization that do connect with imperialism (the history of conquests, colonialism, and alien rule remains relevant today in many ways), and a postcolonial understanding of the world has its merits. But it would be a great mistake to see globalization primarily as a feature of imperialism. It is much bigger – much greater – than that.

The issue of the distribution of economic gains and losses from globalization remains an entirely separate question, and it must be addressed as a further – and extremely relevant – issue. There is extensive evidence that the global economy has brought prosperity to many different areas of the globe. Pervasive poverty dominated the world a few centuries ago; there were only a few rare pockets of affluence. In overcoming that penury, extensive economic interrelations and modern technology have been and remain influential. What has happened in Europe, America, Japan, and East Asia has important messages for all other regions, and we cannot go very far into understanding the nature of globalization today without first acknowledging the positive fruits of global economic contacts.

Indeed, we cannot reverse the economic predicament of the poor across the world by withholding from them the great advantages of contemporary technology, the well-established efficiency of international trade and exchange, and the social as well as economic merits of living in an open society. Rather, the main issue is how to make good use of the remarkable benefits of economic intercourse and technological progress in a way that pays adequate attention to the interests of the deprived and the underdog. That is, I would argue, the constructive question that emerges from the so-called antiglobalization movements.

Are the Poor Getting Poorer?

The principal challenge relates to inequality – international as well as intranational. The troubling inequalities include disparities in affluence and also gross asymmetries in political, social, and economic opportunities and power.

A crucial question concerns the sharing of the potential gains from globalization – between rich and poor countries and among different groups within a country. It is not sufficient to understand that the poor of the world need globalization as much as the rich do; it is also important to make sure that they actually get what they need. This may require extensive institutional reform, even as globalization is defended.

There is also a need for more clarity in formulating the distributional questions. For example, it is often argued that the rich are getting richer and the poor poorer. But this is by no means uniformly so, even though there are cases in which this has happened. Much depends on the region or the group chosen and what indicators of economic prosperity are used. But the attempt to base the castigation of economic globalization on this rather thin ice produces a peculiarly fragile critique.

On the other side, the apologists of globalization point to their belief that the poor who participate in trade and exchange are mostly getting richer. Ergo – the argument runs – globalization is not unfair to the poor; they too benefit. If the central relevance of this question is accepted, then the whole debate turns on determining which side is correct in this empirical dispute. But is this the right battleground in the first place? I would argue that it is not.

Global Justice and the Bargaining Problem

Even if the poor were to get just a little richer, this would not necessarily imply that the poor were getting a fair share of the potentially vast benefits of global economic

interrelations. It is not adequate to ask whether international inequality is getting marginally larger or smaller. In order to rebel against the appalling poverty and the staggering inequalities that characterize the contemporary world – or to protest against the unfair sharing of benefits of global cooperation – it is not necessary to show that the massive inequality or distributional unfairness is also getting marginally larger. This is a separate issue altogether.

When there are gains from cooperation, there can be many possible arrangements. As the game theorist and mathematician John Nash discussed more than half a century ago (in “The Bargaining Problem,” published in *Econometrica* in 1950, which was cited, among other writings, by the Royal Swedish Academy of Sciences when Nash was awarded the Nobel Prize in economics), the central issue in general is not whether a particular arrangement is better for everyone than no cooperation at all would be, but whether that is a fair division of the benefits. One cannot rebut the criticism that a distributional arrangement is unfair simply by noting that all the parties are better off than they would be in the absence of cooperation; the real exercise is the choice *between* these alternatives. [...]

Likewise, one cannot rebut the charge that the global system is unfair by showing that even the poor gain something from global contacts and are not necessarily made poorer. That answer may or may not be wrong, but the question certainly is. The critical issue is not whether the poor are getting marginally poorer or richer. Nor is it whether they are better off than they would be had they excluded themselves from globalized interactions.

Again, the real issue is the distribution of globalization’s benefits. Indeed, this is why many of the antiglobalization protesters, who seek a better deal for the underdogs of the world economy, are not – contrary to their own rhetoric and to the views attributed to them by others – really “antiglobalization.” It is also why there is no real contradiction in the fact that the so-called antiglobalization protests have become among the most globalized events in the contemporary world.

Altering Global Arrangements

However, can those less-well-off groups get a better deal from globalized economic and social relations without dispensing with the market economy itself? They certainly can. The use of the market economy is consistent with many different ownership patterns, resource availabilities, social opportunities, and rules of operation (such as patent laws and antitrust regulations). And depending on these conditions, the market economy would generate different prices, terms of trade, income distribution, and, more generally, diverse overall outcomes. The arrangements for social security and other public interventions can make further modifications to the outcomes of the market processes, and together they can yield varying levels of inequality and poverty.

The central question is not whether to use the market economy. That shallow question is easy to answer, because it is hard to achieve economic prosperity without making extensive use of the opportunities of exchange and specialization that market relations offer. Even though the operation of a given market economy can be significantly defective, there is no way of dispensing with the institution of markets in general as a powerful engine of economic progress.

But this recognition does not end the discussion about globalized market relations. The market economy does not work by itself in global relations – indeed, it cannot operate alone even within a given country. It is not only the case that a

market-inclusive system can generate very distinct results depending on various enabling conditions (such as how physical resources are distributed, how human resources are developed, what rules of business relations prevail, what social-security arrangements are in place, and so on). These enabling conditions themselves depend critically on economic, social, and political institutions that operate nationally and globally.

The crucial role of the markets does not make the other institutions insignificant, even in terms of the results that the market economy can produce. As has been amply established in empirical studies, market outcomes are massively influenced by public policies in education, epidemiology, land reform, microcredit facilities, appropriate legal protections, et cetera; and in each of these fields, there is work to be done through public action that can radically alter the outcome of local and global economic relations.

Institutions and Inequality

Globalization has much to offer; but even as we defend it, we must also, without any contradiction, see the legitimacy of many questions that the antiglobalization protesters ask. There may be a misdiagnosis about where the main problems lie (they do not lie in globalization, as such), but the ethical and human concerns that yield these questions call for serious reassessments of the adequacy of the national and global institutional arrangements that characterize the contemporary world and shape globalized economic and social relations.

Global capitalism is much more concerned with expanding the domain of market relations than with, say, establishing democracy, expanding elementary education, or enhancing the social opportunities of society's underdogs. Since globalization of markets is, on its own, a very inadequate approach to world prosperity, there is a need to go beyond the priorities that find expression in the chosen focus of global capitalism. As George Soros has pointed out, international business concerns often have a strong preference for working in orderly and highly organized autocracies rather than in activist and less-regimented democracies, and this can be a regressive influence on equitable development. Further, multinational firms can exert their influence on the priorities of public expenditure in less secure third-world countries by giving preference to the safety and convenience of the managerial classes and of privileged workers over the removal of widespread illiteracy, medical deprivation, and other adversities of the poor. These possibilities do not, of course, impose any insurmountable barrier to development, but it is important to make sure that the surmountable barriers are actually surmounted. [. . .]

Fair Sharing of Global Opportunities

To conclude, the confounding of globalization with Westernization is not only ahistorical, it also distracts attention from the many potential benefits of global integration. Globalization is a historical process that has offered an abundance of opportunities and rewards in the past and continues to do so today. The very existence of potentially large benefits makes the question of fairness in sharing the benefits of globalization so critically important.

The central issue of contention is not globalization itself, nor is it the use of the market as an institution, but the inequity in the overall balance of institutional arrangements – which produces very unequal sharing of the benefits of globalization.

The question is not just whether the poor, too, gain something from globalization, but whether they get a fair share and a fair opportunity. There is an urgent need for reforming institutional arrangements – in addition to national ones – in order to overcome both the errors of omission and those of commission that tend to give the poor across the world such limited opportunities. Globalization deserves a reasoned defense, but it also needs reform.