

**GLOBALIZATION: UNEVEN
DEVELOPMENT AND SOCIAL EXCLUSUION**

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CERTIFICATE

This is to certify that the dissertation entitled “**Globalization: Uneven Development and Social Exclusion**”, submitted by Amrita Datta in partial fulfillment for the award of the degree of **MASTER OF PHILOSOPHY** is her original work and has not been previously submitted for the award of any other degree of this university or any other university.

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DECLARATION

This is to declare that the dissertation entitled “**Globalization: Uneven Development and Social Exclusion**” has been submitted by me in partial fulfillment of the requirement for the award of the degree, Master of Philosophy. This dissertation has not been submitted for any other degree to any other university and is my original work.

Amrita Datta
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*To my grandparents,
In whose eyes I am always the best...*

CONTENTS

ACKNOWLEDGEMENT	vi
LIST OF ABBREVIATIONS	ix
INTRODUCTION	1
Objectives of the Study	2
Research Questions	3
Key Concepts	4
Review of Literature	20
Methodology	29
Limits of the Study	30
CHAPTER I	
GLOBAL NORTH-GLOBAL SOUTH: ISSUE OF EXCLUSION	32
Globalization through the Lens of Sociological Theories	33
Globalization and Uneven Development	48
CHAPTER II	
GLOBAL INTERDEPENDENCE: NEW LINKS EMERGING?	60
Core-Periphery in the Modern World System	61
Global Interdependence: China-America Interface	69
From Emerging Markets to Emerging Powers to Emerging Societies	82
CHAPTER III	
RANGE OF RESISTANCE TO GLOBALIZATION	93

Counter-globalization through the Lens of Sociological Theories	98
Resistance in the (Global?) South	103
World Social Forum (WSF)	109
Anti-Globalization Movement as Fourth Generation People's Movement	116
CHAPTER IV	
ALTERNATIVES: CIVIL SOCIETY, GLOBAL GOVERNANCE AND NATION STATES	125
The Global Third Way Debate	126
Question of Equality	133
Global Civil Society: The Issue of Global Governance and Role of Nation States	136
CHAPTER V	
ON GLOBALIZING INDIA: IMPLICATIONS OF SOCIAL EXCLUSION	151
Social Exclusion: Indian Context	152
Issue of Liberalization, Globalization and India's Response	162
Civil Society, Nation States and the Issue of Governance in India	170
Exclusion of Rupee in Dollar-dominated market	171
CONCLUSION	180
Summary of the Chapters	181
Seeking answers to Research Questions	186
Final Insight	191
BIBLIOGRAPHY	194
APPENDIX	200

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ABBREVIATIONS

AfA	Alternative for the Americas
ESAF	Evangelical Social Action Forum
GCS	Global Civil Society
GDP	Gross Domestic Production
IFI	International Financial Institutions
ILO	International Labour Organization
IMF	International Monetary Fund
LPG	Liquefied Petroleum Gas
MDG	Millennium Development Goals
MNC	Multi National Company
NDA	National Democratic Alliance
NGO	Non Governmental Organizations
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Papers
SAP	Structural Adjustment Program
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNRISD	United Nations Research Institute for Social Development
UPA	United Progressive Alliance
WEF	World Economic Forum
WSF	World Social Forum
WTO	World Trade Organizations

Introduction

‘Without its lowest rungs the ladder of globalization would not stand up’...Anirudh Krishna and Jan Nederveen Pieterse (2009: 147) wrote this in one of their articles while Satyajit Ray pointed this out through his film “Sheemabaddha” in as early as 1975. This bipolar feature of globalization is mainly due to the way it affects different groups of people worldwide. Chomsky (2002) opines that the term “globalization” has been appropriated by the powerful to refer to a specific form of international economic integration, one based on investor rights, with the interests of people incidental. That is why the business press, in its more honest moments, refers to the “free trade agreements” as “free investment agreements” (Wall St. Journal). Accordingly, advocates of other forms of globalization are described as “anti-globalization”. No sane person is opposed to globalization, he adds, i.e. international integration. Surely not the left and the workers movements, which were founded on the principle of international solidarity — that is, globalization in a form that attends to the rights of people, not private power systems. Therefore, globalization is not necessarily always about exploitation, unevenness and exclusion. Global as “international” is about integration, global-inter-connection and interdependence. However, globalization as a lopsided terms of trade, which scholars like Petras and Veltmeyer (2001: 12) call “imperialism” not about equitability, and therefore renders a problem. Therefore, depending on the paradigm, globalization can be viewed as both a positive and a negative phenomenon.

‘Globalization’, as a phenomenon is multifaceted, it is a system, and a process (Robertson, 2003). As an object of enquiry, globalization has been included in the agenda of sociologists in the later part of the 1980s (Kumar, 2009: 43). At some level it is in fact problematic to differentiate between different ‘types’ of globalization because all facets of the phenomenon are organically related to one another. However.

the last wave of globalization has primarily been an economic phenomenon; as it was market mediated, finance oriented, commodity based and consumption related. There has been high visibility of the economy and finance related issues, processes, rules and institutions (Kumar, 2009). It was followed by commodity, technology, information and labour related globalization. It is this economic aspect of globalization that we intend to look at in this study, with reference to its differential manifestations and levels of exclusion-inclusion.

Economic globalization refers to increasing economic interdependence of national economies across the world through a rapid increase in cross-border movement of goods, services, technology and capital. It is the process of increasing economic integration between countries, leading to the emergence of a global marketplace or a single world market.

Economic globalization comprises the globalization of production, markets, competition, technology, and corporations and industries. Whilst economic globalization has been occurring for the last several centuries (since the emergence of trans-national trade), it has begun to occur at an increased rate over the last 20–30 years. This recent boom has been largely accounted by developed economies integrating with less developed economies, by means of foreign direct investment, and the reduction of trade barriers etc. Such global economic exchange between developing and developed countries pronounces the reason to see ‘social exclusion’ not as an absolute category but as one that is conditioned by relative advantage or disadvantage of a particular community.

Objectives of the Study

In the light of the discussion so far, let us look at the basic objectives of the research. The rationale for the choosing the following issues as my objectives is guided by the historical trajectory of globalization since post-Cold War. I am conscious of the possible underlying implication of being called “Eurocentric”, nevertheless, the effort has been to use the chronology of events as a reference point only, so that it clears my vision.

I intend to look at:

- How the Global North and Global South interact with each other in terms of economic globalization, and if there lies a space of exclusion of either
- Whether there has been any change in the pattern and logic of interaction (interdependence) between different parts of the world in the 21st century, especially with the gradual arrival of the South Asian economy in the global market
- The various forces countering globalization and their agenda(s)
- The concept of Global Civil Society and its relevance in the state-market-community triad
- How the process of globalization intensifies social exclusion in Indian society

Research Questions

In consonance with the objectives of the study, following are research questions that this research seeks to answer.

- How does the notion of differential aspects of exclusion-inclusion shape the definition of globalization in terms of Global North-Global South divide?
- How does 'exclusion' and 'interdependence' operate within the 21st century global economy?
- Does 'globalization of resistance' have any alternative vision to replace the on-going process of (exclusion-inclusion dynamics) globalization?
- What are the scopes of global civil society in terms of global governance with inclusive policies through intervention of individual nation-states?
- What are the implications of social exclusion for India?

Key concepts

There are two key concepts that have helped us in organizing the study:

Social Exclusion

In this section we will look at the epistemology of the word 'exclusion', its origin. Then we go on to various definitions of exclusion in general and social exclusion in particular. This leads us to the relevant scholars who have contributed in conceptual clarity of social exclusion. Lastly, we look at the concomitant concept of social inclusion.

Epistemology

The term 'exclusion', according to Dictionary of English (Oxford edition 2004) means the process of excluding or state of being excluded. Exclusion is the noun of 'exclude' which has its origin in the Latin¹ word 'excludere' (from 'cludere' meaning 'to shut'). The term 'exclusion' has so far been an underrated term in sociology; it is only with the growing concern with globalization and the concomitant notion of growth and development that we have come to bring 'exclusion' within the sociological discourse.

Rene Lenoir, writing about a quarter of a century ago, is given credit of authorship of the expression. Lenoir, identifying "the excluded" in France, spoke of the following as constituting the 'excluded':

"Mentally and physically handicapped, suicidal people, aged invalids, abused children, substance abusers, delinquents, single-parents, multi-problem households, marginal, asocial persons, and other social 'misfits'" (Silver 1995; Foucauld 1992).

¹ In Sanskrit, 'exclusion' means "bahishkar". In Bengali, "ak ghore" stands for 'the excluded'

Silver (1995) notes the list of “a few of the things the literature says people may be excluded from” must include the following:

“A livelihood; secure, permanent employment; earnings; property, credit, or land; housing, minimal or prevailing consumption levels; education, skills, and cultural capital; the welfare state; citizenship and legal equality; democratic participation; public goods; the nation or the dominant race; family and sociability; humanity; respect, fulfillment, and understanding.”

Categories of Social Exclusion: The Euro-American Experience

There are countries, Italy for example, that have a legal concept of social exclusion. In Italy, "esclusione sociale" is defined as poverty combined with social alienation, by the statute n. 328 (11-8-2000), that instituted a state investigation commission named "Commissione di indagine sull 'Esclusione Sociale" (CIES) to make an annual report to the government on legally expected issues of social exclusion.

Philosopher Axel Honneth thus speaks of a "struggle for recognition", which he attempts to theorize through Hegel's philosophy. In this sense, to be socially excluded is to be deprived from social recognition and social value. In the sphere of politics, social recognition is obtained by full citizenship; in the economic sphere (in capitalism) it means being paid enough to be able to participate fully in the life of the community.

Encyclopedia of International Development (2005:108) defines social exclusion as a result of activities by which an individual or a collective because of their race, gender, age or social class are denied full participation in economic, political, cultural and social processes associated with economic development. Exclusion revolves around two forms: namely, the multiple aspects of discrimination and the societal processes and institutions which can cause social exclusion that are implicated in deprivation. Thus, recognition of those diverse social processes that cause social exclusion becomes important (Kumar 2008). The consequences of exclusion, thus, depend crucially on how the institutions function, and how exclusionary and discriminatory

they are in their outcome. This is where exclusion jumps from the socio-economic space to the political one in terms of civil rights, freedom and citizenship.

The problem of social exclusion is usually tied to that of equal opportunity, as some people are more subject to such exclusion than others. Marginalization of certain groups is a problem even in many economically more developed countries, including the United Kingdom and the United States, where the majority of the population enjoys considerable economic and social opportunities.

Since social exclusion may lead to one being deprived of one's citizenship, author like André Gorz (1999) has proposed a basic income, which would impede exclusion from citizenship. The concept of a Universal Unconditional Income, or social salary, has been disseminated notably by the Green movement in Germany.

However, the two basic categories of exclusion at the global level are: race and gender (racism and sexism: Wallerstein2004). Wallerstein (2004:89) in *World Systems Analysis* categorizes between two symbiotic ideological themes – universalism and particularism (racism and sexism²). In India, race is translated to caste. We are familiar with the worldwide rankings: men over women, Whites over Non-Whites, educated over less educated, heterosexuals over gays and lesbians, bourgeois over the workers, urbanites over rural dwellers. I in this research am trying to look at the general consequences of these excluded categories within the 'modern world-system' (Wallerstein 2004) dominated by capitalistic globalization.

Social Exclusion: The Indian Context

It is imperative to go beyond the Euro-American experience of social exclusion and take a close look at the Indian context. To do so, we need to first explore how Amartya Sen define 'social exclusion', followed by Sukhdeo Thorat's understanding of the same.

² We will discuss these two concepts at length in Chapter II

Amartya Sen: Capability Deprivation

Amartya Sen (1999) in *Development as Freedom* suggests that the idea of social exclusion has conceptual connections with well-established notions in the literature on poverty and deprivation, and has antecedents far older than the specific history of the terminology might suggest. Therefore, he locates the idea of social exclusion in the context of poverty as capability deprivation. The idea of seeing poverty in terms of poor living is not new. Indeed, the Aristotelian account of the richness of human life was explicitly linked to the necessity to “first ascertain the function of man”, followed by exploring “life in the sense of activity”. In this Aristotelian perspective, an impoverished life is one without the freedom to undertake important activities that a person has reason to choose (Sen 2004). However he adds that the language of exclusion is so versatile and adaptable that there may be a temptation to dress up every deprivation as a case of social exclusion.

Unfavourable Exclusion – Unfavourable Inclusion

Next, Sen (2004:4) draws attention to various meanings and dimensions of the concept of social exclusion, distinguishing between a situation where some people are being kept out, and where some people are being included on deeply unfavourable terms, and described the two situations as ‘unfavourable exclusion’ and ‘unfavourable inclusion’. ‘Unfavourable inclusion’ with unequal treatment may bring on the same adverse effects as ‘unfavourable exclusion’. Sen also differentiates between ‘active and passive exclusion’. For causal analysis and formulating policy responses, Sen argues that ‘it is important to distinguish between ‘active exclusion’ — fostering of exclusion through deliberate policy interventions by government or other agents (to exclude some people from some opportunity) — and ‘passive exclusion’, which works through the social process. There are no deliberate attempts to exclude but the process may result in exclusion from a set of circumstances.’

Constitutive Relevance and Instrumental Relevance

Sen further distinguishes the ‘constitutive relevance’ of exclusion from that of its ‘instrumental importance’. In the former, exclusion or deprivation has an intrinsic importance of its own. For instance, not being able to relate to others or take part in

the life of the community can directly impoverish a person's life, in addition to the further deprivation it may generate. This is different from social exclusion of 'instrumental importance', in which the exclusion in itself is not impoverishing but can lead to impoverishment of human life. Sen also differentiates between 'active and passive exclusion'. For causal analysis and formulating policy responses, Sen argues that 'it is important to distinguish between 'active exclusion' — fostering of exclusion through deliberate policy interventions by government or other agents (to exclude some people from some opportunity) — and 'passive exclusion', which works through the social process. There are no deliberate attempts to exclude but the process may result in exclusion from a set of circumstances.'

Globalization and Social Exclusion

The epistemic question on which the literature of social exclusion focuses is how to get a better understanding of the diverse phenomena of deprivation and poverty, focusing particularly on relational obstacles. The world in which we live is not a static one; it is changing – rapidly; for example, the forces of globalization are bringing in new groups of people into economic, social and cultural contact with each other (Sen 2004). Globalization is both a threat and an enormous opportunity. The ability of people to use the positive prospects depends on their not being excluded from the effective opportunities that globalization offers. If people are excluded from these opportunities, then the overall impact of globalization may be exclusion from older facilities of economic survival without being immediately included in newer ways of earning and living. Given the adaptability of the language of exclusion, "exclusion" can include "exclusion from equitable inclusion" or even "exclusion from acceptable arrangements of inclusion".

Sukhdeo Thorat: Societal relations and Denial of Rights

According to Thorat (2004) social exclusion has been defined as 'the process through which individuals or groups are wholly or partially excluded from full participation in the society within which they live.' Two defining characteristics of exclusion are particularly emphasized: the societal relations (or institutions) that cause exclusion and its consequence of deprivation in several spheres through the denial of equal

rights. The way in which it has been developed in social science literature, the concept of social exclusion in general and economic exclusion in particular essentially refers to societal institutions (of exclusion), and their outcome (in terms of deprivation). In order to understand the dimensions of exclusion, therefore, it is necessary to understand the social relations which lead to exclusion of certain groups, causing deprivation in multiple spheres — civil, cultural, political and economic. For a broader understanding of the concept of exclusion, insights into the societal process and institutions of exclusions are as important as an understanding of the outcome of deprivation for certain groups.

‘Social’ character of Exclusion

For conceptual clarity, it is necessary to recognize the group character of exclusions. It is also equally necessary to recognize that economic exclusion or discrimination is independent of income, productivity or merit of individuals in the group. Often, people do get excluded from markets due to lack of income, or from employment due to low productivity or skill, or from admissions due to low merit. In the case of group-based exclusion, on the other hand, the basis of exclusion is group identity and not the economic characteristics of a group. The focus of exclusion is the social group, not the individual. Exclusion necessarily leads to denial of economic opportunities and powerlessness but low income, poor productivity or low merit are not the original criteria. Rather, they are the outcomes of exclusion associated with group identity. This group characteristic needs to be recognised when we discuss policies and remedies against discrimination. It is also possible that some individuals in the group discriminated against may be economically better off and may have some advantage in overcoming the effects of discrimination. But since exclusion has a group focus, they would also suffer from discrimination — perhaps not of same degree and magnitude as the poor members of their group.

Further elaboration of the concepts of exclusion or discrimination has come from mainstream economics in the context of race and gender (Thorat 2009). The mainstream literature throws more light on discrimination that works through markets and has developed the concept of market discrimination with some analytical clarity. In the market discrimination framework, exclusion may operate through restrictions

on entry to markets and/or through 'selective inclusion', but with unequal treatment in market and non-market transactions (this is close to Sen's concept of unfavourable inclusion).

Social Inclusion: Affirmative Action

Here briefly we need to look at what constitutes *social inclusion*. Social inclusion, the converse of social exclusion, is affirmative action to change the circumstances and habits that lead to (or have led to) social exclusion. *Social Inclusion* is a strategy to combat social exclusion, but without making reparations or amends for past wrongs as in *Affirmative Action*. It is the coordinated response to the very complex system of problems known as social exclusion. The notion of social inclusion can vary, according to the type of strategies organizations adopt.

Globalization

Epistemology

Dictionary of English (Oxford edition 2006) describes globalization as a process by which regional economies, societies, and cultures have become integrated through a global network of communication, transportation, and trade. The term is sometimes used to refer specifically to economic globalization: the integration of national economies into the international economy through trade, foreign direct investment, capital flows, migration, and the spread of technology³. However, globalization is usually recognized as being driven by a combination of economic, technological, socio-cultural, political, and biological factors. The term can also refer to the transnational circulation of ideas, languages, or popular culture through acculturation.

According to the Oxford English Dictionary, the word 'globalization' was first employed in 1930, to denote a holistic view of human experience in education. An early description of globalization was penned by the American entrepreneur-turned-minister Charles Taze Russell who coined the term 'corporate giants' in 1897, although it was not until the 1960s that the term began to be widely used by

³ Bhagwati, Jagdish 2004

economists and other social scientists. The term has since then achieved widespread use in the mainstream press by the latter half of the 1980s. Since its inception, the concept of globalization has inspired numerous competing definitions and interpretations, with antecedents dating back to the great movements of trade and empire across Asia and the Indian Ocean from the 15th century onwards.

Jan Arte Scholte (2002) writes, although the term 'globalization' was not coined until the second half of the twentieth century, it has a longer pedigree. In the English language, the noun 'globe' began to denote 'the planet' several hundred years ago, once it was determined that the earth was round. The adjective 'global' began to designate 'world scale' in the late nineteenth century, in addition to its earlier meaning of 'spherical'.⁶ The verb 'globalize' appeared in the 1940s, together with the word 'globalism'.⁷ 'Globalization' first entered a dictionary (of American English) in 1961.⁸ Notions of 'globality', as a condition, have begun to circulate more recently. The vocabulary of globalization has also spread in other languages over the past several decades. The many examples include *lil 'alam* in Arabic, *quanqiuhua* in Chinese, *mondialisation* in French, *globalizatsia* in Russian and *globalización* in Spanish. Among the major world languages, only Swahili has not (yet) acquired a globalization concept, and that exception is perhaps largely explained by the widespread use of English in elite circles of the African countries concerned. In minor languages, too, we now find *globalisaatio* in Finnish, *bishwavyapikaran* in Nepalese, *luan bo'ot* in Timorese, and so on.

Meaning and Features in Sociology

According to the Dictionary of Sociology (Penguin Publications-2003) globalization is a multi-faceted process in which the world is becoming more and more interconnected and communication is becoming instantaneous.

Key features of globalization induced by the type of theoretical concerns: a) globalization points to both an intensification of cross-border interactions and a growing interdependence between national and transnational actors through

'detritorialization' whereby social spaces, distances and borders lose some of their previous overriding influence as political, cultural, social and economic relations become more global over time; b) this dependence has generated the debate around the concept of sovereignty. Effect of globalization in the transformation of the domain of sovereignty to the construction of new modes of governance between states, intergovernmental institutions and non-state actors; c) thus entails not only the intensification of interactions and interconnections that have not only have led to the 'shrinking' of the world but also the emergence of a system of global governance that seeks to regulate and various areas of transnational activity. In addition, a host of non-state actors (NGOs) have become increasingly influential in traditional political forums, and have also helped to shape global decision-making and policies through transnationally-networked forums of organizations that operate beyond and supplement formal state and interstate functions and settings; d) the diminishing efficacy and pertinence of sovereign territoriality raises the question of the justice of the order bolstered by globalization, the parties affected by the causes and consequences of injustice have been increasing in transnational terms. With the increase in normative discourses such as those of human rights and human development, there is an ever-growing global inequality of resources and goods, of extreme poverty and world hunger seems to many theorists to provide ample evidence of the manifest yet avoidable injustice of the existing economic order. 'Communities of fate' extend beyond the political boundaries as economic, political, cultural and social boundaries become increasingly global; e) the challenges of distributive justice under globalization raise other pressing issues concerning the justness of the world order – global order suffers from a palpable 'democratic deficit'. In much of the literature on globalization there is a general consensus that the present system of global governance is distorted in so far as it reflects a hierarchy of power at the international level which too frequently promotes the interests of the most powerful states and global social forces at the expense of the majority of the world's inhabitants; f) in response to the demand for greater participation and accountability in the process of globalization, a global public domain commonly referred to as 'global civil society' is emerging and is widely regarded as playing central role in fostering global governance. Civil society is defined as a realm of cooperative public

engagement and social relations that involves individuals who act collectively yet who are separate or autonomous from the state (Hayden and Ojeli, 2005).

Definitions in Sociology

In the light of the salient features of globalization, it is important to look at some of the classic definitions of globalization put forward by scholars studying this phenomenon closely. However, it has to be borne in mind that globalization is a contested concept, even though there are clusters of authors who do share the same basic approach to this theme. Some of this sharing crosses disciplinary boundaries, some of it does not. Anthony Giddens (1990) proposes to regard globalization as a decoupling or “distanciation” between space and time, while geographer David Harvey (1989) and political scientist James Mittleman (1996) observe that globalization entails a “compression” of space and time, a shrinking of the world. Sociologist Manuel Castells (1996) emphasizes the informational aspects of the global economy when he defines it as “an economy with the capacity to work as a unit in real time on a planetary scale”. In a similar vein, sociologist Gary Gereffi (1994) writes about global “commodity chains” whereby production is coordinated on a global scale. Political scientist Robert Gilpin (1987) defines globalization as the “increasing interdependence of national economies in trade, finance and macroeconomic policy”. Next, sociologist Martin Albrow (1997) defines globalization as the “diffusion of practices, values and technology that have an influence on people’s lives worldwide”.

Ronald Robertson

Robertson (2003) argues that globalization refers both to the compression of the world and the intensification of consciousness of the world as a whole. He opines that there are four dimensions to globalization – the cultural, the social, the political and the economic. He clarifies however, that these are only analytic dimensions required for the refinement of the study, in real world there are never solely economic or political or cultural dimensions.

According to Ronald Robertson, globalization is about directionality and form. As far as directionality is concerned, globalization has to do with the movement of the world as a whole in the direction of unicity – meaning oneness of the world as a single, socio-cultural place. He calls this present stage of globalization as the “global field”. For Robertson, globalization is a process that is bringing about a single social world, which leads to the relativization of all self/society dualisms with reference to an encompassing world-system-of-societies or dualism. Critical for an understanding of Robertson’s position, however, is that the latter does not supersede the former⁴:

In using the terms ‘globalization’ I refer to the overall process by which the entire world becomes increasingly interdependent, so as to yield a ‘single place’. We could even go so far as to call the latter a ‘world society’, as long as we do not suggest by that term that nationally constituted societies are disappearing.

The question of ‘form’ of globalization suggests that there is, in principle, a number of ways in which the world as a whole could have moved in the direction of unicity. The form i.e. the pattern that globalization has taken in the recent centuries consists of four major components viz. nation-states, inter-national relations, individual selves and humankind. Thus, for him, increasingly the world is getting characterized by extensive connectivity and extensive global consciousness. These four components of the “global field” should be regarded as becoming increasingly differentiated from each other over time, although differentiation should not be thought as separation or fragmentation. Differentiation here refers to a process or processes, of increasing concretization of the components in relationships of autonomy-within-reciprocity. In this perspective, globalization, as Robertson suggests is not a distinctively macro process; it is not simply a ‘horizontal’ or a ‘vertical’ process. It is perhaps not just about the ‘big’ phenomena of socio-cultural life but also to the small aspects that entails globalization.

⁴ Robertson, 1989a: 8

Robertson also discusses the term **Glocalization** to further clarify what globalization stands for. While globalization per se refers to a temporal process, glocalization injects a spatial distribution of what is being globalized (Robertson 1995). In other words, rather than stating that a big problem arises from the latter, we can obliterate much of it by responding that the concepts of the global and the local can, or should, be synthesized, that they complicitous (Friedman 1998). The term glocalization has a strong bearing on the homogenization thesis. This thesis pivots on the claim that an essential aspect of globalization is that the world is being swept by forces making for sameness, for global standardization of culture and institutional structures. This has been encapsulated in recent years in the influential McDonalidization thesis (Ritzer 2000).

Immanuel Wallerstein

If Robertson calls globalization as “global field”, for *Immanuel Wallerstein*⁵ (2004) it is the modern “world system” that defines globalization. According to Wallerstein, in his “*World Systems Analysis: 2004*”, globalization is an integral part of the modern world system. There are three historical details he wants us to remember – the long 16th century during which our modern world system came into existence as a capitalist world-economy; secondly, the French Revolution of 1789 as a world event which accounts for the subsequent dominance of the two centuries of a geoculture for this world-system, one that was dominated by centrist liberalism; and thirdly, the world revolution of 1968, which presaged the long terminal phase of the modern world system in which we find ourselves and which undermined the centrist liberal geoculture that was holding the world system together.

This world system has always been a capitalist world economy. What we mean by world-economy is a large geographic zone within which there is a division of labour and hence significant external exchange of basic or essential goods as well as flow of capital and labour. The defining feature of the world-economy is that it is not bounded by a unitary political structure. And, world-economy contains many cultures – we call

⁵ I have discussed Wallerstein at length in Chapter I and II

it geoculture (Wallerstein 2004). We are in a capitalist system only when the system gives priority to the endless accumulation of capital. Using such a definition, only the modern world-system has been a capitalist system. World-economy paves the way for capitalism through division of labour providing the infrastructure for endless accumulation of profit.

For Wallerstein⁶,

The defining characteristic of a social system is...the existence within it of a division of labour, such that the various sectors or areas within are dependent upon economic exchange with others for the smooth and continuous provisioning of the needs of the area.

The capitalist world-system is a collection of many institutions; the market is its basic institution. The totally free market functions as an ideology, a myth, and a constraining influence, but never as a day-to-day reality (Wallerstein 2004). Wallerstein defines globalization in terms of his understanding of the modern world system with a capitalist world economy, division of labour featured with the practice of universalism and particularism.

Jan Aart Scholte

In view of *Jan Aart Scholte (2000)*, globalization includes an emergent information age, a retreat of the states, the demise of traditional cultures, and the advent of postmodern epoch. In normative terms, some people have associated globalization with progress, prosperity and peace. For others, however, the world has conjured up deprivation, disaster and doom. Scholte adds that globalization means a fundamental transformation of the human geography. Discussions of globalization highlight the question of borders i.e. the territorial demarcations of state jurisdictions, and associated themes of governance, economy, identity and community. Around this theme of borders one can distinguish three common understandings of the term globalization. The first identifies globalization as an increase of cross-border

⁶ Wallerstein, 1974b: 390

relations; the second treats globalization as an increase of open-border relations; and the third regards globalization as an increase of trans-border relations.

This rise of this 'supreterritoriality' is reflected in the sphere of communications, organizations, trade, finance, ecology, and consciousness.

Scholte thus defines globalization in terms of few concepts we use in common parlance overlapping with 'globalization' - internationalization, liberalization, universalization, westernization (or modernization) and deterritorialization. In relation to internationalization, the term 'global' is simply another adjective to describe cross-border relations between countries, and thus globalization designates a growth of international exchange and interdependence. The second usage views globalization as liberalization. Here he talks about the economic aspects of globalization. Globalization refers to a process of removing government-imposed restrictions on movements between countries in order to create an 'open', 'borderless' world economy (Sanders 1996). Therefore, globalization has become a prominent catchword for describing the process of international economic integration. The third conception has equated globalization with universalization which refers to a 'planetary synthesis of cultures' in a 'global humanism' (Reiser and Davies 1944). This reflects the social impact of globalization. A fourth dimension equates globalization with westernization or modernization especially in an 'Americanized' form (Taylor 2000). Globalization in this regard is sometimes termed as 'McDonaldization'. This is about the cultural perspective of globalization. So far as deterritorialization is concerned globalization entails a reconfiguration of geography, so that social space is no longer wholly mapped in terms of territorial spaces, territorial distances and territorial borders. This relates to the political dimension of globalization.

Scholte adds that depending upon the way one identifies globalization in terms of universalization, internationalization or liberalization etc one develops opinion and sees the phenomenon as good or bad.

Arjun Appadurai

Arjun Appadurai (1999) deals with globalization by identifying five cultural flows that he terms as ethnoscaples, mediascaples, technoscaples, financescaples, and ideoscaples. He insists that the suffix –scape allows us to point to the fluid, irregular shapes of these landscapes that characterize international capital as deeply as they do international clothing styles.

The landscapes are thus the building blocks of what he calls imagined worlds (Anderson 1983), that is the multiple worlds that are constituted by the historically situated imaginations of persons and groups spread around the globe. By ethnoscape, he means the landscape of persons who constitute the shifting world in which we live: tourists, immigrants, refugees and other moving groups and individuals constitute an essential feature of the world and appear to affect the politics of (and between) nations to a hitherto unprecedented degree. By technoscape, he means the global configuration, also ever fluid, of technology, both high and low, both mechanical and informational, now moves at high speeds across various kinds of previously impervious boundaries. Next, financescape as the disposition of global capital is now a more mysterious, rapid and difficult landscape to follow than ever before, as currency markets, national stock exchanges, and commodity speculations move megamonies through national turnstiles at blinding speed, with vast, absolute implications for small differences in percentage points and unit times. Further, mediascape refers to the distribution of the electronic capabilities to produce and disseminate information (newspapers, magazines, television stations etc.) which are now available to a growing number of private and public interests throughout the world, and to the images of the world created by these media. Ideosaples are also concatenations of images, but they are often directly political and frequently have to do with the ideologies of states and the counterideologies of movements explicitly oriented to capturing state power or a piece of it.

Appadurai discusses these scapes at the backdrop of a deterritorialized world that is due to modern day's globalization.

A.G. Frank

A.G. Frank (1998) turns received Eurocentric historiography and social theory upside down by using a 'globological' perspective. He renders historical events from this much more global perspective and propose to account for "the Decline of the East" and the concomitant "Rise of the West" within the world as a whole.

Contesting Marx and Weber Frank offers that there were not several world economies in the early modern era. Instead there was only world economy and system in which Europe was not and could not have been hegemonic, as they mistakenly claimed. Thus, also contrary to their claims, this world economy and system also could not have started in Europe. One of the early purposes of this book "Re-Orient" is to show that there was already an ongoing world economy before the Europeans had much to do and say in it. There are two naturally derivative points: one is to show that Asia, and especially China and India, but also Southeast Asia and west Asia, were more active and the first three also more important to this world economy than Europe was until about 1800. The other derivative point is that therefore it is completely counterfactual and anti-historical to claim that 'historians already knew that Europe built a world around itself'. Thus he challenges "eurocentrism" and aims at building an understanding of globalization in terms of "humanocentrism".

Therefore, history is about "globalism" and not "Eurocentrism". The argument is that it was not Asia's alleged weakness and Europe's alleged strength in the period of early modern world history but rather the effects of Asia's strength that led to its decline after 1750. Analogously, it was Europe's previously marginal position and weakness in the world economy that permitted its ascendance after 1800. This development also took advantage of "the Decline of Asia" after 1750.

Thus, summarizing Frank's arguments one can say that since the whole is more than the sum of its parts, each part is not only influenced by other parts, but also by what happens in the whole world (system). There is no way we can understand and account for what happened in Europe or the Americas without taking account of what happened in Asia and Africa – and vice versa – nor what happened anywhere without identifying the influences that emanated from everywhere. that is form the structure

and dynamic of the whole world (system) itself. In a word we need a holistic analysis to explain any part of the system.

Review of Literature

Literature review for any research helps the researcher formulate the research problem. It shows the researcher the correct path to find suitable research questions and collect enough secondary sources to eventually answer those questions. On the other hand, it also sensitizes the readers to the background and overall area of the research. There can mainly two types of literature a researcher has to review – review of concepts and review of empirical observations. I will first try to problematize the issue of globalization, development and exclusion with the help of existing literature to provide a conceptual review. Next, I will substantiate those problems by some empirical details.

Conceptual Review

When did globalization emerge in the history of mankind is a highly contested issue. Digging in the layers of the past one can even say that globalization started right in the 16th century. However, in this study we are concerned about the modern day globalization. Therefore, we will begin with the post-World War II era till present. There is little question that capitalism has undergone profound changes in its national and global forms of development in the post-Second World War period (Petras and Veltmeyer 2001:13).

However, contemporary neoliberal globalization emerged in the 1970s, from the crisis of post-war international capitalism. This is reflected in the breakdown of the post-war Bretton Woods system, the ‘decline’ of U.S. hegemony and the rise of neoliberalism and related expansion of the ‘free market’ and dominance of financial capital (Keiley 2009). Globalization, thus, historically speaking has always been dominated by capitalist social relations. The globalization process involves worldwide or all embracing reach of any phenomenon in society, which is organized at many levels – local, provincial, national, regional, continental and global (Mann, 1986). It is contributing towards shrinking of time and space beyond the nation-states (Harvey,

1989). As already mentioned above, when did globalization start ‘happening’ and in what form (cultural, economic or political) are questions scholars have asked time and again in research. Answers to such questions also keep varying from one school of thought to another. Therefore, not getting into these issues of when and what, here in this research I would like to pose the question of ‘how’ – how does globalization through its variety of manifestations have an impact on peoples’ lives across the world?

Globalization, “Progress”, and Uneven Development

The most notable features of the new world economy are the increasing links between the high and low income countries. For globalization enthusiast, this development promises increased gains from trade and faster growth from both sides of the worldwide income divide. For skeptics the integration of rich and poor nations promises increasing inequality in the former and greater dislocation in the latter (Sachs, 2003). In that light, issues in question in terms of economic globalization have come to include – can economic globalization at all promote faster economic growth for the 4/5th of the world population still living in the developing countries, or does it promote growing income inequality; and how should governmental institutions at all levels adjust their powers and responsibilities in view of emergence of a global market (Sachs, 2003). A former Chief economist at the World Bank, Stiglitz not only provides an ‘insider’s view, at the same time contests the positions taken by the IMF and World Bank in their pursuit of eradicating global poverty. He begins his book *Globalization and its Discontent* (2001) by reminding us of World Bank’s official motto: *Our dream is a world without poverty*; and points towards the irony of it. Further he blatantly put it – “One of the major obstacle the developing countries faced was man-made – IMF”. He writes on *Asymmetries of information* that serves as defining lines of power relation between the “developed” and the “developing” world.

To the enthusiasts, globalization is *progress*; the developing countries must accept it, if they are to grow and to fight poverty effectively. But to many in the developing world, globalization has not brought the promised economic benefits. If globalization has not succeeded in reducing poverty, neither has it succeeded in ensuring stability. Crises in Asia and Latin America have threatened the economies and the stability of

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all developing countries. The critics of globalization accuse Western countries of hypocrisy and the critics are right. The Western countries have pushed poor countries to eliminate trade barriers, but kept their own barriers, preventing developing countries from exporting their agricultural products and so depriving them of desperately needed export income. But even when not guilty of hypocrisy, the West has driven the globalization agenda, ensuring that it garners a disproportionate share of the benefits, at the expense of the developing world.

Those who valued democratic process saw how “conditionality” – the conditions that international lenders imposed in return for their assistance – undermined national sovereignty. Protestors see globalization in a very different light than the treasury secretary of the United States. The differences in views are so great that one wonders, are the protestors and the policy makers talking about the same phenomena? Nederveen Pieterse (2009:5) also points towards the limits of globalization in terms of fairness, inclusivity and sustainability capacity. There are evidences of unfairness, marginalization and exclusion.

However, at the same time we need to look at the emergence of new spaces which are constantly coming within the fold of “advantage-globalization”. With the rise of South Asian economy in terms of China, India, Singapore, Thailand and South Korea, one cannot overlook the changing implications of social exclusion in the context of globalization in the 21st century. Next, the recent economic crisis and the global melt down have brought the question of the American bubble into multiple scrutiny; some even go on to claim that the bubble is “bursting” (Pieterse 2001). Therefore, the argument is no more restricted to “the West and the Rest”; it is increasingly also about the many ways different pockets of the so-called “Third World” are included in the globalized economy, therefore rendering the issue of exclusion and uneven development even more complicated.

Thus in this research the research problem is firstly to look at how globalization shares its benefits with some particular communities in the world due to the relative advantage in their social location as opposed to the rest. The problem lies with the fact that communities disadvantaged by globalization and its lopsided terms and

conditions are much more than its beneficiaries. Therefore, it needs serious attention to deconstruct and decode the effects of globalization. Globalization, with its feature of uneven development is perpetuating social exclusion.

Globalization skeptics and forces opposing globalization

Next, if globalization has got shortcomings in its spread of generous wings, then there has to be forces opposing the globalizing process. The opponents or the 'losers' of globalization are found to identify with certain essential characteristics. The list includes the following: firstly, it is a capitalist design against the working classes or peasants; secondly, it is rooted in the agenda of the unilateralism of the U.S. which hopes to establish global hegemony; thirdly, it is promoting clash of civilizations; fourthly, it is destroying the national sovereignty of the post-colonial nation-states and promoting power of the multinational and transnational corporations; fifthly, it is causing identity crisis through decline and fragmentation in 'national identity' and promotion of ethnicization; and sixthly, it is only deepening disparities and poverty within and between nation-states in the world system (Kumar, 2009). Resistance to globalization-from-above has been multifaceted, just as globalization itself. Since development and exclusion are uneven (or differential) the forces countering globalization cannot be monolithic. Thus, while anti-globalizers desire for a total annihilation of the globalization process, for the alter-globalization brigade, it is about accommodating more reasonable terms of exchange.

In terms of changing the on-going dynamics of uneven development and exclusion as a result of globalization, the protestors largely look at the concept of global civil society and the 'Third Way Network'. According to Martin Weber (2005:89) global civil society provides an alternative universalizing discourse compared with the dominant one lodged in the expansion and entrenchment of modernity characterized by capitalist-liberal states. On the other hand, the Third Way politics of Giddens (2001:7) aims at restructuring the left politics so as to cut down on leftist overtone. Apart from these two, there are several other alternatives that are constantly being proposed, negotiated, sometimes dismissed and most of the times assimilated into the diverse ideological discourse of alternatives to globalization. However in this research we consider only the relevance of global civil society, the Third way Network and the

emergence of World Social Forum (WSF) as the defining premises in which discussions on “another world is possible” are gaining momentum. Therefore, the second part of the research problem is about concentrating upon these structures and ideologies to locate the desired strands of changes in globalization.

A Schematic representation

Thus, with the help of a schematic representation I will try to depict a clearer picture of the focus of my study.

- 1) GLOBALIZATION FORCES

NORTH	(EAST?)	SOUTH
DISPARITY		
EXCLUSION		
MARKET-STATE-COMMUNITY/ COUNTRY-REGION-GLOBE		

- 2) COUNTER-GLOBALIZATION FORCES

RESISTANCE TO GLOBALIZATION-FROM-ABOVE	
ANTI-GLOBALIZATION	ALTER-GLOBALIZATION
POST-GLOBALIZATION ALTERNATIVE	
SCOPE FOR GLOBAL CIVIL SOCIETY	

The Indian Context

Lastly, any discussion on globalization, uneven development and exclusion in general would remain incomplete without a word on India in specific. This forms the third and the last part of the research problem. More so with India arguably ‘arriving’ in the global market, it is no longer a case of only poverty and exclusion in this country; in the contrary, Indian metro-cities are more often than not compared with the global cities in more affluent parts of the world. Nevertheless, globalization has not been

successful in eradicating the age-old practices of exclusion in India, namely caste discrimination. The Indian Constitution recognizes this and provides for positive discrimination (affirmative action) included in the Fundamental Rights. Definitions of the concept emanate from diverse ideological perspectives, but most share the following features:

- (1) Lack of participation. Protagonists differ over which aspects of society are important and where responsibility for non-participation resides. Most agree that exclusion is a matter of degree, since individuals may be participating to a greater or lesser extent, and that it is relative to the society in question.
- (2) Multi-dimensional. Social exclusion embraces income-poverty but is broader: other kinds of disadvantage which may or may not be connected to low income, such as unemployment and poor self-esteem, fall within its compass.
- (3) Dynamic. The advent of dynamic analysis and a demand from policy makers to investigate cause as well as effect has generated an interest in the processes which lead to exclusion and routes back into mainstream society.
- (4) Multi-layered. Although it is individuals who suffer exclusion, the causes are recognized as operating at many levels: individual, household, community, and institutional.

Empirical Review

Even as the world economic recovery continues to advance, it faces fresh headwinds on the road to sustainable medium term growth, cautions the World Bank's latest Global Economic Prospects 2010. Global GDP is projected to expand between 2.9 and 3.3 percent in 2010 and 2011, strengthening to between 3.2 and 3.5 percent in 2012, reversing the 2.1 percent decline in 2009. Developing economies are expected to grow between 5.7 and 6.2 percent each year from 2010-2012. High-income countries, however, are projected to grow between 2.1 and 2.3 percent in 2010—not enough to undo the 3.3 percent contraction in 2009. The report warns that while the impact of

the European debt crisis has so far been contained, it has the real potential to derail global growth.

A prolonged period of rising high-income sovereign debt could make global borrowing more expensive for developing countries, curtail investment and growth, and ultimately result in more poverty. Developing countries with close trade and financial ties to highly-indebted high-income countries may feel serious ripple effects. The 2010 version of this World Bank report states that the economic crisis is "having serious cumulative impacts on poverty, with 64 million more people expected to be living in extreme poverty by the end of 2010 than would have been the case without the crisis, according to updated analysis."

According to World Development Report 2009, Economic growth will be unbalanced, but development still can be inclusive. That is the main message of this year's World Development Report. The report proposes that spatial transformations along the following three dimensions will be necessary. Higher density as seen in the growth of cities. Tokyo, the world's largest city is home to 35 million--a quarter of Japan's population--but stands on just four percent of its land. Shorter distances as firms and workers migrate closer to economic opportunities. Eight million Americans change states every year, migrating to reduce distance to economic opportunity. Fewer divisions as countries thin their economic borders to enter world markets to take advantage of specialization and scale. Border restrictions to flows of goods, capital, ideas, and people continue to prevent progress in Africa, in contrast with Western Europe. World Development Report 2009 highlights today's biggest development challenges at the local, national, and international levels.

Ever since the start of the century poverty remained a global problem- of huge proportions. Of the world's 6 billion people, 2.8 billion live on less than \$2 a day and 1.2 billion on less than \$1 a day (WDR 2000-01). Eight out of every 100 infants do not live to see their fifth birthday. Nine of every 100 boys and 14 of every 100 girls who reach school age do not attend school. Poverty is also evident in poor people's lack of political power and voice and in their extreme vulnerability to ill health, economic dislocation, personal violence and natural disasters. And the scourge of

HIV/AIDS, the frequency and brutality of civil conflicts, and rising disparities between rich countries and the developing world have increased the sense of deprivation and injustice for many. World Development Report 2000/2001: *Attacking Poverty* (which follows two other World Development Reports on poverty, in 1980 and 1990) argues nevertheless that major reductions in all these dimensions of poverty are indeed possible. Actions are needed in three complementary areas: promoting economic opportunities for poor people through equitable growth, better access to markets, and expanded assets; facilitating empowerment by making state institutions more responsive to poor people and removing social barriers that exclude women, ethnic and racial groups, and the socially disadvantaged; and enhancing security by preventing and managing economy-wide shocks and providing mechanisms to reduce the sources of vulnerability that poor people face.

Alternative economic survey 2001-02 suggests that "The Structural Adjustment Programme (SAP) has completed more than a decade. The Indian state brought upon itself an acute intensification of the chronic fiscal and balance of payments difficulties. The statist economic growth model in force during the 1950-1990 in its various avatars was increasingly made nominal, friendly and subservient to the market forces: it was demonised as the root cause of the crisis of macro-economic management in early 1991. The steadily worsening crisis of the denial of a secure livelihood and basic democratic rights formed no part of this perspective. Ignoring this wider social goal, the economic and financial 'crisis' was used as a ploy to trigger off a series of far-reaching changes in the policy objectives, instruments and directions desired by global multinational agencies and organizations and a large chunk of India's big capital. It was an attempt to make India speedily and stealthily redesign her economy, polity, society and culture bypassing mass political approval. This represents, in a nutshell, an unfortunate saga of the disempowerment of popular forces and an emptying of Indian politics of its limited democratic content, leaving only the form. "For a no-holds-barred execution of these unjust hegemonic designs, a sustained campaign of disinformation, regimentation, cultural conditioning and severe street violence is deployed with a systematic regularity. The official Economic Survey of the government is increasingly being used for sugarcoating the bitter pill of liberalization."

In the foreword of the World of Work Report 2009, Raymond Torres, Director of the International Institute for Labour Studies, notes that “The world economy is rebounding from the financial crisis, aided by stimulus measures...” and refers to the 3 percent economic growth that is expected by the International Monetary Fund (IMF) for 2010. However, at the same time, he warns that “the job crisis is far from over” and could even worsen if adequate measures are not taken.

The report finds that over 20 million jobs have been lost since the onset of the global crisis, but estimates that the real size of the job crisis is even larger as millions of jobs are still at risk.

The report also expects that at least 5 million additional jobs could be lost when governments stop supporting reduced working-time practices, and that nearly 43 million job losers and new entrants could drop out of the labour market or enter long-term unemployment unless appropriate action is taken. In developing countries, high levels of informal employment will persist. Worsening the situation are the significant gaps in coverage in social protection systems.

“Experience from earlier crises suggests that employment in high GDP per-capita countries will not return to pre-crisis levels before 2013 and employment rates (employment to working-age population ratios) not before 2014. In emerging and developing countries, employment levels could start recovering from the end of 2010, but employment rates might not recover in the near term. These trends would exert further downward pressure on wages, aggravating the risk of depressed consumption and making recovery fragile,” the report states.

Besides dealing with the root causes of the crisis, such as the influence of financial markets in the operation of the nonfinancial sector, as well as with other related global challenges, such as climate change, the report calls upon governments to start implementing the Global Jobs Pact in combination with green policies in order to support employment creation, build social protection systems, and create a low carbon economy.

Summary

Therefore, the research problem has three parts: firstly to look at the issue of globalization, lopsided development and social exclusion; secondly, to examine the forces opposing the unjust logic of accumulation of globalization; and lastly to look at how India responds to globalization in terms of eradicating the existing structures of social exclusion (or establishing new ones?).

Thus, summarizing the arguments so far, it can be said that the current economic crisis has shifted leverage away from the 'gainers'. Forces opposing globalization are gathering momentum and gaining relevance from a certain political standing which put their plight at cross with the gains of globalization. There are several structural and systemic gaps inherent in globalization which provides preferential treatment for a minority section of the world population at the cost of deliberate ignorance for the rest. Given this, it is sociologically relevant to explore the concerns of such people who are at a disadvantage due to globalization. Who are these people termed as a 'losers' of economic globalization and why so, form the central problem of this research.

Methodology

The research is based on secondary sources⁷ i.e. review of existing literature and interpretation of statistical reports of different international organizations representing the North and the South (as already discussed in the previous section). Here I would like to discuss the chapter scheme of the study. Each of my chapters tries to provide an answer to each of my research questions in a chronological order.

Chapter Scheme

The dissertation contains seven chapters including an 'Introduction' and a 'Conclusion'. In the first chapter "*Global North-Global South: Issue of Exclusion*"

⁷ Field work is not permitted in the Mphil program of CSSS/SSS. We are supposed to present our study on the basis of secondary sources.

theories of globalization are discussed in detail along with an account of how Global North and Global South divides the world; we also mention WDR and Alternative Economic Survey Reports to empirically substantiate the theories. The second chapter '*Global Interdependence; New Links Emerging?*' is specifically about the 21st century globalization and its peculiarities. With China and India arriving at the global market one cannot ignore the changing face of the global order in which the bipolar North-South divide is giving way to a multi-polar world. In this context the implication of exclusion is also changing. In the third chapter "*Range of Resistance to Globalization*" the anti and alter-globalization movements are discussed with special reference to the World Social Forum. In the fourth chapter "*Alternatives: Civil, Global Governance and Nation States*" I have mainly looked at Anthony Giddens's Global Third Way Network and the relationship between Global Civil Society and Nation State, especially in the context of global governance. The last chapter "*On Globalizing India: Implications of Social Exclusion*" is a study about the Indian context; with India going through the forces of globalization it is extremely relevant to examine the consequences on her social fabric in terms of exclusion. The biggest force of exclusion in India is caste, with religion (religious minorities) taking the second position.

Limits of the Study

This piece of work seeks to unveil a *general* discussion on the issue of social exclusion resulting from economic globalization. That is why I have confined it to the major categories of exclusion (e.g. race, gender, class, caste age etc) as I do not want this discussion to be restrictive. Also, while doing the literature review for my thesis I find that all the spheres of exclusion are interlinked; to study them individually in a state of clinical detachment from the other would run the risk of acquiring a partial vision of the crisis. This study has avoided dealing with the specific principles of exclusion as it may divert the attention from crucial interlinkages. Therefore, absence of specificity in this thesis is intended and not a matter of negligence.

Next, I am looking at the mutuality between *economic* dimension of globalization and social exclusion only. I am not exploring the other facets of globalization namely political and cultural globalization.

1

Global North-Global South: Issue of Exclusion

The basic thrust of this chapter is to deal with varied range of theoretical strands that we come across in our attempt to locate the differential notion of exclusion and inclusion in the context of economic globalization. On one hand we have Wallerstein, Amin and Luhmann, Petras and Veltmeyer, we also have Giddens and Stiglitz on the other. Again, if Jagdish Bhagwati and Meghnad Desai come at odd with the aforementioned genre of theorists, we find A.G. Frank putting the entire notion of globalization upside down in his writing. Therefore, through the varied range of arguments that we negotiate with in these theories, we try to contextualize the relevance of Global North-South divide of exclusion and polarization, and thereby try to answer the first research question of the study.

'Exclusion' is one of the analytics to study the differential impact of economic globalization on countries. Exclusion cannot be absolute; if certain section of the population is denied access to resources then a logical inference is that the rest of the section is included and shares the benefit of globalization.

Globalization through the Lens of Sociological Theories:

Immanuel Wallerstein

I have discussed Wallerstein at length in the next chapter because I personally feel his theory fits better in the context of that chapter. Nevertheless we discuss him here as well in a precise fashion as any debate on globalization is hard to find its trajectory sans a mention of Wallerstein.

The 'world system' theory of Immanuel Wallerstein emphasize that it is impossible to understand the political and ideological vicissitudes of history without setting these phenomenon in their economic and material context. There are three kinds of social systems: mini-systems, world-empires and world economies. The world economy is a large geographical zone within which there is a division of labour and hence a significant internal exchange of goods, capital and labour. A defining feature of the world economy is it is not bounded by a unitary political structure; also a world economy contains many cultures and groups insofar as they form a geoculture. 'The modern world-system is a capitalist world economy'. The world economy paves the way for capitalism through division of labour that provides the infrastructure for endless accumulation of profit. Wallerstein asserts that globalization is an integral part of the world economy.

Wallerstein's extensive empirical analyses deal almost exclusively with the origin and growth of the modern capitalist world-system. The story, for him, begins in Western European society in the middle of the 15th century and then the European world economy spreads to encompass the whole globe. The key argument he makes about this European world economy is that it created its own geographical divisions: core, periphery and semi-periphery. For Wallerstein, a particular region and the nation-state within it are part of the core, semi-periphery or periphery depending upon what positions their economies have in the world-systems division of labour. Core areas dominate the system; here is where capital is concentrated. They exhibit a complex variety of economic activities, relatively high wages for workers, and the most sophisticated technologies. Peripheral areas provide cheap staples and raw materials which make core economies possible. Their economies centers on a few primary

products, are based on cheap labour, and use relatively simple technologies. Dependency or exploitation defines the relation between the core and the periphery. The semi-periphery is both exploiter of peripheral areas and exploited by the core. It has no unique features associated with it, but rather exhibits a combination of both core and peripheral features. Its function in the world-system is both as a stabilizing buffer between core and periphery, and as the dynamic middle. Semi-peripheral areas represent the possibility of upward mobility in the world-system. Their quest for inclusion in the core makes them ideal agents to control the periphery for the core.

The development of the world-system, for Wallerstein, following a typical Marxian perspective, is not a smooth, evolutionary process, not is it complete.

John Meyer

The contribution of John Meyer consists on one level in the application of rigorous quantitative methods to the Wallersteinian world-system model. It, therefore, accepts many of Wallerstein's ideas, especially as regards the structure of the world economy. On the level of the theoretical understanding of globalization, however, Meyer does more than elaborate the received model: to the basic notion of a world economy he adds the analysis of a world-polity, particularly the global system of nation-states. For Meyer, the world-polity is a system that operates parallel to the world-economy, and to a significant degree is functionally independent of it. Nation-states are not only conditioned by the world-economy, they also condition the operation of that economy in a way that is not reducible to economic forces. In Meyer's words, 'the world political system is linked closely to the rise and expansion of the world commodity economy, but it also operates to restructure and alter this economy, and to transform social life' (1980: 109). This view therefore, undermines the basis of Wallersteinian model because it denies that the global social system is fundamentally a world-economy of which states are but superstructural reflections. The perspective of the economy is not synonymous with the perspective of the whole; it cannot explain the independent power and variation of the system of nation-states.

The dialectical relationship between world-economy and world-politics in Meyer's theory can address the anomalous position of antisystemic movements in

Wallerstein's theory. The differentiation of the world-polity from the world-economy on the basis of distinct modes of value creation allows the state to become the locus of mobilization against the inequalities of the world capitalist system.

Luhman

For Luhman, modernization and globalization are intimately related. In this case, modern society is a consequence of a change in Western society in the type of inner-societal differentiation that dominates. To conceive the characteristic differentiation of modern society, Luhman looks at the shift from a dominance of stratified differentiation to a dominance of functional differentiation. Stratification, he continues, can be a form of subsystem differentiation and not just the unequal distribution of status, wealth, power, and other forms of influence. Further, dominance of stratified differentiation does not exclude the presence and importance of functional distinctions, such as an economic division of labour or specified institutions like political bureaucracies and religious orders. In his pursuit of thematizing society, Luhman applies a strategy which uses a specific functional subsystem as the part that represents the whole. Here he puts those notions that see global society as a capitalist system, thereby privileging the economy and the political system.

Petras and Veltmeyer

According to the well-known Marxists Petras and Veltmeyer (2001:11) one of the major issues today is whether the world inequalities and the North-South gap in the distribution of economic resources and income is growing, as supporters of the imperialism thesis argue, or, as globalization theorists argue, conditions are maturing for a reduction of these disparities. It has been widely recognized that market-led or market-friendly developments associated with globalization have exacerbated existing global inequalities or generated new ones. Social inequalities in the distribution of economic or productive resources, and income are widely seen to be on the increase. Many studies along these lines make a critical approach towards neoliberal capitalism and global development.

Advocates of globalization have not been especially concerned about the identified increase in global social inequalities. With reference to a theory that has been converted into a doctrine, growing inequalities are generally taken to be the inevitable short term effect of the market-led growth process, based as it is, on an increase in the national savings rate and an increased propensity to invest these savings. The reasons for this is that necessary conditions for an increase in the rate of savings and investment include a larger share of capital in national income, and a decline in the share of income available for consumption, that is, distributed in the form of wages and salaries. The political dimensions of these global social inequalities have been subject to considerable analysis, and at the national level, to corrective policy. The problem is that the social discontent generated by these inequalities is liable to be mobilized into movements of opposition and resistance, giving the adjustment processes the potential to destabilize political regimes committed to them

Despite broad agreement among advocates and opponents of globalization that global inequalities in economic resources and income can be assumed or shown to be on the increase since the mid-1980s, there are some who argue the contrary – that the North-South gap is closing. Interesting (or oddly) enough, this point has been made by Griffin (1995) a recognized opponent of market-led development and an advocate of state regulation of the operations of capital in the market. According to him, the empirical evidence clearly suggests that the North-South income gap is closing rather than growing. Griffin also argues that global income inequality has begun to diminish in recent years. There has occurred “a remarkable change in the distribution of the world’s income”, with average global incomes rising, resulting in many of the poor becoming less poor.

However, the UNDP and UNIDO reports do not suggest so; globalization evidently has very clear winners and losers, and the developing countries are the losers. A part of the discrepancy in viewpoint and analysis lies in the assumption made by Griffin and others that with the rise of average global incomes the poor are relatively better off. However, as Bienfeld (1995) points out, most of the world’s poor do not have access to income-generating productive resources. And with the explosive growth of the world’s informal sector sectors and low-income activities or forms of

employment, as well as the sharp decline of real wages and wage incomes in many parts of the world, a significant part of the world's population is worse off today than in the mid-1980s. This deterioration in socio-economic conditions is reflected in the persistent growth in numbers of those in poverty, whether measured in absolute numbers or as a percentage of population.

The “globalist view” that describes the world market as made up of integrated and interdependent national economies was totally demolished by the events leading to and following the collapse of the Asian economies, when insolvent loans led to massive bankruptcies. Asian regimes putting out the begging bowl to the big banks of Europe, North America and Japan highlighted the nature of imperial relations in the so-called globalized economy. The outcome of the Asian and Latin American crises in which the former lose and the imperial financiers (the ‘triad zone’) win, describes not integration and interdependence but rather subordination and imperialism. The inequalities and exploitation that define the interstate system illustrate the utility of the imperial over the globalist conceptual framework.

Jan Art Scholte

In “*Globalization: A Critical Introduction*” (2000) Scholte asserts that if globalization poses a threat, it is not to the state, but rather to democracy. Susan Strange has described important shifts in the quality as well as the quantity of state power and authority (1996). A globally oriented state or/and suprastate governance agencies are supplanting the territorial nation state of the old. There is a notable change in the character of the state.

Globalization cannot be reduced to the question of capitalism alone; it also accords causal significance to structures of identity, community, knowledge and ecology. What is the relationship between globalization and capitalism: as a causal force, processes of accumulation are through the pursuit of larger market range, lower costs of labour, and new opportunities for accumulation through intangible items such as information, mass media etc.

Globalization highlights the question of borders i.e. the territorial demarcation of state jurisdictions, and associated use of governance, identity and community. The first understanding identifies globalization as an increase of cross border relations. The second treats globalization as an increase of open border relations. The third regards globalization as an increase of transborder relations. Globalization, as the rise of supraterritoriality, can be seen in countless situations of contemporary social life; in the sphere of communications, organizations, trade, finance, ecology and consciousness. The pursuit of surplus accumulation has provided a principle and powerful spur to globalization. Marx in 1850 observed that 'capital by its nature drives beyond every spatial barrier' to 'conquer the whole earth for its market'.

For reduced cost of production, through so-called 'global sourcing', a company draws the materials, components, equipment and services it needs from anywhere in the world. With capitalism driving globalization, it has, in the words of Milton Friedman, become possible 'to produce a product anywhere, using resources for anywhere, by a company located anywhere, to be sold anywhere. Companies can also relocate with comparative ease in response to changing cost conditions. With transfer-price manipulation, e.g. the firm juggles its balance sheets so that profits are largely 'relocated' to those parts of the enterprise which are situated in countries or districts of lower taxation. In some cases, companies have exploited the possibilities of globalization to spread the various stages of a single production process across several countries. Critics often challenge that globalization has increased unemployment (particularly in more industrialized countries), worsened working conditions for those people who retain waged jobs, and thereby threatened local cohesion. Considerable evidence can be marshaled to link globalization to growing income inequalities, greater job insecurity and so on.

Thus, for Scholte, globalization has provided opportunities to extend what Marxists term 'commodification' to new kinds of articles. Indeed, with the growth of transborder relations, we have seen a notable shift in capitalism's centre of gravity from merchandise to 'intangible' (finance, information, communications).

Jagdish Bhagwati

If Stiglitz penned down “*Globalization and Its Discontents*” (2001), Bhagwati in his “*In Defense of Globalization*” (2004) contests Stiglitz. According to him, globalization has human face; in fact economic globalization is also socially benign. If one is interested in improving social outcome, then economic globalization is part of the solution, not part of the problem. North–South divide provides an ironic reversal. In fact, the anti-globalization sentiments are more prevalent in the rich countries of the North while pluralities of the policy-makers and public in the South see globalization instead as a positive force. In 1960s, North was celebrating the success of globalization through trade liberalization etc., while South was skeptic. When South saw the success of the Far East in international economy, they gradually started becoming pro-globalizers. On the other hand, North was getting influenced by ‘malign impact’ ideas and started manifesting their skepticism through formation of labour union etc.

Capitalism, for many, is a system that cannot address meaningfully questions of social justice. That capitalism may be viewed instead as a system that paradoxically can destroy privilege and open up economic opportunity to the many is a thought that is still uncommon. How many of the young skeptics of capitalism are aware that socialist planning in countries such as India, by replacing market system-wide with quantitative allocations, worsened rather than improved unequal access because socialism meant queues that the well-connected and the well-endowed could jump, whereas markets allowed a larger number to access their targets.

Media propels young into anti-capitalist attitudes. This technological source is the dissonance that now exists between the empathy-for others elsewhere in their misery, and the inadequate intellectual grasp of what can be done to ameliorate that distress. The resulting tension spills over to unhappiness with the capitalist system. Anti-capitalism has turned anti-globalization among left-wing students. Anti-corporation militancy that is on the rise among the young anti-globalizers is also strategic. We have witnessed the brilliant way in which the anti-globalizers have managed to use the meetings of the international agencies such as IMF etc. to protest and profess their

anti-globalization sentiments. What better place to create mayhem and get attention from the vast multitude of reporters looking for a story?

There is today no unified block of underdeveloped nations in international economic negotiations, but only coalitions around different interests that often cut across the conventional North-South divide. With the growth of civil societies, there is a legitimate impatience with the speed at which globalization is delivering social agendas. A great upside of the use of moral suasion to accelerate the social good being done by economic globalization is that it joins for common good the two great forces that increasingly characterize the 21st century: expanding globalization and growing civil society. Partnership, rather than confrontation, can lead to shared success. Secondly, the policy of social responsibility has the potential of making capitalism attractive thereby lessening the anti-corporation sentiments for good.

Samir Amin

Amin (1996: 231) defines globalization as, "The establishment of a global market for goods and capital, the universal character of competing technologies, the progression towards a global system of production, the political weight that the global system carries in the competition for global or regional hegemonies, the cultural aspect of universalization, etc." Globalization does not mean the global expansion of capitalist production, but it means power relations according to which the most powerful nation on the earth, the United States of America, imposes its cultural system on other nations.

The worldwide expansion of capitalism generates polarized accumulation: developed and underdeveloped nations, where the former (the few nations) dominate and control the latter (the majority of nations) because they have more power and wealth.

Polarization is "the concurrent construction of dominant centers and dominated peripheries, and their reproduction deepening in each state" which is "inherent in the process of accumulation of capital operating on a global scale" (Amin 2004: 13). "The Third World had been constructed within the framework of capitalist development as the periphery of the newly arising centers of Europe's Atlantic seaboard" (Amin 2005:

1). , Amin points out, development and under-development are the two sides of global capitalist expansion. Amin (1994:63) states:

Underdevelopment was not a backward phase of development but a modern phenomenon of worldwide capitalist expansion responsible at the same time for the development of the centers and the underdevelopment of the peripheries.

Besides the development and underdevelopment, the law of capital accumulation on a global scale generates world inequality in income distribution. The requirement of the process of capital accumulation on a global scale is "by its inner logic had to produce a polarization of wealth and power" (Amin 2005: 1 and 2004:29-51). Rewards for labor in the centers kept pace with productivity, but this was not the case in the periphery, because the periphery's proletariat was disconnected from the global labor market. The peripheries were subjected to the external expansion of the bourgeois states, a situation which led to a very intensive exploitation of peripheries' people: exploitation by world capital and domestic capital, and the latter uses the state power, which is mostly controlled by authoritarian regimes, to suppress and eliminate oppositions under the pretext of law and order. Indeed, this analysis refutes Smith's argument that Amin ignored the national levels, and shows that the exploitative relationships and the existence of low wages pauperize the working people.

Amin divides the evolutionary process of capital accumulation into three historical stages. The first stage (1500-1800) is called mercantilism. The second stage (1800-1880) is called competitive capitalism, a stage characterized by the industrial revolution and by equal exchange between the center and periphery which was gradually integrated into the international division of labor as agricultural and mineral exporters.

The third stage (1880-present) is called monopoly capitalism (or imperialism), which is the most important stage for Amin's analysis (Barone 1982:14), characterized by unequal exchange--the exchange of products whose prices of production, in the Marxist sense, are unequal (Amin 1976:187)--between the center and periphery.

The third stage of imperialism is divided by Amin into four periods: (a) the expansion of 1880-1914, (b) the challenge period till 1949: the Russian revolution, the Chinese revolution, etc., (c) the postwar period between 1950-1991, and (d) the fourth period between 1991 and the present.

The fourth phase of globalization (1991-present) represents the most important phase of U.S. imperialist domination, whose basic objectives according to Amin (1998: 8-9) are, "To destroy the conquests of the working classes, to dismantle the systems of social security and employment protection, to return to poverty wages, to bring [some of] the peripheral countries back to their outmoded status as providers of raw materials while limiting the opportunities of those who become relatively industrialized by imposing the status of subcontractor on their productive systems, and to speed up the squandering of the resources of the planet." Amin (1998: 45) describes this system of power relations as, "Imperialism is once again on the offensive ... globalization ... is ... imperialism". Also "Imperialism does not bargain to maintain its position in some countries, nor does it retreat" it is on the offense: "the Great Powers (conspicuously the United States) continually apply raw power in all domains, whether military ... or economically" (Amin 1998: 44).

Globalization has been associated with a widening inequality in income distribution (Asia Time Online 2006). In the United States of America the Gini coefficient, an indicator measuring inequality, has increased from 0.35 in 1973 to 0.45 in 2004. Twenty percent of the American population has been receiving more than 50 percent of the distributed income and the other 80 percent receives less than 50 percent. American middle class has been squeezed in that part of it has moved upward and the other part has been moved downward. Similarly, in Japan the middle class has been replaced by a small group of very rich individuals and poor. In China, the wealth gap has been widening such that very few Chinese have become wealthy and millions of them have been living in the mostly poor country side. Chinese Gini coefficient has become about 0.45 in 2003, which is similar to the American Gini coefficient, signaling a higher inequality in income distribution. In Latin America the inequality has also been widening such that anti-Neo-liberal model political parties have been

wining political elections such as the ones in Brazil and Venezuela for the purpose of instituting social programs that help the working people.

On a global scale, the future of humanity, Amin (2005: 11) argues, depends on some cultural battles: "Today one of the major battles that will decide the future of humanity turns around the 'Americanization' of Europe. Its objective is to destroy the European culture and political heritage and substitute for it the one that is dominant in the United States." And "The other battle is that between the "North" of dominant capital and the "South," the 85 percent of humanity who are the victims of the imperialist project of the triad." (Amin 2005: 11). To counter these battles, the U.S. ruling class, Amin (1995: 12) contends, tries to do: "The new imperialist project of the U.S. ruling class requires a redoubling of an aggressive nationalism, which henceforth becomes the dominant ideology and recalls the Europe of 1914 rather than the Europe of today" Amin (1995: 12) rationalizes the U.S. tendency to exploit by pointing out that the United States is a product of the conquest of the West "which leads to considering all other people as 'redskins' who have the right to live only on condition of not hindering the United States."

A.G. Frank

I bring A.G. Frank in the end of this section on theories on globalization as Frank sums up all the scholars discussed so far in a peculiar fashion which is powerful enough to turn the course of our existing understanding of globalization upside down. The thesis of "*ReOrient*" (1998) is that the same features that characterize Wallerstein's "modern" five-hundred-year-old world system can also be found in the same system going back at least five thousand years. Abu-Lughod and K.N. Chaudhuri (1990a), both authors have shown that Asia was far more important, if not hegemonic, in the world economy before Europe. Re-reading Braudel and Wallerstein showed that despite themselves and contrary to their own thesis, there were not several world economies in the early modern era. Instead there was only world economy and system in which Europe was not and could not have been hegemonic, as they mistakenly claimed. Thus, also contrary to their claims, this world economy and system also could not have started in Europe. One of the early purposes of this book "*Re-Orient*" is to show that there was already an ongoing world economy before the

Europeans had much to do and say in it. There are two naturally derivative points: one is to show that Asia, and especially China and India, but also Southeast Asia and West Asia, were more active and the first three also more important to this world economy than Europe was until about 1800. The other derivative point is that therefore it is completely counterfactual and anti-historical to claim that 'historians already knew that Europe built a world around itself'.

Under the title "Let's be Frank about World History", Albert Bergesen (1995) points out that the proposition "the world economic system did not begin in Europe" also pulls the rug out from all Eurocentric social theory. It is based on the temporal precedence and structural priority of a Europe around which the remainder of the world was alleged built. If Europe did not have this place and function, then the derived Eurocentric social theory also does not rest on the firm historical foundation that it claims to have in what historians "knew". Thus, the very scaffolding of Western social theory threatens to come tumbling down around us. Marx, Weber, Polanyi and others, as well as Braudel and Wallerstein (mis)-attributed a central place in their theories to Europe.

Well-known critiques of this Eurocentrism have been made out at the ideological level by Edward Said (1978), and Samir Amin (1989) when he investigated against *Eurocentrism*.

Frank offers some basis in early modern world economic history for a "humanocentric" perspective and understanding. Fernand Braudel remarked that "Europe invented historians and then made good use of them" to promote their own interests at home and elsewhere in the world (Braudel 1992: 134). Indeed, Europeans seem to have invented geography as well, for "Eurasia" itself is a Eurocentric denomination, albeit one invented on a distant marginal peninsula of that land mass. So Europe did not pull itself up by its own economic bootstraps, and certainly not thanks to any kind of European "exceptionalism" of rationality, institutions, entrepreneurship, technology, geniality, in a word – race. Instead Europe used American money to muscle in on and benefit from Asian production, markets, trade – in a word, to profit from the predominant position of Asia in the world economy.

Frank tries to explain in world economic terms how “the West” got there – and by implication, why and how it is likely soon again to lose that position. Another derivative thesis is that early modern Europe was neither more important in the world economy nor more advanced in any way than other regions of the world. Not was Europe in any way “central” to or a “core” of any world-embracing economy or system. If any regions were predominant in the world economy before 1800, they were in Asia. If any economy had a “central” position and role in the world economy and its possible hierarchy of “centers”, it was China. Therefore, the very search of “hegemony” in the early modern world economy is misplaced; because Europe was not hegemonic structurally, nor functionally, nor in terms of economic weight. In all these respects, the economies of Asia were far more ‘advanced’, and its Chinese Ming, Indian Mughal, and even Persian Safavid and Turkish Ottoman empires carried much greater political and even military weight than any or all of Europe. This observation has relevance to the contemporary and future world development problematic. The recent economic “development” of East Asia is receiving much attention around the world these days, but it generates equally much bewilderment about how to fit the observed developments into the Western scheme of things. The problem is easily illustrated by considering the absurdity of reclassifying Japan as part of “the West” or having called the Japanese “honorary whites” in South Africa during apartheid. However, increasing notice is now also been taken of the other dragon countries in Southeast Asia and of the big Chinese dragon looming on the horizon. Even the press is recognizing that “China is making itself felt across Asia with a weight not seen since the 18th century” (International Herald Tribune 18 March 1996). Hill Gates (1996:6) argues that it is because in the world only China has been exceptional in successfully resisting being “reshaped by the pressures of capitalism originating in Western Europe”. Thus, the contemporary East Asian experience does not seem to fit very well into any received Western theoretical or ideological scheme of things. On the contrary, what is happening in East Asia seems to violate all sorts of Western canons of how things “should” be done, which is to copy how “we” did it the “Western way”. Therefore, in global economic development schemes of things. Asia and especially East Asia was already dominant and remained so until very recently in fact. the present and possible future rise to dominance of China and other parts of

Asia in the world only resurrects the Chinese economic and cultural predominance of the Song dynasty from nearly a thousand years ago.

'Eurocentrism' has been challenged by Said, Amin and Martin Bernal. According to Edward Said, in his book 'Orientalism' (1978), orientalism operates in the Western attempt to mark off the rest of the world in order to distinguish the West's own alleged exceptionalism. Bernal (1987) shows how the Europeans invented a historical myth about their allegedly purely European roots in not only "democratic" but also salve-holding and sexist Greece. The Bernal thesis, apparently against the original intentions of its author, has been used to support the idea of Afrocentrism (Asante 1987). However, Frank suggests that Europe was still dependent on Asia in early modern times, before the 19th century invention and propagation of the 'Eurocentric idea'.

This Eurocentric idea consists of several strands, some of which are privileged by the political economists like Emil Durkheim, George Simmel and Max Weber⁸; all of them allegedly serve to explain the European Miracle. Hodgson (1993) and Blaut (1997) call this a "tunnel history" derived from a tunnel vision which sees only "exceptional" intra-European causes and consequences and is blind to all extra-European contributions to modern European and world history. Theodore Foss (1986: 91) and Donald Lach (1965) observe that 16th century Europeans had considered Japan and China to be the great hopes of the future; Said has noted that this European high regard for Asia did not really change until the 19th century, after the inception of European industrialization and colonialism, which then profoundly altered European perceptions and pronouncements, including their historiography and social science.

Therefore, history is about "globalism" and not "Eurocentrism". The argument is that it was not Asia's alleged weakness and Europe's alleged strength in the period of early modern world history but rather the effects of Asia's strength that led to its

⁸ Weber tried to show that the Occident inherited a unique combination of rationality and activism (Hodgson 1993: 86).

decline after 1750. Analogously, it was Europe's previously marginal position and weakness in the world economy that permitted its ascendance after 1800. This development also took advantage of "the Decline of Asia" after 1750.

Summary of the entire range of arguments: since the whole is more than the sum of its parts, each part is not only influenced by other parts, but also by what happens in the whole world (system). There is no way we can understand and account for what happened in Europe or the Americas without taking account of what happened in Asia and Africa – and vice versa – nor what happened anywhere without identifying the influences that emanated from everywhere, that is form the structure and dynamic of the whole world (system) itself. In a word we need a holistic analysis to explain any part of the system.

The following scholars are not Eurocentric in their approach, according to Frank: Wallerstein, Frank, Braudel (1979, 1992), Blaut (1993a), Stephn sanderson (1995), and Chase-Dunn and Hall (1997); according to Frank, these scholars have offered a more helpful "perspective of the world" and its impact on local economies and society.

However, for Frank, the most avowedly holistic are Giovanni Arrighi and Samir Amin. Like Wallerstein, Amin and Arrighi also start to assemble their modern world jigsaw puzzle at the center and work outward; and they also continue to choose their "center" in Europe. They reject Eurocentrism, and Amin even entitled a book "Eurocentrism" to denounce it, while Arrighi is developing increasing attention to East Asia. Yet both still start their own reviews of early modern history in Europe, because that is where capitalism started. Like Wallerstein (1991), Amin (1991, 1993, 1996) also critiqued Franks' thesis, defending instead an orthodox contention that a sharp break occurred in world history around the year 1500 – in Europe. Before that, "world empires" (says Wallerstein) only produced and distributed on the basis of a "tributary mode of production" (Wolf, 1982). Then came the development in, and spread of, the "capitalist mode of production" form Europe. Arrighi does attribute more importance to China and East Asia (Arrighi 1996). Nonetheless, Arrighi's (1994) 'Long Twentieth Century' still traces the development of the "capitalist world

economy” and its innovation of financial institutions from their alleged beginnings in the Italian city states.

According to Joseph Fletcher, the only way to evolve a world historical perspective is to acquire a “horizontally integrative macrohistory” in which simultaneous events and processes in the world economy are examined, and related on a global scale. The widespread failure to use a holistic global perspective not only confines us to parochial views, but that these also seriously distort all regional, sectoral and indeed temporal findings into the global scheme of things.

In the light of the theories on globalization, let us now look at the overall dynamics of exclusion and globalization in the Global North-Global South framework.

Globalization and Uneven Development:

Global North-Global South Divide

Pieterse (2003) suggests that while globalization is often characterized as “truncated globalization” or “triadization”, concerned in the triad of Western Europe, North America and Japan, its reach extends further. North-South inequality runs very deep, n'en déplaise globalization and 'de-territorialization of poverty' (i.e. the rich in the South and the poor in the North). Of course, the South is in the North and North is in the South, and privilege and poverty are no longer neatly geographically divided. In demographic terms they are the minority world and the majority world. They are “worlds” because they make-up complete life-worlds. The division simply does not run between the middle class and the underclass – as if globally these share similar consumption patterns, lifestyles and values. Thus, the middle class in the South shares many of the majority's economic, political and geographical frustrations and to some extent identifies with the nation, the region. The poor majority and the middle class in the South suffer domestic political incompetence and corruption, western double standards, superpower geopolitics and geo-economics, and share national and regional destinies.

Suitable Analytic

In this reflection the focus is on differences in analyzing and representing global conditions between North and South, on different conditions and on the articulations across different conditions. Existing analytics – such as dependency, imperialism, exclusion and conspiracy theories are not adequate for dealing with these new relations. Thus the economics of dependency overlooks reverse dependency i.e. the dependency of de-industrializing regions in the North on investors from Asia. The analytic of boomerang effects – such as the debt boomerang (indebtedness in the South curtailing demand for products from the North) – is too blunt to monitor and capture the multiple links and their ramifications. Risk analysis and globalization of risk can be relevant instrument but needs greater fine-tuning to be effective (Pieterse, 2003).

Multiple Modernities

The relation between the North and the South has to be established with the help of an alternative explanatory theory that recognizes the presence of multiple modernities and multiple capitalisms and their interplay today. There is recognition of multiple 'cultures of capitalism' even among advanced industrialized countries. There are different modes of regulation among different forms of national capitalism varying according to historical antecedents and cultures of capitalism. What is the relationship between difference and sameness, between the variations and the theme? It is not a world of different realms that are neatly separated – modern and pre-modern, North and South etc. Besides the different modernities in Asia, the Middle East, Africa, the Americas and Europe, there is the interaction of modernities and capitalisms. Understanding this interplay is a major key to contemporary dynamics. While post-Fordism and postmodernity are important analytics for understanding dynamics in the North, for a complete understanding we should consider the relations between post-Fordist economies, newly emerging markets and developing countries. Links between economies in North and the newly emerging markets are affecting developments North and South. These diverse spaces are part of a structured, reflective and self-reflective configuration. Thus, the articulation of different capitalisms and

modernities are being channelized through the nodes of global capitalism and global hegemony.

The major change that has taken place in the world system since the 1980s is of course globalization. Now globalization is difficult to characterize as it consists a number of overlapping and even conflicting projects. However, despite the difficulty in capturing the essence of globalization, we can accept that its core is constituted by a distinct phenomenon: capital's restless and relentless pursuit of profit across the world and across national borders (Chandhoke 2001).

Globalization has brought uneven development for the world – the North and the South have been affected differentially by globalization. The benefits of globalization are being enjoyed by the Global North while the Global South is kept completely out from sharing the cream, or so do the globalization skeptics opine. Under such disparate conditions globally, hostile sentiments or at least contempt for the globalizing processes among the majority of the world population is only too obvious. According to globalization skeptics or the 'losers' of globalization, economic globalization perpetuates 'exclusion'; that Global South is completely excluded from the advantages of globalization as Global North stands the sole 'gainer'. Account of contemporary globalization refers to the exclusion of the majority of humanity – the majority in large parts of Africa, Asia and Latin America, who are excluded from life in the fast lane, from the 'interlinked economies' of the 'Triad zone'. In this reflection the focus is on differences in analyzing and representing global conditions between North and South, on different conditions and on the articulations across different conditions (Pieterse, 2003).

The term "Exclusion"

Social exclusion manifested from economic globalization is again multifaceted⁹ (Appadurai 1997) - exclusion happens in terms of ethnicity (ethnoscape), technology (technoscape), ideology (ideascape), information (mediascape), and finance and

⁹ I have discussed Appadurai's "scapes" in the Introduction

capital (financescape). Authors have addressed the issue of social exclusion resulting from economic globalization from different perspectives; there are several takes on this North-South divide by different scholars. For Pieterse, exclusion is too crude a term to describe the actual situation. The term 'exclusion' ignores the many ways in which developing countries are included in global process; they are subject to global financial discipline and part of global markets, global ecology, international politics, global communications, science and technology, international development cooperation, transnational civil society, international migration, travel and crime networks. Thus it would be more accurate to speak of asymmetrical inclusion or hierarchical integration. Exclusion is too blunt a term if what is at issue is to examine the new uneven links that are developing in the framework of accelerated globalization. Thus the people in the South are within the reach of global mass communications and advertising, within the reach of the message but not necessarily the action. In Western Europe, the viewers experience 'long-distance suffering' and engage in schizophrenic behavior – making limited or vague gestures of solidarity, while finding shelter in the 'chauvinism of prosperity' that is being sustained by institutions and media. Electoral politics in many advanced countries exclude 'terrorists' and marginalizes welfare recipients and now this often extends to asylum seekers, refugees and 'illegal migrants' (Pieterse, 2003).

On the other hand, Jagdish Bhagwati has a very different take on the entire issue of global inequality perpetuated by the North-South divide. According to him, North-South divide provides an ironic reversal. In fact, the anti-globalization sentiments are more prevalent in the rich countries of the North while pluralities of the policy-makers and public in the South see globalization instead as a positive force. Capitalism, for many, is a system that cannot address meaningfully questions of social justice. That capitalism may be viewed instead as a system that paradoxically can destroy privilege and open up economic opportunity to the many is a thought that is still uncommon. How many of the young skeptics of capitalism are aware that socialist planning in countries such as India, by replacing market system-wide with quantitative allocations, worsened rather than improved unequal access because socialism meant queues that the well-connected and the well-endowed could jump, whereas markets allowed a larger number to access their targets (Bhagwati. 2004).

Therefore, the term 'exclusion' demands our attention. In the process of 'experiencing' economic globalization, 'who' is excluded from 'what' is extremely relevant.

Wallerstein's Kondrateiff Curve

On the other hand, Wallerstein in his "*Modern World System*" (2004) explains various stages of globalization in terms of the Kondrateiff¹⁰ curve. According to him, growing squeeze on the worldwide average rate of profit forced the worldwide economy into a long Kondrateiff B-phase (Wallerstein 2001), a situation in which the cost of production of all three components i.e. remuneration of the personnels, cost of purchasing inputs and payment of taxes, have been rising gradually. Under such circumstances, the center abandoned developmentalism and replaced it with the theme of globalization, which called essentially for the opening of all frontiers to the free flow of goods and capital (but not of labour). The Thatcher regime in the UK and the Reagan regime in the USA took the lead in promoting these policies, which were called "neoliberalism" as the theory and "Washington consensus" as the policy. The World Economic Forum at Davos was the locus for promoting the theory, and the international Monetary Fund (IMF) and the newly established World Trade Organization (WTO) became the chief enforcers of Washington consensus (Wallerstein 2001).

The economic difficulties faced by the governments everywhere from the 1970s onward (particularly in the South and in the former communist zone) made it extremely difficult for these states, governed by the old anti-systemic movements, to resist the pressure for structural adjustment and opening frontiers. More and more, capitalist sought profits in the arena of financial speculation rather than in the arena of production. Such financial manipulations can result in great profits for some players, but it renders the world-economy very volatile; it is in fact one of the signs of increasing chaos (Wallerstein 2001).

¹⁰ Through the Kondrateiff cycle Wallerstein (2004) discusses the structural crisis of the 21st century

The dramatic attack by Osama bin Laden on the Twin Towers on September 11, 2001, marked a further indication of world political chaos and a turning point in political alignments. What can we expect in such a situation? Firstly, wild fluctuations in all the institutional arenas of the world-system, next, a high degree of violence erupting everywhere for relatively long period, and diminishing efficacy of moral constraints (Wallerstein 2001).

Further, debates have coalesced around the ways in which markets affect relations between people (Harrison 2004), as especially levels of inequality between them. It is not easy to decide the extent to which Adam Smith was arguing for a marketized society of self-regarding individual consumers in his *Wealth of Nations* (1776).

Globalization, Development, Class Polarity

When looking at the inter-relations between globalization and development or inequality, we need to understand that markets vary significantly according to the social relations that produce and reproduce them. The global economy is still highly unequal in its spatial patterning, whether one looks at trade or investment (Dicken 2001:Ch. 2). For this reason, some economists talk of regionalization rather than globalization (Hirst and Thompson 1996), and it is commonly remarked that much of what is commonly understood as globalization (increased level of FDI, increased level of trade, the integration of financial markets) is really a story of the relations between the 'triad' of North America, the EU, Japan or Southeast Asia (Rowthorn 2001, 134-6).

The crisis of class polarization – the growing number of the very rich and the very poor and the widening gaps between them – is at the heart of radical critiques of capitalist globalization (Sklair 2009). Despite the widely recognized [problems of measuring inequalities there are some trends that are more or less accepted on all sides (Milanovic 2005). According to the World Bank, agencies of the UN and most other sources, between 1970 and 2000, the distribution of income on a per capita basis between the richest and the poorest countries and between groups within most countries became more unequal. The UNDP presented a sobering historical perspective in its year 2000 report:

Global inequalities in income increased in the 20th century by orders of magnitude out of proportion to anything experienced before. The distance between the average incomes of the richest and the poorest countries was about 3:1 in 1820, 35:1 in 1950, 44:1 in 1973 and 72:1 in 1992. (UNDP 2000a:6).

No doubt that the exact proportions can be challenged but the trend is undeniable and is not improving. the top 10% of the world' income earners got relatively more and the bottom 10% got relatively less, while the average per capita income¹¹ roughly doubled in the last quarter of the 20th century. Was the whole world becoming richer or poorer? The rich in most countries certainly became richer, both relative to the poor and absolutely. Relative to the rich, the poor were becoming poorer, while some of them were becoming richer in absolute terms. Other groups of poor people, notably landless peasants, including many women and children, and the families of the urban unemployed, became absolutely poorer in this period too (Sklair 2009).

Empirical Observations

Despite the huge amounts of money and administrative efforts to reduce poverty in recent decades, most authorities agree that the global numbers of people living on less than USD 2 per day has increased since the 1980s. In the decade 1990-2000, aggregate reductions in these numbers were probably achieved in East Asia and the Pacific, the Middle East and North Africa, but these were probably outweighed by increases in the numbers of very poor in post-communist Europe and Central Asia, Latin America, Caribbean, South Africa and sub-Saharan Africa. According to the UNRISD, the conclusion is inescapable: "The incidence of poverty has increased in the past few years not because the world as a whole is getting poorer, but because the benefits of growth have been unevenly spread. There has been a striking increase in inequality" (UNRISD 2000: 11). The record since 2000, with more highly destructive wars and civil strife in the Middle East and parts of Africa, does not give much cause for optimism (Sklair 2009).

¹¹ Gross National Product (GNP) divided by population.

But, and this cannot be emphasized too strongly, the numbers of the very rich are certainly rising and the numbers of the very poor may also be rising everywhere. There are few, if any, countries where the basic material needs are fully met. In a grim report on human poverty published at the beginning of the 21st century, UNDP lists the income or consumption share of the poorest 20% of the population in 14 countries on four continents. On these figures, the people in the poorest quintile in Brazil who shared just 2.5 per cent of total income appeared to be worst off. Comparable figures for South Africa were 2.9, for Russia 4.2, and for Thailand 5.6. In words that echo the empirical reality that underlies what we here are conceptualizing as the crisis of socio-economic exclusion, UNDP concluded: "Economic growth cannot be accelerated enough to overcome the handicap of too much income directed to the rich. Income does not trickle down; it only circulates among elite groups" (UNDP: 2000b: 43). In these stark words, a central myth of capitalist globalization is destroyed (Sklair 2009).

Faced with such overwhelming evidence from a variety of sources, even the WTO Annual Report for 1998 had to admit the reality of exclusion due to polarization, albeit in a convoluted statement: "Empirical evidence tends to show that trade liberalization may entail non-trivial adjustment costs for certain groups" (Quoted in Hines 2000:157). The cruel euphemism 'non-trivial adjustment costs' meant that in Mexico, for example, real incomes of workers were estimated to have declined by 84.6 % between 1976 and 1998. In 1981, the minimum wage bought 38 kilos of tortillas (the staple food of the poor), by January 2000 only 9.3 kilos. The Independent Peasants Union estimated that 26 million rural dwellers (one quarter of the population) could not afford an adequate diet. Meanwhile, foreign investment, social exclusion and polarization and crime are expanding rapidly, and the social safety net is collapsing. This description can be reproduced in many of Third World countries, as the World Bank, UNRISD and UNDP reports cited above confirm.

Poverty and socio-economic exclusion in the Third World is now relatively well known. What is less well known is that in the First World, particularly in the USA and some parts of Europe, and more recently in Japan, the economic position of many workers and workless poor and their families has deteriorated since the 1960s (Walker 1999). Thomas (2001) argues convincingly that the neoliberal vision of global

governance and development cannot provide human security (satisfaction of basic needs), and as poverty and inequality deepen this represents a crisis for the system. As we have seen, there plenty of evidence for the crisis, though it is also important to recognize the significance of the other side of the crisis, the growing numbers of the very rich.

The distinctiveness of the class polarization thesis is that it recognizes both increasing emiseration and increasing enrichment, thus in all countries, rich and poor, privileged communities are to be found. In Douala, a large city in Cameroon, Denver is an up-market neighbourhood that aims to be the preferred place of residence of the newly rich: young entrepreneurs, businessmen, corporate executives and high-level administrators (Monga 2000:205). This Denver stands in stark contrast to the nearby settlement of Bepanda Yon-yon, typical of squalid neighbourhoods all over Africa. The key symbol of the difference, Monga reports, is the air conditioner. Again, this is by no means a unique case. In Latin America e.g. despite the success of Santiago de Chile as a modern business metropolis, there is several residential polarization in terms of socio-economic exclusion (poverty, lack of education etc.).

While the proportion may be extreme, the pattern is familiar. Mexico and Cameroon are not exceptional cases. The way that capitalist globalization tries to cope with the crisis of socio-economic exclusion and class polarization is put very starkly, but in terms that many will recognize, by Tehranian (1999:15):

Pan-capitalism has found an ingenious solution to these problems: gated ghettos, factories, and residential communities. In Mexico City, New York, Los Angeles, Chicago, Bombay and Calcutta, the ghettos for the poor are more or less defined and cordoned off geographically. It is unsafe for outsiders to wander off into these areas.

Residential segregation is, of course, nothing new, but the increase of high security housing for the rich, often electronically protected against the poor, is a feature of many societies. For example, Blakely and Snyder (1997) show that by 1997 about 9 million Americans were living in gated communities of various types. Chaplin (1999) goes some way to provide a convincing explanation for this. the middle and upper

classes (in India) have little interest in putting pressure on their municipal authorities to provide services for the urban poor and certainly would not want to pay for the expensive infrastructure involved. In cities in India, as well as in Brazil and other deeply divided countries, quite luxurious enclaves coexist easily with slum and ghettos. This polarization provokes several distinct political responses and models of the passive poor, the surviving poor, the politically active poor and the resisting poor have been generated to explain this (Bayat 2000).

Another indication of widening gap between the new rich and the very poor is the increasingly important phenomenon of indigenous mass tourism within Asia, Latin America and Africa (Ghimre 2001). As more and more people in the Third World are becoming richer they will want to spend at least some of their money on leisure. Similarly, the digital divide highlights polarization between richer and poorer in terms of access to electronic technologies, particularly the Internet (Main 2001). In regional terms, there is plenty of evidence of the digital divide. In 1998, North America had 168 times more Internet hosts than Africa, and Africa had 396 more people per host than North America (Madon 2000). Lists comparing the connectivity of different countries are common, but state-centrism, as usual, can be misleading. Some countries have hierarchy of Internet use, not all cities are network cities (Townsend 2001). Within communities, it is obvious that some groups have more access than others, even in the USA and Western Europe.

As most of the evidence makes clear, it is the lack of economic resources that is the main reason why so many of the poor are getting poorer, while access to economic resources explains why the rich are getting richer. There are more very poor women than men, more poor members of ethnic minorities than of the majority groups, and more poor people in rural than urban areas, but their relative poverty is not due to their gender, their ethnicity or their location, but to their lack of access to education, well-paying jobs, land, fair prices for their labour, and to their poor health, malnutrition and hunger. That the children of the very poor often find it very difficult to escape from poverty goes a long way towards explaining why these cycles of deprivation are so difficult to break down (Sklair 2009). It is their relationships to the means of production, to capital in its various forms that locks most of the poor into

poverty, thus, it is at its base a crisis of class polarization through socio-economic exclusion. This suggests that capitalism despite its rhetoric cannot provide opportunities for the material wellbeing for everyone. Large sections of the middle class all over the world, those families with small amounts of capital in housing or shares locked up in pension funds or other forms of savings, appear to be increasingly struggling to maintain the standards of living into which the culture-ideology of consumerism has led them, some willingly, some not so willingly. Capitalist globalization implies socio-economic polarization for everyone (Sklair 2009).

Summary

Therefore, in the midriff of poverty and opulence lies the question of *access to resources* that defines ultimately who gains what from globalization. The North-South divide is not (and cannot be) an absolute divide (as Appadurai¹² opines that globalization is about fluidity), however we will discuss that in the next chapter.

So far we have discussed the globe with a bipolar vision, which is definitely not out of our fancy; we have historical evidence supporting our rationale. However, no matter what positions scholars take, the Global North-Global South divide cannot be ignored. Outside the “triad zone” globalization has not shown much hope since 1980s to the end of 20th century, especially in Latin America, Caribbean and the Sub-Saharan Africa poverty and inequality run very deep. But that does not mean that agony and affluence are neatly geographically divided. We find the North in the South and vice versa. Poverty in the First World is no less well-known today and no less a threat than that of the Third World. Therefore, according to Pieterse (2009) we need recognition of “multiple capitalisms” and “multiple modernities” to the basic tenets of globalization.

However, in the 21st century the world is no more that neatly divided; we still have the First World-Third World bifurcation but it is difficult to ignore the new links emerging in the wake of Asia’s rise to power (again?). Exclusion and polarization

¹² Appadurai. *Modernity at Large* (1999)

continue nonetheless; at the same time certain level of interdependence of the West on the Rest is also visible. Not taking side with the dependency theory, it still applies that we explore 21st century globalization and its implication of exclusion and interdependence on it.

2

Global Interdependence: New Links Emerging?

The most important features of globalization in the 21st century are the formation of BRIC (Brazil, Russia, India, China) and IBSA (India, Brazil, South Africa) and the extension of G-8 to G-20. Here in this chapter we need to look at both positive and negative implications of such development. However, let us first look at the relevant theoretical material on globalization in the 21st century. We also identify the spaces in which the domination of USA and Western Europe is gradually giving way to countries like China and India. Following the global economic crisis since the later part of 2008 which caused America a fortune – a wound yet to heal, the global balance of power is tilting. It is tilting gradually for the rest of the newcomers but quite fast for China. Due to such changes in the global market authors like James Rosenau (1999) are optimistic about rising human development indices, urbanization and the growing trend of “skill revolution”.

The rise and fall of global players in the global market is reflected in Immanuel Wallerstein’s World System Analysis. Through the Kondrateiff cycle he analyses the core-periphery relations. He also brings in the concept of semi and quasi-periphery to accommodate the rest of the countries. He rightly brings in the terms semi and quasi periphery in his theory, as globalization is increasingly about the dynamic process of global interdependence in which some pockets of the Third World also has something to offer the First World. Again, as we have already seen, given the fluidity of the

market, there is no assurance that if one economy is developing today and showing diminishing indicator of inequality, then it will continue doing so peacefully without any disturbance. This is exactly what the concept of semi-periphery suggests. Thus, the issue of exclusion and interdependence becomes multilayered in this context. Exclusion is no more divides the world into the West and the Rest.

Core-Periphery in the Modern World System

Immanuel Wallerstein's (2004) world system perspective fits into the context of the 21st century globalization like nothing else. Therefore, I found quite logical to open this chapter with a detailed account of how he defines and divides the world in terms of globalization. He exactly points out why it falls in the flow of events for exclusion to operate so systematically even if the element of interdependence finds its own space in the global order. However we also take a look at Giovanni Arrighi's understanding of the present crisis alongwith Nederveen Pieterse's detailed account of the emergence and status of the 'new link' today.

According to Wallerstein, in his "*World Systems Analysis: 2004*", globalization is an integral part of the modern world system. There are three historical details he wants us to remember – the long 16th century during which our modern world system came into existence as a capitalist world-economy; secondly, the French Revolution of 1789 as a world event which accounts for the subsequent dominance of the two centuries of a geoculture for this world-system, one that was dominated by centrist liberalism; and thirdly, the world revolution of 1968, which presaged the long terminal phase of the modern world system in which we find ourselves and which undermined the centrist liberal geoculture that was holding the world system together.

This world system has always been a capitalist world economy. What we mean by world-economy is a large geographic zone within which there is a division of labour and hence significant external exchange of basic or essential goods as well as flow of capital and labour. The defining feature of the world-economy is that it is not bounded by a unitary political structure. And, world-economy contains many cultures – we call it geoculture (Wallerstein 2004). We are in a capitalist system only when the system

gives priority to the endless accumulation of capital. Using such a definition, only the modern world-system has been a capitalist system. World-economy paves the way for capitalism through division of labour providing the infrastructure for endless accumulation of profit.

The capitalist world-system is a collection of many institutions; the market is its basic institution. The totally free market functions as an ideology, a myth, and a constraining influence, but never as a day-to-day reality (Wallerstein 2004).

Core-Periphery

The axial division of labour of a capitalist world-system divides production into core-like products and peripheral products. Core-periphery is a relational concept. What we mean by core-periphery is the degree of profitability of the production processes. We refer to products as core-like when they are quasi-monopolized, and thereby, in a strong position. Peripheral processes are then those that are truly competitive. When exchange occurs, competitive products are in a weak position and quasi-monopolized are in a strong position. As a result there is a constant flow of surplus value from the producers of peripheral products to the producers of core-like products. This has been called unequal exchange. However, unequal exchange is not the only way of moving accumulated capital from politically weak regions to politically strong regions. Since quasi-monopolies depend on the patronage of strong states, they are largely located – juridically, physically, and in terms of ownership – within such states. There is a geographical consequence of the core-peripheral relationship. Core-like processes tend to group themselves in a few states and constitute the bulk of the production activities in these states. Some states have a near even mix of core-like and peripheral products. We may call them semiperipheral states. Since quasi-monopolies exhaust themselves, what is a core-like process today will become a peripheral process tomorrow. The economic history of the modern world-system is replete with the shift, or downgrading of products, first to semiperipheral countries and then to peripheral ones. The role of state is very different vis-à-vis productive processes depending upon the mix of core-peripheral processes within it. The strong states which contain a disproportionate share of core-like processes tend to emphasize their role of protecting the quasi-monopolies of the core-like processes. The very weak states,

which contain a disproportionate share of peripheral processes, are usually unable to do very much to affect the axial division of labour, and in effect are largely forced to accept the lot that has been given them. The semiperipheral states which have a relatively even mix of production processes find themselves in the most difficult situation. Under pressure from core-states and putting pressure on peripheral states, their major concern is to keep themselves from slipping into the periphery and to do what they can to advance themselves towards the core. These semiperipheral states are the ones that put forward the most aggressive and most publicly so-called protectionist policies.

In the beginning of the 21st century, some obvious countries to be labeled semiperipheral were South Korea, Brazil and India – countries with strong enterprises that export products to peripheral zones, but that also regularly relate to core zones as importers of more “advanced” products (Wallerstein 2004). The normal evolution of the leading industries – the slow dissolution of the quasi-monopolies – is what accounts for the cyclical rhythms of the world economy. Wallerstein explains this cycle through the Kondrateiff curve – involving the stage of expansion (A-phase) and stagnation (B-phase) – expansion of the world-economy when there are quasi-monopolistic leading industries and contraction in the world-economy when there is a lowering of the intensity of quasi-monopoly. The Kondrateiff cycle, when it ends, never returns the situation to here it was at the beginning of the cycle. That is because what is done in the B-phase in order to get out of it and return to an A-phase changes in some important way the parameters of the world-system. Through the Kondrateiff cycle, Wallerstein discusses the structural crisis of the twenty first century; his approach is very similar to the way Marx defines the contradiction of the capitalist system in terms of overproduction and subsequent fall of capitalism.

“Household Structures”

The capitalist system requires that there be workers who provide the labour for the productive processes. Here, Wallerstein identifies the ‘household structures’ as an important concept as the workers primarily belong to the household. In terms of the income cover, he differentiates between five types of income, namely, wage income, subsistence activity, petty commodity income, rent and transfer payments. In actual

practice, few households are without all five kinds of income. But noteworthy here is the fact that persons within the household who tend to provide the income may correlate with sex or age categories. That is to say, many of these tasks are gender and age-defined. The relative importance of the various forms of income in particular households has varied widely. Let us distinguish two major varieties: the proletarian household (households heavily dependent on wage-income) and semiproletarian household (because there is doubtless at least some wage-income for most members). Rather than think of proletarianization as a capitalist necessity, it would be more useful to think of it as a locus of struggle. There are classes in a capitalist system, since there are clearly persons who are differently located in an economic system with different levels of income who have differing interests, e.g. it is obviously in the interest of the workers to seek an increase in their wages, and it is equally obvious that the employers would resist such wage increase in their own interests.

Classes are however not the only groups within which households locate themselves. They are also members of status-groups or identities. They are an institutional reality of the modern world-system. Status-groups or identities are ascribed labels since we are born into them, or so we think. Membership in status-groups or identities is very much a part of modernity. Far from dying out, they are actually growing in importance as the logic of a capitalist system unfolds further and consumes us more and more intensely.

There are important benefits to the overall world-system from the homogenizing trends within household structures; because households serve as the primary socializing agency of the world-system. A household that is certain of its status-group identity (nationality, religion, code of sexuality etc.) knows exactly how to socialize its members. So far we have discussed class identification and status-group identification as the two alternative modes of collective expressions for households. However, as society progresses, we are involved in a multiplicity of identities, therefore, the question arises whether there is a priority order of identities. What are the consequences of multiple identities in households?

Most of the status-groups have some kind of trans-household institutional expressions. These institutions place direct pressure on households not merely to conform to their norms and their collective strategies but to give them priority. Of the trans-household institutions, the states are the most successful in influencing the households because they have the most immediate weapons of pressure (e.g. law). It is this complicated turmoil of household identities that underlies the roller coaster of political struggle within the modern world-system.

The complex relationships of the world-economy, the firms, the states, the households, and the trans-households institutions that link members of classes and status-groups are beset by two opposites, but symbiotic ideological themes: universalism on the one hand, and racism and sexism on the other. *These ideological themes eventually translate into forces of exclusion in terms of globalization.*

Universalism-Particularism

Universalism means in general the priority to general rules applying equally to all persons, and therefore, rejection of particularistic preferences in most spheres. Universalism is a positive norm, which means that most people assert their belief in it, and almost everyone claims that it is a virtue. Racism and sexism are just the opposite. They too are norms, but are negative norms, in that most people deny their belief in them. The terms racism and sexism came into widespread use only in the second half of the 20th century. They imply active institutional discrimination against all the persons in a given status-group or identity. What is the point of professing universalism and practicing anti-universalism simultaneously? Why should there be so many varieties of anti-universalism (e.g. men over women, bourgeois over workers, Whites over Blacks etc.)? Universalism tends to be the operative principle for what we could call the cadres of the world-system, the in-between group of people who have leadership or supervisory roles in various institutions. The stronger the country's economic position, the larger the group. Whenever universalism loses its holds even among the cadres in particular parts of the world-system, observers tend to see dysfunction, and quite immediately there emerge political pressure from both within and outside, to restore some degree of universalistic criteria.

There are two different reasons for this: on the one hand, universalism is believed to ensure relatively competent performance, and thus, make for a more efficient world-economy, which in turn improves the ability to accumulate capital. Hence, normally those who control production processes push for such universalistic criteria. On the other hand, racism and sexism imply exclusion from the social arena. Actually, they are really modes of inclusion, but of inclusion at inferior ranks.

Anti-universalistic norms are presented as codifications of natural, eternal verities not subject to social modifications. They justify the polarization of the world-system. Since polarization has been increasing over time, racism, sexism and other forms of anti-universalism have become even more important, even though the political struggle against such forms of anti-universalism has also become more central to the functioning of the world-system. Despite the overall economic growth of the world-system, the gap between the core and the periphery has not narrowed much (Wallerstein 2004).

Giovanni Arrighi

Arrighi (2007) extends Wallerstein's argument. "When the 20th century opened," wrote Geoffrey Barraclough in the mid 1960s, "European power in Asia and Africa stood at its zenith; no nation, it seemed could withstand the superiority of European arms and commerce. Sixty years later only the vestiges of European domination remained...Never before in the whole of human history had so revolutionary a reversal occurred with such rapidity." The change in the position of the peoples of Asia and Africa "was the surest sign of the advent of a new era." Barraclough had few doubts that when the history of the first half of the 20th century came to be written in a longer perspective, "no single theme will prove to be of greater importance than the revolt against the West;" in fact, chances are that no single theme will prove to be of greater significance than the renaissance of East Asia. The revolt against the West created the political conditions for the social and economic empowerment of the peoples of the non-Western world. The economic renaissance of East Asia is the first and clearest sign that such an empowerment has begun.

The renaissance has occurred through a snowballing process of connected economic “miracles” in a succession of East Asian states, starting in Japan in the 1950s and 1960s, rolling on in South Korea, Taiwan, Hong Kong, Singapore, Malaysia and Thailand in the 1970s and 1980s, and culminating in the 1990s and early 2000s in the emergence of China as the world’s most dynamic center of economic and commercial expansion. East Asian renaissance suggests that Adam Smith’s prediction of an eventual equalization of power between the conquering West and the conquered non-West might finally come true (Arrighi 2007).

The Second World War had given a tremendous impulse to the revolt against the West. Throughout Asia and Africa, old sovereignties were re-established and scores of new ones were created. Decolonization was matched by the formation of the most extensive and potentially destructive apparatus of Western force the world had ever seen. The situation appeared to be changing in the 1960s and early 1970s, when the mighty U.S. military apparatus failed to coerce the Vietnamese people into a permanent scission along the Cold War divide. The economic conjuncture also seemed to favour the countries that had come to constitute the Third World¹³. Their natural resources were in great demand, and so were their abundant and cheap labour supplies. Capital flows from First to Third World countries experienced a major expansion; the rapid industrialization of Third World countries was undermining the previous concentration of manufacturing activities in First (and Second) World countries; and Third World countries had united across ideological divides to demand a New International Economic Order.

¹³ The emergence of a “third World” in the 1950s was a joint product of the revolt against the West and of the Cold War order. While the historical non-West came to be grouped almost entirely in the Third World, the historical West split into three distinct components. Its more prosperous components (North America, Western Europe, and Australia) joined by Japan, came to constitute the First World. One of its less prosperous components (the USSR and eastern Europe) came to constitute the Second World, and another (Latin America) joined the non-West to constitute the Third World. With the end of the Cold War and the disappearance of the Second World, the expressions First and Third World became anachronistic and were replaced by the expressions North and South, respectively.

East Asian Miracle: Rise of China

In the 1980s, U.S. driven escalation of competition in world financial market had suddenly dried up the supply of funds to Third and Second World countries and provoked a major contraction of world demand for their products. Terms of trade had swung back in favor of the First World as fast as they had swung against it in the 1970s. Disoriented and disorganized by the increasing turbulence of the global economy, the Soviet Empire had disintegrated. Instead of having two superpowers to play against one another, Third World countries now had to compete with former Second World countries in gaining access to the markets and resources of the First World. At the same time, USA and its European allies seized the opportunity created by the collapse of the USSR to claim with some success a global “monopoly” of the legitimate use of violence, fostering the belief that their superiority of force was not just greater than ever but for all practical purposes unchallengeable.

Yet, the collective economic power of the archipelago (Japan, South Korea and Taiwan) as new “workshop” and “cash box” of the world was forcing the traditional centers of capitalist power – Western Europe and North America – to restructure and reorganize their own industries, their own economies, and their own ways of life. However, the Bush administration’s embrace of the Project for a New American Century in response to the events of September 11, 2001 was an attempt to bring into existence the first truly global empire in the world history. The abysmal failure of the project in the on the Iraqi testing ground has greatly reduced the chances that a Western- centered global empire will ever materialize. The chances of endless worldwide chaos have increased in turn. At the same time, that we will witness the formation of an East Asian world market society has also increased. The brighter prospects of this outcome are in part due to the disastrous implications for US world power of the Iraqi adventure. For the most part, however, they are due to China’s spectacular economic advances since the early 1990s.

The implications of China’s ascent are momentous. China is not a vassal of the United States, like Japan or Taiwan, nor is it a mere city-state like Hong Kong or Singapore. Although the reach of its military power pales in comparison to that of the United

States, the dependence of US wealth and power on the import of cheap Chinese commodities and on Chinese purchases of US treasury bonds is just great, if not greater. More importantly, China has increasingly replaced the US as the main driving force of commercial and economic expansion in East Asia and beyond.

The failure of the Project for a New American Century and the success of Chinese development, taken jointly, have made the realization of Smith's vision of a world-market society based on greater equality among the world's civilizations more likely than it ever was in the almost two and a half centuries since the publication of the *Wealth of the Nations*. For America, the "terminal crisis" of the US hegemony has arrived; it has created conditions for the establishment of the kind of commonwealth of civilizations that Smith envisaged more favourable than ever before. The emergence of such a commonwealth however is far from certain. Western domination may be reproduced in more subtle ways than in the past, and moreover, a long period of escalating violence and endless worldwide chaos remains a possibility. What world order, or disorder, will eventually materialize largely depends on the capacity of the more populous Southern states, first and foremost China and India, to open up for themselves and the world a socially more equitable and ecologically more sustainable developmental path than the ones that has made the fortunes of the West.

Global Interdependence: China-America Interface

According to Neverdeen Pieterse (2009) the economic crisis of 2007-2009 demonstrates the frailties and unsustainable character of 'permissive capitalism'. The likely turn in neoliberal capitalism is towards greater regulation and elements of state capitalism. Next, the crisis confirms that finance is a central arena of international competition. Thirdly, the crisis confirms the rising role of economies outside the zone of free market neoliberal capitalism. In the wake of the G-20 meeting in London the IMF makes a comeback to crisis management but does so thanks to significant funding from emerging societies, from China to Saudi Arabia and Brazil (Pieterse 2009).

If we sum up the major trends, trade is down, finance cools off, and Asia is rising relative to the West. The upshot is that Anglo-American capitalism loses its leading role and China gradually assumes a pivotal global role. An assumption that runs through many assessment is that the relationship between economies and politics are unbalanced prior to the crisis – notably, consumption divorced from production and trade deficits and debt in the US and trade and financial surpluses in Asia. The crisis then can be viewed as a part of a rebalancing process of the world's economies.

The United States, Europe and Japan rode the previous wave of globalization, notably during 1980-2000, but in recent years their lead in manufacturing, trade, finance and international policies is gradually slipping. The old winners are still winning but the *terms* on which they are winning cedes more and more to emerging forces.

Globalization in the Twenty-first Century

The 21st century momentum of globalization is markedly different from twentieth century globalization. Slowly like a giant oil tanker, the axis of globalization is turning from North-South to East-South relations. This presents major question: Is the rise of Asia and the newly industrialized economies (NIEs) just another episode in the rise and decline of nations, another reshuffling of capitalism, a relocation of accumulation centers without affecting the '*logics*' of accumulation? What is the relationship between the zones of accumulation and the modes of regulation and what are the ramifications for global inequality?

Euro parliamentarian Glyn Ford notes: "...With support from Latin America, in the World Trade Organization, at UN conferences in Tokyo as well as from the Santiago-plus-five and Durban-plus-five groupings, an alternative world could emerge" (Ford, 2005).

It could, but so far it doesn't. There is a certain stickiness and stodginess to social change. Power play continues as long as they can. Policies continue old style unless a policy paradigm change is inevitable, not unlike Thomas Kuhn's revolution in science. Thus we should identify structural trends and discursive changes as well as tipping points that would tilt the pattern and the paradigm (Pieterse 2009).

According to Kemal Dervis, director of the UN Development Program, globalization in the past was a profoundly “unequalising process”, yet ‘today the process is rapidly turning on its head. The South is growing faster than the North. Leading the charge is a new generation of Southern multinationals, from China, Korea, India, Latin America and even the odd one from Africa, aggressively seeking investments in both the northern and southern hemispheres, competing head to head with their northern counterparts to win market share and buy undervalued assets’ (quoted in Peel 2005). This optimistic assessment counts economic changes – but it does not address social questions.

About cutting-edge globalization there are two big stories to tell. One is the rise of Asia and the accompanying growth of East-South trade, energy, financial and political relations. The other story which receives mention in patchy ways is that the emerging societies face major crises in agriculture and urban poverty. The financial crisis that erupted in 2008 and led to global recession in 2009 is part of the 21st century transition and confirms several trends: the crisis of neo-liberalism and American capitalism, weakening American hegemony, finance as a central arena of international competition, and the rise of emerging societies, in particular China.

Throughout the post-war period North-South trade relations were dominant. In recent years, East-South trade has been growing, driving by the rise of Asians economies and the accompanying commodities boom and high petrol prices. According to UN Conference on Trade and Development, a new geography of trade is taking shape: “the new axis stretches from the manufacturing might and emerging middle-classes of China, and from the software powerhouse of India from the South, to the mineral riches of South Africa, and across the India and Pacific oceans to South America which is oil-rich and minerals and agriculture-laden (Whelan, 2004).

During 1980-2000, American-led trade pacts such as NAFTA, APEC and the WTO played a dominant role. In the 2000s, these trade pacts are in impasse or passé. The association of Southeast Asian nations, ASEAN, in combination with Japan, South Korea and China (ASEAN+3) sidelines APEC, which is increasingly on the backburner, and reduces Asian dependence on the American market. Michael Lind

(2005) notes, "This group has the potential to be the world's largest trade bloc, dwarfing the European Union and North American Free Trade Association.

During 1980-2000, the overall trend was toward regional and global trade pacts. Advanced countries that previously pushed trade liberalization now resist liberalizing trade and retreat to 'economic patriotism'. In fact there has been a marked shift toward bilateral free trade agreements (FTAs) in North-South trade.

In South-South trade, however, the trend is toward regional and interregional combinations; China has established a free trade zone with ASEAN. In the future India may join ASEAN+3. Since 2003 there have been talks to establish a free trade zone of India, Brazil and South Africa (IBSA).

New Contours of Globalization

So the old 'core-periphery' relations no longer hold (Pieterse 2009). The South no longer looks just North but also sideways. In development policies East and Southeast Asian models have long overtaken western development examples. South-South cooperation heralded as an alternative to dependence on the West ever since the Bandung meeting of the Nonaligned Movement in 1955, is now taking shape. 'Already 43% of the South's global trade is accounted for by intra-South trade. (Gosh, 2006: 7).

The downside is that much of this growth is sparked by a commodities boom that will not last. Only countries that convert commodity surplus in to productive investments and 'intellectual capital' will outlast the current commodities cycle.

In 1980-2000 finance capital played a key role in restructuring global capitalism. The financialization of economies and the hegemony of finance capital reflect the maturation of advanced economies, the role of finance as a key force in globalization, financialization as the final stage of American hegemony and financial innovations such as hedge funds and derivatives. The trend since 2000 is that NIEs hold vast foreign reserves to safeguard against financial turbulence, 'the South holds more than \$2 trillion as foreign exchange reserves' (Gosh 2006: 7). As many historians note, the

final stage of hegemony is financialization. Accordingly, emerging economies view competition in financial markets as the next strategic arena – beyond competition in manufacturing, resources and services.

During 1980-2000 the IMF was the hard taskmaster of developing economies; now year after year the IMF warns that US deficits threaten global economic stability (Becker and Andrews 2004; Guha 2007). Western financial markets have been dominant since the 17th century. In the 2000s, financial sources outside the West play an increasingly important role, reflecting the rise of Asia, the global commodities boom and high petrol prices. East Asian countries are active investors in Latin America and Africa. China emerges as a new lender to developing countries at lower rates and without the conditions of the Washington institutions. China's foreign aid competes with Western donors and Venezuela plays this role in Latin America.

In the Davos meetings of the World Economic Forum the American economy and the unstable dollar have been a major cause of concern. The United States is deeply in the red to Asian central banks and relies on inflows of Asian capital and recycled oil dollars, and 'what flows in could easily just flow out' (Williams 2004).

For all these changes the net financial drain from the global South is still ongoing poorer nations sustain American over-consumption and the overvalued dollar. The world economy increasingly resembles a giant Ponzi scheme with massive debt that is sustained by dollar surpluses and vendor financing in China, Japan and East Asia. The tipping points are that financialization backfires when it turns out that financial successes have been based on easy credit, secondly, when finance follows the 'new economy'.

The 1990s institutional architecture of globalization was built around the convergence of the IMFs, World Bank and WTO and is increasingly fragile. Since its handling of the Asian crisis in 1997-98 and Argentina's crisis in 2001, the IMF has earned the nickname 'the master of disaster'. The World Bank has lost standing as well. The infrastructure of power has changed as well. The Wall Street-Treasury-IMF complex of the nineties weakened because the Treasury played a weak and minor role in the

GW Bush administration, until Henry Paulson's appointment in 2006, which brought Wall Street back in the cockpit.

As the 1990s architecture of globalization started becoming fragile, increasing pressure from the global South is being backed by greater economic weight and bargaining power.

Multipolarity and New Security Axes

What is emerging is simply not a decline of (American) hegemony and rise of (Asian) hegemony but a more complex multipolar field (Pieterse 2009).

New security axes and poles have emerged, notably the Shanghai Cooperation Organization (deemed a counterweight to NATO) and the triangular cooperation of China, Russia and Iran. Other emerging poles of influence are India, Brazil, Venezuela and South Africa. The G77 makes its influence felt in international trade and diplomacy, for instance it blocked intervention in Darfur on the grounds of state sovereignty, involving an Islamic government in a strategic part of the world, in part as a response to American expansion in the Middle East and Africa. China has generally backed G77 positions in UN Security Council negotiations (Traub 2006), a position that is now gradually changing.

On the military frontier of hegemony, although the USA accounts for 48% of world military spending (2005) and maintains a formidable 'empire of bases', the wars in Iraq and Afghanistan demonstrates the limits of American power.

On the economic front, the US is import dependent and 'Brand America' is losing points. There is cooling towards American culture generally across the world (Holstein 2005). There are generally three different responses to American hegemony. The first is continued support – which is adopted for a variety of reasons such as the appeal of the American market, the role of the dollar, the shelter of the American military umbrella, and lingering hope in the possibility of American self-correction. The second option is soft balancing – which ranges from tacit non-cooperation (such as most European countries staying out of the Iraq war and declining genetically

modified food) to establishing alternative institutions without US participation (such as the Kyoto protocol or International Criminal Court). And the third response is hard balancing – which only few countries can afford because they have been branded as the enemies of the US already so they have little to lose (Cuba, Venezuela, Iran and Sudan) or because their bargaining power allows them maneuvering room (as in the case of China, Russia or SCO).

An intriguing trend is that the number of countries that combines these different responses to American hegemony in different policy domains is increasing. Thus China displays all three responses in different spheres – economic cooperation (WTO, trade), non-cooperation in diplomacy (UN Security Council) and finance, and overt resistance in Central Asia (Wolfe, 2005) and in support of Iran.

American unilateralism and preventive war are gradually giving way to multipolarity if only because unilateralism is becoming too costly, militarily, politically and economically.

Although overall North-South inequality widened, economic growth went together with growing equality among and within countries. Neoliberal 'free market' economies during 1980-2000 produced a sharp trend break – now economic growth came with sharply increasing inequality within and among countries. The main exceptions to the trend were the East Asian tiger economies. The trend in the 2000s is that overall inequality between advanced economies and emerging economies is narrowing while inequality in emerging societies is increasing. The pattern of rising inequality in neoliberal economies (the US, the UK and New Zealand) continues and has begun to extend to Australia, Japan and South Korea (Lim and Jang, 2006). International migration has become a major flashpoint of global inequality and produces growing conflicts and dilemmas around multiculturalism and migration in many countries (Nederveen Pieterse, 2007b).

James Rosenau (1999) offers an optimistic assessment of global trends according to which rising human development indices, urbanization and growing social and communication densities are producing a general 'skill revolution'. However the

flipside of technological change and knowledge economies is that with rising skill levels come widening skill differentials and urban-rural disparities. The second general cause of growing inequality is unfettered market forces promoted by multinational corporations, international institutions and business media. Familiar short hands are shareholder capitalism (in contrast with stakeholder capitalism), Wal-Mart capitalism (low wages, low benefits and temp workers) and Las Vegas capitalism (speculative capital). The third general cause of inequality is financialization because its employment base is much narrower than in manufacturing, and income differential are much steeper. A fourth case of inequality in developing countries are fast-growth policies that reflect middle class and urban bias and aggravate rich-poor and urban-rural gaps.

Economic Crisis Continues

Practically all merging economies face major rural and agricultural crises. In China this takes the form of pressure on land, deepening rural poverty, pollution, village-level corruption and urban migration. In South Africa, the apartheid legacy and the poor soil and weak agricultural base in the former Bantustans contribute to rural crises. In Brazil and Philippines, land reform drags because the political coalition to control land holding oligarchies is too weak.

These are classic problems of modernization. In the past failure to bring the peasant hinterland into modernity gave rise to fascism. A major failing of communism in Russia was the collectivization of agriculture. Emerging economies need balanced development, yet urban bias and the intrusion of transnational market forces in agriculture are crisis prone.

Yet the impact of poor people's movements and social struggles in the 2000s has been greater than during 1980-2000, notably in China and Latin America.

Whereas the "Shanghai model" of fast-growth policies that are geared to attract foreign investment has been abandoned in China, it is being pursued with fervor in India. A case in point is the "Shanghaiing of Mumbai" (Mahadevia, 2006) and the growing role of special economic zones.

What is the relationship between the India of Thomas Freidman (*The World is Flat*) and P. Sainath (*Everybody Loves a Good Draught*), between celebrating growth and deepening poverty, between Gurgaon's Millenium City of Malls and abject poverty kilometers away, between dynamic 'Cyberabad' and rising farmer suicides nearby in the same state of Andhra Pradesh?

India's economic growth benefits a top stratum of 4% in the urban areas with little or negative spin off for 80% of the population in the countryside. The software sector rewards the well-educated middle class. The IT sector has an upper caste aura – brainy, requiring good education, English language – and extends upper caste privileges to the knowledge economy, with low cost services from the majority population in the informal sector (Krishna/Naderveen, 2009). Public awareness in India is split between middle class hype and recognition of social problem, but there are no major policies in place to address the problems of rural majorities and the urban poor.

In addition to the rural crisis, the emerging powers face profound urban poverty, as part of the 'planet of slums' (Davis, 2005). As India's rural poor are driven out of agriculture, they flock to the cities, while land appropriations and clampdowns on informal settlements, hawking and unlicensed stores squeeze the urban poor out of the cities, creating a scissor operation, which leaves the poor with nowhere to go.

Two projects that defined the 1980-2000 period – American hegemony and neoliberalism – which are off course the culminating expressions of longer trends – are now over their peak, and new forces are rising. The new forces stand in an ambiguous relationship to neoliberalism and American hegemony. In sum, the overall picture shows distinct new trend in trade, institutions, finance and hegemony and to some extent in social inequality (Pieterse 2009).

We can also reflect on these changes in a longer time frame. According to the thesis of Oriental globalization (Hobson, 2004; Nederveen Pieterse, 2006) early globalization was centered in the Middle East (500-1100 CE) and between 1100 and 1800 was centered in China, India and Southeast Asia. Now, as a Shanghai economist

remarks, 'after a few hundred bad years' China and India are back as the world's leading manufacturing center and information processing center (Prestowitz, 2005).

Thus in a historical sense 21st center globalization is reverting to normal if we consider that Asia has been at the center of the world economy through most of long-term globalization. In this light, two hundred years western hegemony has been a historical interlude. Carrying on with oriental globalization thesis, the West has followed Asia and transcended it by introducing new modes of production (industrialization, mass production, Fordism), and now Asia follows the West and transcends it. Now the question remains which of the modes of regulation that Asia introduces will be sustainable.

The perplexities of globalization are however the demand side. Now consider the supply side: what does sociology contribute to this question?

Contribution of Sociology to Globalization in the Twenty-first Century

'Society' as the conventional unit of analysis, shaping the legacy of sociology, is gradually being surpassed in comparative, regional and transnational studies. Historians (Mazlish 2006) and sociologists (Beck, 2005) claim that we have entered a 'global age' and a global sociology is taking shape (e.g. Cohen and Kennedy, 2007). In global sociology the main theoretical synthesis and comprehensive assessment remains world-system theory. Even so, the limitations of WST are familiar: WST is Eurocentric, preoccupied with the long 16th century as the genesis of the modern world-system and with capitalism in the singular. For instance, if the rise of Asia is a comeback that builds on and in some respect resumes the experience of prior oriental globalization, WST precludes this option and perhaps one can look for guidance outside to the historical work of Andre Gunder Frank (1998) and others.

In effect, WST replicates on a global canvas the two main analytics and limitations of sociology: modernity and capitalism. Modernity remains wedded to a Eurocentric legacy. Capitalism is a powerful problematic, but capitalism in the singular remains implicitly embedded in 19th century stages theory with its unilinear cast.

To go beyond Eurocentric and historically fixed and biased conceptualization we must opt for the plural: modernities and capitalisms. The modernities approach abandons the linear history and the idea of advanced societies as models. This means that the most important variables are the domestic balance of forces and debates; it means not simply applying models but giving priority to domestic balance forces and local debates and expecting local (national, regional) adaptations of transnational influences. This approach also has downside: as an approach, modernities is descriptive, interpretive and open ended, rather than critical, normative and programmatic. Critical theory may fall by the wayside and the critical edge may be blunted to make way for bland pluralism. Thus, cultural relativism is the strength and weakness of this approach, and what matters are not just modernities but also the interaction of modernities.

On the other hand, conventional approaches to capitalism mainly accommodate stages of capitalism (early, late, and advanced) and modes of regulation (Fordism, flexible production) and retain a unilinear bias. In contrast, capitalisms reckon with the actual activity of the capitalist institutional practices, the political economy of capitalism yields capitalisms.

Emerging societies must strike a cautious balance. While throughout the global South it is a cliché that neoliberalism does not work, the international financial markets continue business as usual, so for developing countries diplomacy is in order. If American deficits are crisis prone and inequality in the US is growing sharply, then why follow this model? Now emerging economies follow neoliberal policies (in the sense of fiscal conservatism) to escape from neoliberalism (in the sense of the vagaries of the free market).

If neoliberalism refers to high-exploitation capitalism, again the picture is mixed. It generally does not apply to the tiger economies like South Korea, Taiwan and Singapore. It does apply to China where migrants from the impoverished countryside have been an essential component in the razor sharp 'Chinese price' and to India where the low wage rural economy and the urban poor support the modern sector with cheap labour, services and produce. Inequality has not been a just so circumstance or

minor quirk as a route to growth but a fundamental factor in production and in establishing the international competitiveness of several emerging economies. In India high-exploitation capitalism, buttressed by caste in the countryside, continues unabated without major changes in government policy.

‘Beating the at their own game’ and using market forces to develop while keeping one’s identity is a difficult balancing act for competitiveness means conforming to business standards in which, so far, neoliberalism remains a default policy. In effect this means that existing structures of inequality such as caste or ethnicity are reworked.

Of the two major trends in the 21st century globalization, the gradual East-South turn is widely recognized, but the deepening rural and urban poverty in emerging societies is not. Business media engage in emerging markets boosterism. Meanwhile for emerging societies the key to sustainable development is to take the peasantry and the urban poor along. Discussions in emerging societies are about rehabilitating the developmental state, not an authoritarian developmental state but one that is democratic, inclusive and innovative.

The East-South turn introduces a different vortex of capitalism. China as workshop of the world competes with other developing countries, not just the US, Europe and Japan see manufacturing work go to China, but so do Mexico, Kenya and Bangladesh.

A budding debate in China concerns the ‘harmonious world’ or the idea that China’s rise should not come at the expense of other developing countries and the world’s poor. This is new on the agenda and not nearly as well developed as the ‘harmonious society’.

Alternatives that were sidelined during the epoch of neoliberal hegemony have taken on new influence and legitimacy since the turn of the millennium. The Beijing consensus is na emerging alternative in Asia and the Bolivarian alternative (ALBA) in Latin America. Countries that are financially independent and have relative

maneuvering room such as China because of its size and Venezuela because of its oil wealth are in a strong position to articulate alternatives to neoliberalism.

Social markets and human development approaches have generally come back on the agenda. Global emancipation hinges on rebalancing the state, market and society and introducing social cohesion and sustainability into the growth equation. This means that each component changes: the state becomes a civic state, the market a social market, and growth turns green.

“American Bubble” Bursting?

The current economic crisis confirms several broad trends: American capitalism loses its leading role; finance is a central arena of international competition and China gradually attains a pivotal role. On broad strokes: international trade is down, finance cools off, and Asia and emerging societies are rising relative to the West. The crisis in a sense reflects and corrects global imbalance during past decades, in brief: consumption and deficits in the US, production and surpluses in Asia. Inevitably then the balance tilts towards Asia and surplus countries (Pieterse 2009).

The crisis, in one reading, is an expression of global imbalance. According to Krishna Guha, fast-growing developing countries with underdeveloped financial systems were exporting savings to the developed world for packaging and re-export to them in the forms of financial products; the claim that this was sustainable assumed core financial centres – above all New York and London could create the financial products efficiently and without blowing up. They could not (Guha, 2009).

That neoliberalism is unsustainable has long been argued (Nederveen Pieterse, 2000). The crisis illustrates the combined effects of deregulation and financialization, two features of the neoliberal era. The third component of neoliberalism, the exploitation of right-less labour and the concentration of power at the top which can be called Dixie capitalism (Nederveen Pieterse, 2004a) is yet to be confronted.

A new power balance is taking shape. The IMF obtains new funds to address the credit squeeze for developing countries – from newcomers to the world power

structure, which thereby take their seat at the head table. However, without structural reforms, bailouts and crisis management will not succeed. Additional funds will simply go where the previous ones went, into the gigantic sinkhole of financial wizardry. Saskia Sassen (2009) notes the magnitudes of financial bubbles; she proposes definancialization or bringing the financial sector in line with the 'real' economy, a proposal as sweeping as Walden Bello's call for deglobalization (2003).

From Emerging Markets, to Emerging Powers, to Emerging Societies

When the term 'emerging markets' arose in the 1970s, it referred to the tiger economies of South Korea, Taiwan, Singapore and Hong Kong. In recent times its use extended to Southeast Asian countries such as Malaysia and Thailand. In the 1990s it applied to all newly industrialized countries or economies (NICs or NIEs). More recently the investment bank Goldman Sachs coined the term *BRIC* or Brazil Russia India China to denote a special category of large, strategic, highly promising economies.

Another term that gained currency in recent years is 'emerging powers' in view of the growing political and geopolitical of several large developing countries. The term first referred to Japan but now includes China and Russia as members of the UN Security Council, India and Brazil as aspirant members and as regional powers, South Africa as a force in Africa, Turkey as a member of NATO, and several countries as leading forces in G-77, G-21 and other international forums.

Both terms – 'emerging markets' and 'emerging powers' are successors to the conventional terminology of 'developing countries'. These countries have emerged from the waiting rooms of history and earned a different classification. Yet both terms reflect a limited remit – 'emerging markets' refers to business and finance and 'emerging powers' refers to international politics. So of the big three in social science – state, market, society – only two are represented.

In opting for the term 'emerging societies'¹⁴, Pieterse (2009) seeks to address this gap. This reflects several moves. We intend this as a comprehensive terminology that encompasses state and market dynamics, which is not usually the case the other way around; emerging markets or emerging powers do not per se include interest in social forces. We are interested in the dynamics of emerging economies and new power equations, but view this in a social context, in light of the interests, sensibilities and debates *within* these societies. Thus we opt for a view of emerging societies that is sociologically rich and is embedded in social reflexivity.

For quite some time growth rates in the global South have substantially exceeded those in the North, new industrializing countries are booming, Asia is rising, and the spotlight is on the BRIC and China and India. New workers join the global workforce by the millions and sprawling new middle classes open vast new consumer markets. Transnational corporations take up new opportunities for offshoring and outsourcing and banks, stock exchange and hedge funds roll out new rounds of financial expansion. The new industrialization boosts demand for commodities and the commodities boom changes transnational networks of trade and flows of finance.

¹⁴ 'Emerging powers' creates the impression of a political-science, international-relations type treatment and prompts the question: why not focus on the large emerging societies such as Russia and China? This is interesting but a more limited remit than we have in mind. Emerging markets and emerging powers represent mainly external interests and perspectives on the part of financial markets, investors and power politics. In contrast, 'emerging societies' reckons as much with internal perspectives. Social reflexivity matters as an expression of social vitality and active democracy, and of course, in the sense of Ulrich Beck's new modernity (1992). The litmus test of 'emerging societies' is, after all, whether and how their emergence serves the emancipation of the majority.

'Emerging societies' carries a drawback if it privileges and reifies 'society' as the unit of analysis. These are times of cross-border economies, new regionalism and transnational corporations, off shoring and outsourcing, a transnational capitalist class and a capitalism that is in significant respects transnational, rather than national. Global political economy, global sociology and world-systems theory assume this as a starting point. A counterpoint to this perspective is that difference between national institutions and regulations matter. Nation states remain strategic forces, a little more so the larger the nation-state. Thus, according to Dani Rodrik (2000), we have globalization but not global capitalism. As several scholars note, the conventional notion of 'society' as a homogenous unit is outdated (Mann 1986, Urry 2000), yet, of course, to ignore states and social institutions is no alternative. Vital decision-making runs through nation-states and nation states remain the forum for democratic decision-making, no matter how imperfect. Even so, the notion of society does not have to be confined to nation states (the 'container model' of society) but increasingly extends to transnational configurations and is used in wider meanings as in social networks, network society, transnational societies and world society.

Cross-border economies and financial links emerge at the confluence of technological changes (which lower wages for unskilled labour), liberalization (which reduces state capacities and oversight) and globalization. Sidebars report on looming risks, ecological constraints, corruption and political uncertainty. They point to slow growth and stagnation in advanced countries – even though familiar mantras hold that “The World is Flat” and outsourcing is beneficial in the end.

There is no question that in 21st century globalization sea changes are underway. Structurally the world economy at the turn of the millennium resembles the postwar boom and the ‘golden years of capitalism’ – the current period is again driven by industrialization, but now centred in the new industrializing economies.

Emergence denotes rising level of development and gradually rising influence in the vicissitudes of globalization, for instance in international trade policy and the WTO. These changes are part of the ‘crazy vitality of capitalism’ (Thrift 2004, p. 1), but surely ‘crazy vitality of capitalism’ carries different meanings in different settings, such as societies where the majority of the population are peasants or are illiterate. If globally the rise of emerging societies is a major frontier, *in* the emerging societies inequality is the major frontier. In the decades to come much depends on how emerging societies address inequality.

Practically without exception, emerging societies face major social crises in rural areas and urban poverty. Thus, the flipside of cutting-edge globalization is that across the world multi-speed societies are taking shape. In the emerging societies, a new middle class, educated, technologically savvy and increasingly influential, coexists side by side with a peasant hinterland. Reports of ‘two Egypts’ or ‘two Perus’ have been increasingly common.

Relationship between Emerging Economies and Social Inequality

The key question is how the development path of emerging societies relates to inequality; what is the relationship between economic vitality in emerging economies and social inequality? Are social inequality and multi-speed economies built into the pattern of accumulation such that if inequality recedes accumulation declines, or is the

development path geared towards reducing inequality? Where do the emerging societies lay their growing weight – growth without equity or growth with equity? Thus is meaningful, of course, beyond these societies themselves. At issue is whether the ongoing transformation represents the annexation of emerging economies into global neoliberal capitalism, or alternatively, whether they hold an emancipatory potential for the majority of the world population.

Social inequality has myriad dimensions and meanings. In social terms it carries implications for social protests and social movements; it holds ramifications for families, reproduction and demography. From a cultural angle, the phenomenology of inequality or what inequality means and represents is radically different between and within societies. Caste in India, race in United States and South Africa, colour in Brazil and ethnicity in other societies are familiar examples of cultural inequality complexes. Cultural heterogeneity intersects with inequality and various intersections of gender, ethnicity, race, national origin or citizenship status shape constructions of inequality. Along the ideological spectrum, social Darwinism (revived and rearticulated in the ethos of neoliberalism) and egalitarian social democracy are two extremes on the continuum of class ideology. Is poverty accepted (“the poor will always be with us”) or is it viewed as a social sore whose elimination is a yardstick of social and cultural progress? Inequality holds different political meanings, as a source of political stability (in view of rising levels of social and political organization).

Polarizing growth has been a classic trend. The notion of pauperizing growth goes back to, among others, Brazil in the 1970s. Since then neoliberalism has added its path of growth-without-equity, the path of Anglo-American capitalism and the structural adjustment policies implemented under its auspices.

A framework that seeks to come to terms with these trends is hierarchical integration (Pieterse 2009). Hierarchical integration may be a description of 21st century accelerated globalization in which people interact more closely world-wide, yet are also more separated, in various kinds of local-global ‘upstairs downstairs’ relationships.

The human development approach has argued all along that what matters is not growth but the quality of growth (Haq 1995). Thus, a contrasting case is growth with equity as represented by social market capitalism in Scandinavian and Rhineland versions, that East Asian development states and Japan's bureaucratically coordinated capitalism (until the fin de millennium turn to market forces). In this view, growth premised on inequality is not sustainable. With social polarization come crime, lack of accountability and corruption, hence economic and political instability. Unequal societies cannot regulate markets and permissive, unregulated markets are unstable and crisis-prone.

Another major vortex of inequality is the relationship between emerging societies and commodity-exporting societies (between China and African countries, for instance). Hence, a key question is whether the ongoing commodities boom will yield a bust so that this relationship is part of an unsustainable development path, or are gains from commodities exports converted into human capital? Oil-rich countries leasing fertile agricultural land pose further risks.

An implication of multi-speed societies is that there is no single development path but there may be different paths for different sectors, regions, ethnicities, genders. Development, of course, must be disaggregated, just as aggregate figures such as growth, GDP and per capita income must be unpacked to make sense. Besides, the units of analysis are not necessarily countries; they may be cross-border economies, economic sectors, or migratory flows. While all this is true, nevertheless the public sector exercises a special responsibility in relation to the development path.

Reflecting on the growth paths of new industrializing countries, the Growth Commission Report (2008) notes that there is no single formula for growth because historical circumstances and contexts matter; a view that breaks with the Washington-consensus one-size-fits-all approach. The report devotes special attention to the role of the public sector – which includes building a coalition around a growth path, mitigating the social impact of a growth path, and steering towards inclusive development.

Present trends are quite diverse. As macroeconomic approach neoliberalism has lost ground, yet the impact of neoliberal policies is still being felt across sectors and societies. Keynotes are spikes and valleys, competitiveness and flexibility. The growing role of sovereign wealth funds, based on the surpluses of export-oriented economies and of energy exporters from the Persian Gulf to Norway, suggest a return of state capitalism. It suggests a vindication and comeback of developmental states, in contrast to the claims and policies of neoliberal ideology. Yet, of course, this involves very different states, so state capitalism itself is a glyph to decipher.

Emerging Economies and Asia's Response

How are the trends holding up in the wake of the economic crisis? The first major test in the decoupling thesis shows that Asia and other emerging societies are not able to take up the slack if slowdown affects not just US but Europe as well. The decoupling thesis is passé. Arun Kumar, an economist at JNU notes:

“The year (2008) began with policy makers and experts suggesting a decoupling between the Asian and the US and European economies. They suggested that the rapidly growing economies of Asia will provide the boost to the advanced economies so that there would be a soft landing for the world. This was based more on hope and hype rather than analysis. These economies were already at their peak growth rates and could not double them, which was required to compensate for a decline in the rates of growth in the OECD economies. Further, since China is heavily dependent on exports to these economies and India is much more open than earlier, if anything, their rate of growth were bound to fall. These two economies could not move to direction opposite to that to that of the bigger economies, as events have borne out. Clearly, all along, the policy makers and experts have been hoodwinking by denying the reality” (Kumar 2009).

Commodity prices – high from 2002 to 2008 – have come tumbling down, with petrol prices coming down as well it is a mixed message for developing countries. But since growth leading emerging societies remains strong, demand for commodities will swing back to some extent. Migration to the North has slowed and will not easily

recover, which in turn affects remittances. The slump enables the IMF and World Bank to make a comeback, but with a different script – a tad more self-critical, less confident about their prescriptions, refraining from economic micromanagement while looking over their shoulders for funds. The IMF's capital base has eroded and to resume its financial role its capital stock should include significant participation of sovereign wealth funds from the global South. This is possible only on the basis of financial power sharing with emerging economies, which, in turn, signals the passing of the Washington era, not immediately but in time.

In the wake of crisis, financial institutions in the global South have become more careful about acquiring Western assets. From South Korea to the Middle East, everyone is cutting back on US-dollar assets. The message of crisis is that global capital will stay home rather than migrating to American assets and Treasuries. This bodes ill for the US-government repair plan of deficit financing.

The economic weakness of the United States is structural and, unlike in the 1990s, not amenable to financial fixes. The financial overhang in debts, derivatives and hedge funds is too large and economic foundations are too weak. As the Chinese premier pointed out at the World Social Forum in Davos, high consumption and prolonged low savings is not a sustainable development path. A related problem of the American economy is decades' long underinvestment in private sector, in new technologies generally and in manufacturing. The industrialization in emerging societies is, in part, a counterpart to deindustrialization in the US. Financialization of the economy, coinciding with increasing deregulation, has deepened American economic troubles.

The rise of emerging societies is structural, too and outlasts the crisis. Although, the short term picture has changed, medium and long-term trends have not. According to Goldman Sach's forecasts, 'the Bric countries will be the only source of domestic demand growth globally in 2009'. Thus, 'coming on top of 2008, we project that for three consecutive years we will have seen global demand expansion led by the Bric economies'. A question is 'are we going to discover that that not only can these nations cope better than people in the west think, but that some of their own forms of

economic model will be mimicked by developed countries to help them cope with the decline of private sector market systems?

Crisis may be an opportunity for 'redoing globalization' and global social policy emerges on the agenda. This is unlikely to materialize also because major players are occupied by their own problems. The main thrust of the crisis is that neoliberalism is past, Keynesianism is back in, financialization will have to be brought under control, rating agencies must be 'rated', and the American lead of the world economy has faded. Clearly, the current era signals a new epoch, more multipolar, with a much greater role of emerging societies and a greater importance of South-South relations.

Emerging Economies and Latin America's Response

In Latin America, the debt crisis, and the growth stagnation to which it gave rise seem to be behind us, and the latest data show that developing countries are growing faster than industrial countries (Stiglitz 2001). In fact, between 1991 and 1995, the growth rate of high-income countries was 2.5 per cent, while that of low and middle-income countries was 4.5 per cent. Although the financial crises in East Asia have attracted much attention lately, they should not obscure the amazing achievements of the East Asian countries. Per capita income in the Republic of Korea increased tenfold in just over three decades. There is almost no one in Korea, Thailand and Malaysia living on less than US\$1 a day, and Indonesia is within reach of that goal. Even Africa, where many countries experienced negative growth in 1970s and 1980s, has at last started to experience growth, and countries such as Uganda that have sustained reforms over several years are showing consistent growth averaging 6 per cent – still not in league of China, but far better than was the case a few years ago.

In recent years, international economies have been increasingly taken up by one big question: How will national economies perform now that nearly the entire world is joined in a single global marketplace? The most notable features of the new world economy are the increasing links between high and low income countries. The great novelty of the current era is the extent to which the poorer nations of the world have been incorporated in the global system of trade, finance, production as partners and market participants rather than colonial dependencies. For globalization enthusiasts

this development promises increased gains from trade and faster growth for both sides of the world wide income divide. For skeptics, the integration of the rich and poor nations promises increasing inequality and exclusion in the former and greater dislocation in the latter (Sachs 2004).

Income distribution – perhaps no aspect of globalization has been more controversial than the alleged effects of increased trade on income distribution. A series of claims are made that globalization is a major factor in increasing inequality, both in advanced and developing countries.

Dollar and the military supremacy are all that USA has. The dollar as the world currency whose monopoly privilege the US has to print at will, and the Pentagon with its unrivalled military capacities. The dollar is literally a “*paper tiger*” as it is printed on paper and its value is based only on its acceptance and confidence in the same around the world. The overall US strategy is to encircle China militarily and to strait-jacket economically as far as possible. But how far is that? (Frank 2009).

Economic globalization has also had major positive benefits, including a partial leveling up impact on North-South relations and a rising standard of living for several hundred million people in Asia, which has included rescuing many millions from poverty. According to UNDP figures (1999), the proportion of the poor globally, but not their absolute number, has been declining during the past several years. There are some indications that after countries reach a certain level of development, especially in response to the demands of an expanding urban middle class, pressures mount to improve work-place and environmental conditions. Such governments also become more confident actors on the global stage, challenging inequities and geopolitical structures. There is nothing inherently wrong with encouraging economies of scale and the pursuit of comparative advantage so long as the social, environmental, political and cultural effects are mainly beneficial (Falk 1999). What is objectionable is to indulge a kind of market mysticism that accords policy hegemony to the promotion of economic growth, disregarding adverse social effects and shaping economic policy on the basis of ideological certitudes that are not attentive to the realities of human suffering.

The impacts attributed to globalization have been strongly reinforced by the most influential reading given to the ending of the cold war, discrediting not only utopian socialism, but any self-conscious social project aimed at the betterment of living conditions for the poor or regarding the minimizing of social disparities as generally desirable.

There is not much doubt that globalization is slowing down. But this could mean declining connectivity or more intense connectivity, because societies as societies have to be involved much more in global exchange and networking (Schwengel 2009). The fact that the global has been challenged by the new economic and political powers such as China and India, and that these nation states are at the same time global regions and old civilizations matches the diversification of capitalism within the North, within the South and between them, creating a new Second World or semi-central instead of semi-peripheral societies. But the concept-metaphor, to give this process an intellectual face, is not defined yet and needs clear intellectual work and debate.

'Emerging powers' is a concept-metaphor with implications other than those of the concept-metaphor 'emerging societies' concept-metaphor, as the anthropologist Henrietta Moore interprets the idea, maintain attention between pretentious universal claims and particular concepts and specifics. Emerging powers produce side effects: financially risky exchange structures; unrest in agrarian areas; export-driven growth accompanied by the erosion of balanced social structures; and deepening inequalities. In many respects the rise of the emerging powers looks more like expectation than fact; historical time needed to complete the shift is difficult to calculate; the inner contradictions within emerging powers – from poverty and damaged environment to the lack of education and broad technological experience – may prove to be increasing rather than decreasing.

Summary

The concept of globalization, as nothing else but globalization, has reached the point where its success as a discourse no longer matches its capacity to explain what is

going on in the world. After rethinking the dialectic of emerging powers one should at least distinguish three periods of contemporary globalization experience which overlap and confuse public opinion (Schwengel 2009). The first, the monetary and political postwar regime from the early 1970s, which lasted until 1989 when the economic division of the world finally collapsed, already included elements of emerging powers and the steady rise of flexible accumulation, although it was still dominated by the institutions of the bipolar world. The second step, from 1989 to the early 21st century, proved to be an intermediary period in which the process of emerging powers unfolded, but without an appropriate institutional framework. Now we are in a third period of so to speak 'inner' globalization, in which societies as societies have to properly define their place in the whole spectrum between local accumulations, regional clusters, national frameworks, continental destinies and global expectations. To speak of nothing but globalization no longer makes sense for the social sciences (Therborn and Khondker 2006) as historical and political-geographical metaphors move between the continents and such transnational political ideas as cosmopolitanism attract attention (Delanty 2006).

Schwengel's concept of emerging "society" leads us to the next chapter where we are trying to negotiate a space for the excess of globalization to fit in, i.e. we discuss the counter-forces to globalization. With globalization such a massive phenomenon with its comparative quotient of benefits and detriment, it is needless to say that the forces countering its spread would also be mentionworthy.

3

Range of Resistance to Globalization

With a reference to emerging 'society' in the previous chapter we now need to elaborate on the deglobalizing forces rising from different contours of the society which are increasingly voicing the demand for making spaces in globalization to eradicate social exclusion. We specifically need to look at the critical theories that more or less define the fabric of anti-globalization sentiments. Next, it is impossible to talk about counter-globalization forces without mentioning World Social forum.

Joseph Stiglitz and Andrew Charlton (2005) write:

“The anti-globalization movement developed in opposition to the perceived negative aspects of globalization. The term 'anti-globalization' is in many ways a misnomer, since the group represents a wide range of interests and issues and many of the people involved in the anti-globalization movement do support closer ties between the various peoples and cultures of the world through, for example, aid, assistance for refugees, and global environmental issues.”

Globalization-from-below

The ideological and operational aspects of globalization are associated with the way in which transnational market forces dominate the policy scene, including the

significant cooperation of state power (Falk 1999). This pattern of development is identified here as “globalization-from-above”, a set of forces and legitimating ideas that is in many respects located beyond the effective reach of territorial authority and that has enlisted most governments as tacit partners. But, globalization, so conceived as generated criticism and resistance, both of a local, grass-root variety, based on the concreteness of the specifics of time and place, and on a transnational basis, involving the linking of knowledge and political action in hundreds of civil initiatives. It is this latter aggregate of phenomena that is described here under the rubric of “globalization-from-below”.

Given this understanding, it is useful to ask the question: what is the normative potential of globalization-from-below? The idea of normative potential is to conceptualize widely shared world order values: minimizing violence, maximizing economic well-being, realizing social and political justice, and upholding environmental quality. These values often interact inconsistently, but they are normatively coherent insofar as they depict the main dimensions of a widely shared consensus as to the promotion of benevolent forms of world order and seem at odds with crucial respects with part of the orientation and some of the main impacts of globalization-from-above in its current historical phase. In all probability, globalization-from-above would have different, and generally more positive and normative impacts if the prevailing ideological climate were conditioned by social democracy rather than by neo-liberalism or if the adaptation of the state were subject to stronger countervailing societal or transnational pressures of a character that accorded more fully with world order values. This historical setting of globalization exhibits various tendencies of unequal significance the identification of which helps us assess whether globalization-from-below is capable of neutralizing some of the detrimental impacts of globalization-from-above (Falk 1999). A further caveat is in order. The dichotomizing distinction between above and below is only a first approximation to the main social formations attributable to globalization. Closer scrutiny suggests numerous cross-cutting, diagonal alignments that bring grass-roots forces into various positive and negative relationships with governmental and neoliberal policies. Coalition possibilities vary also in relation to issue area. For instance, transnational social initiatives with respect to economic and social rights

may be affirmed by some governments, while comparable initiatives directed at environmental protection or disarmament would appeal to other governments.

Why Oppose Globalization?

Reasons for emergence of anti-globalization sentiments – firstly, principal political parties in constitutional democracies today subscribe to programs that accept the essential features of the discipline of global capital. This development may not persist if social forces can be mobilized in such a way as to press social-democratic leaderships effectively to resume their commitment to the establishment of a compassionate state and if such an outlook prove not be generally viable in the context of governing. In a word, resistance to economic globalization is not likely to be effective if it relies on matters of political economy. Secondly, criticism of economic globalization at the level of societal politics is unlikely to have a major impact on public and elite opinion until a credible alternative economic approach is fashioned intellectually and such an alternative approach has enough mobilizing effect on people that a new perception of the dangerous class enters discourse again making economic and political elites nervous enough about their managerial ability to contain opposition. Thirdly, the ecological constraints of various sorts need to be dealt with for which a range of social agenda is needed. Fourthly, globalization-from-above is definitely encouraging a resurgence of support for the right-wing extremism, a varied and evolving array of political movements that may scare governments dominated by moderate outlooks into rethinking their degree of acquiescence to the discipline of global capital. Will national political parties and governments be able to recover their legitimacy and authority by responding effectively to this challenge without successfully modifying the global setting and its current impact on the policy making process? Fifthly, will labour militancy become somewhat more effective and socially visible as it shifts its focus from industrial age priorities of wages and workplace conditions to such emerging concerns as downsizing, out-sourcing, and job security? There are also possibilities engaging wider constituencies than organized labour in this struggle: individuals and groups that are feeling some of the negative effects of globalizing tendencies. One indicative development with respect to labour is a renewed recourse to strikes as a means of working people to resist globalization.

Organized labour, despite economic growth in the North, has been able to share in the material benefits of a larger economic pie, because impinging effects of competitiveness and fiscal austerity and in numerous economic sectors it has been losing jobs and facing a continuous threat of industrial relocation (Falk 1999).

At this stage, the politics of resistance in this emergent era of globalization are in formation. Because of the global scope, combined with the unevenness of economic and political conditions, the tactics and priorities will be diverse, adapted to the local, national and regional circumstances, just as globalization-from-above tends towards homogeneity and unity, so globalization-from-below tends towards heterogeneity and diversity, even tension and contradiction. This contrast highlights the fundamental difference between top-down hierarchical politics and bottom-up participatory politics. It is not a zero-sum rivalry, but one in which the transnational democratic goals are designed to reconcile global market operations with the well-being of peoples and with the carrying capacity of the earth. Whether such reconciliation is possible is likely to be the most salient political challenge at the dawn of a new millennium.

Anti and Alter-Globalization

Thus, though the scholars are divided over the extent of North-South disparity of global economy, one cannot ignore the growing politics of resistance against globalization-from-above. It is not a coincidence that the new global social movements of resistance are led primarily from the South, i.e. from the global periphery and semiperiphery (Wallerstein, 2004). This composition of social forces of resistance reflects the fact that much of the gains of neoliberal economic globalization have been at the expense of the South and among its poor or working majority. The advent of better global communications has served the expansion of global solidarity among resistance forces. We can call this 'the globalization of resistance'. Opposition to corporate control of the global economy and globalization is the overarching theme unifying the social movements of resistance (Chase-Dunn & Gill, 2005). Globalization skeptics can be brought under two categories – anti-globalizers and alter-globalizers. There is an apparent tension between those who advocate deglobalization and delinking from the global capitalist economy and the building of

stronger, more cooperative and self-reliant social relations in the periphery and semi-periphery (anti-globalizers) on the one hand, and those who seek to mobilize support for new or reformed institutions of democratic global governance (alter-globalizers) (Chase-Dunn & Gills, 2005). It requires a coherent, convincing and meaningful alternative for the politics of resistance to sustain itself. Criticism of economic globalization at the level of societal politics is unlikely to have major impact on public and elite opinion until a credible alternative economic approach is fashioned intellectually and such an alternative approach has enough mobilizing effect on people that a new perception of the 'dangerous class' which this time is not likely to be the industrial working class enters discourse, again making economic and political elites nervous enough about their managerial ability to contain opposition to begin seriously entering more progressive policy options. If the challenge of globalization-from-below is to become dangerous enough to tempt those representing globalization-from-above to seek accommodation, new tactics have to be adopted. One type of activity that is easier to organize concentrates energies of resistance at the regional level of encounter, especially in Europe and Asia-Pacific, at international gatherings devoted to expanding relative and absolute growth for the region vis-à-vis the global economy. The Third World Network, based in Penang, has been very effective in educating the cadres of resistance to globalization-from-above about adverse effects and encouraging various types of opposition. Otherwise resistance to globalization-from-above and the ascendancy of market forces are likely to be ignored (Falk, 2003).

Counter-Public Sphere

According to Martin Weber, alter-globalization through the emergence of counter-public sphere is inclusive. From the 'Battle in Seattle' through the 'Global Carnival' to the global and regional Social Forum movements, it has become clear that a different kind of political challenge is in formation from the kind anticipated in much of the globalization literature, which stipulated reform and a gradual democratization of existing institutions based on the increasing involvement of an emergent 'global civil society'. The critical thrust of 'counter-publics' vis-à-vis the dominant publicity is thus directed at the veneer of inclusiveness of the latter. The possibility of the formation of the counter-publics in which 'silenced' experience seeks articulation

initially for itself, and in distinction to the symbolic modes of 'dominant publicity'. For Negt and Kluge, the ground for the formation of counter-public spheres is the proletarian public sphere, which they qualify in terms of a concept of production, which is widely cast (Weber, 2005).

Counter-globalization through the Lens of Sociological Theories

Post-structuralism, Post-colonialism and Cosmopolitanism

Critical theory is deployed for challenging existing practices and values, to reconsider the prospect for justice and social change within the context of a globalizing world. It, therefore, draws on the broad spectrum of *Kantian, Marxian and Nietzschean traditions*, and on the other hand on *post structuralism, radical democracy, postcolonial theory and cosmopolitanism* – as resources in the critique of ideology and the transformation of existing condition of domination and expression. This critical theory reads the world as construction and change – as transformative potential – thus underscoring the primacy of the political. The critical theoretical approach attempts to reclaim the constructive and committed terrain of what *McLennan and Osborne* refers to as 'oracular' ideas. *Oracular ideas* are predictive, long term vocabularies of where we stand. *Vehicular ideas* are on the contrary are more instrumentally diagnosed, concerned narrowly with where we are, functioning as modest problem-solving devices. A critique of such ideas would contest the cheap, marketing, gimmicky orientation involved the thinness and waning of utopian imagination, and the demise of the normative or evaluative dimension in the theory and practice of neoliberalism and the reactionary Right, as well as the old-fashioned Left.

There are both *Left-progressive* and *Right-wing attempts* to confront globalization. The Right has been concerned about the erosion of ways of life (Cultural pollution, foreign control of resources) and about diminishing self-determination. For *Zizek*, the revival of the ultra-Right is partly a signal of the movement of the Left, particularly social democracy, away from the terrain of class politics. For *Castells*, the dislocation

of the past two or three decades have generated a new network society and have called forth a host of what he calls 'defensive identities'.

Bourdieu devoted his last years to fighting against the "banker's fatalism" that was concerned only with profit, that reduced the social world to economic language, that fetishized the productive forces, and that combated 'all forms of civilization associated with the social state'. One of the central characteristics of those works that seek to confront globalization has been a reassertion of the social or the public in the face of the apparently growing domination of the economic.

Anthony Giddens

In his "*The Third Way*", *Giddens* (2001) reached for a way to respond to the apparent death and lingering ghost of socialism. The only way forward, for Giddens, was to seek to 'adapt social democracy' to a world that has changed fundamentally over the past two or three decades. Third way for Giddens is a shift from government to governance. Globalization, as he asserts, should be approached by the Third Wayers in a positive and multi-faceted manner. Protectionism could not serve as an answer, and neither could be the uncritical defense of free trade: social justice and equality must not drop away as goals. A host of programmatic and value axioms then become vital – positive welfare, equality as inclusion, a new mixed economy, an active civil society a social investment state, a cosmopolitan democracy. Giddens has attempted to redraw the lines of a rejuvenated social democracy with his notion of 'neoprogessivism'. 'Neoprogessivism' stands for 'a strong public sphere, coupled to a thriving market economy, a pluralistic but inclusive society and a cosmopolitan wider world, founded upon the principles of international law'.

Perhaps the most savage criticism of the Third Way proposals have come from the Marxists. The Third way offers nothing for those excluded from the benefits of globalization, and the Third Wayers are considered either naïve or ill-intentioned in maintaining the possibility of a reform of voracious late capitalism. For orthodox Marxists like Petras and Veltmeyer, globalization denotes merely a new imperialism in the 21st century, an ideological tool ('globaloney') that seeks to make alternatives unimaginable; they read the new configuration as largely about the deepening and

extension to all areas of the globe of exploitative capitalist relations, generated by the combined forces of MNCs, banks and imperial states. In familiar Marxist fashion, *Petras and Veltmeyer* imagine the objective conditions ripe and the subjective factors as maturing; price controls on essentials; freezing bank accounts of the wealthy; mobilizing unused resources to deepen and extend the domestic economy; undertaking agrarian reform; reducing profits and putting a moratorium on debt repayments; moving from hyper-specialization to more balanced economy; implementing financial controls to eliminate speculative activity; and replacing privatization with socialization.

Hardt and Negri's work *Empire* derives from a libertarian tradition of socialist thought. They assert that at the same time Empire is forming, the multitudes are bus constructing counter-Empire. These multitudes are able to challenge Empire at any point and are the real force behind Empire's construction and dynamism.

Immanuel Wallerstein

Immanuel Wallerstein considers the decline of social and national anti-systemic movements which emerged in the 19th century. The alternative globalization movement is notable as an instance of global civil society in action. In particular it can be viewed as the actualization of what Richard Falk has termed as 'globalization from below', in which people-centered trans-national social movements introduce new forms of radical, counter-hegemonic political activism that challenge statist and corporatist 'globalization from above'.

The alternative globalization movement is a heterogeneous grouping. This movement does not represent a direct programmatic replacement for socialism. This is clear in the case of World Social Forum, focusing on capitalist-led globalization from above (acting as a counter-weight to the World Economic Forum), built around the slogan 'another world is possible' and representing a plurality of organizations from across the world. The accent on the WSF as an open forum as an 'open forum', the 'free exchange of experiences and interlinking for effective action', the inclusion of different trends and a lack of common political manifesto all move significantly from

the theory and practice of socialist orthodoxy, and seen in line with the nomadic, deterritorializing ambitions of Hardt and Negri's multitudes.

Wallerstein views the alternative globalization movement as needing to address four issues in the period of transition we are currently in. First we need an open debate about the transition we are hoping for. Second, the movement cannot ignore short-term defensive action, including electoral action, against an older revolutionary socialist tradition which at times was content with an orientation to the present contained in the startlingly inadequate judgment, 'the worse the better'. Third, middle-range goals must be established as well. Last, it is necessary to develop the substantive meaning of long-term emphases, most crucially a world that is democratic and egalitarian.

Finally, it is important to briefly explore a progressive postmodern mode of confronting globalization, namely *Derridean cosmopolitanism*. Derrida seeks to trouble the canonical conception of friendships and democracy and to move them beyond territory, the nation-state, citizenship and so forth. His idea of a '*New International*' means the necessary transformation of the sovereignty of the state, new international laws and new practices. The theory of cosmopolitan democracy developed by *Held*, *McGrew* and *Daniele Archibugi* outline a project for multiple layers of democratized governance that attempts to resolve the shortcomings of global governance, in particular the perceived deficit of democratic deficit.

The critical social and political theories discussed so far challenge the presumptions of certainty which underpin the respective positions of neoliberalism and orthodox Marxism in regard to globalization. Bourdieu terms the emancipatory political and social understanding of the post globalization alternative as 'reasoned utopianism'; however the call for 'another world is possible' is too strong to ignore (Hayden & Ojeli, 2005).

Jagdish Bhagwati

According to *Jagdish Bhagwati*, anti-capitalism has turned anti-globalization among left-wing students. Anti-corporation militancy that is on the rise among the young anti-globalizers is also strategic. We have witnessed the brilliant way in which the

anti-globalizers have managed to use the meetings of the international agencies such as IMF etc. to protest and profess their anti-globalization sentiments. What better place to create mayhem and get attention from the vast multitude of reporters looking for a story? There is today no unified block of underdeveloped nations in international economic negotiations, but only coalitions around different interests that often cut across the conventional North-South divide. For Bhagwati, expansion of globalization and growth of civil society can go hand in hand, through a partnership. Secondly, the policy of social responsibility has the potential of making capitalism attractive thereby lessening the anti-corporation sentiments for good.

In *Negt and Klug's* work, experience is mobilized to account for the refraction of 'the public sphere' along lines of domination and subordination, and the contradiction which unfold in the light of the 'inclusiveness' of the public sphere as the domain of public reason (Weber, 2005). The role of 'experience' for the formation of counter-publics is circumscribed in terms of three elements: a) the experience of reproduction under capitalist i.e. alienated conditions; b) the systematic blockage of that experience as a horizon in its own right i.e. the separation of the experiencing subjects from the networks of public expression and representation; and c) as response to that blockage, resistances and imaginative strategies grounded in the experience of alienated production – protest energies etc. (Weber, 2005). Unlike *Habermas*, Negt and Klug focus on the heterogeneous composition of publics themselves. They discern a dialectical interplay between the 'organized' and 'organizing' dominant public sphere, which they identify with the bourgeois, and the subaltern, disarticulated public spheres which they summarize under the label of the proletariat (Weber, 2005). The critical thrust of 'counter-publics' vis-à-vis the dominant publicity is thus directed at the veneer of inclusiveness of the latter. The possibility of the formation of the counter-publics in which 'silenced' experience seeks articulation initially for itself, and in distinction to the symbolic modes of 'dominant publicity'. For Negt and Kluge, the ground for the formation of counter-public spheres is the proletarian public sphere, which they qualify in terms of a concept of production, which is widely cast (Weber, 2005).

The most important theoretical and practical political question facing the new social movements of global resistance is whether they are capable of acting as a counterhegemonic bloc in global politics and achieving significant transformation of the global system. It is the diversity of the movements and their insistence on participation, inclusiveness and autonomy that give the new movement their real strength (Chase-Dunn & Gill, 2005).

Francis Fukuyama in *'The End of History and Last Man'* (1992) argues that we have reached the end of history, because there are no alternatives to capitalism and liberal democracy. Yet he raises the possibility that this new world will ultimately result in new discontents. *James Rosenau* (1990) seeks to account for the persistent turmoil in world politics by evaluating the political, social and economic changes since the Second World War. He argues that we live in a 'bifurcate world' in which the old state-centric system is being challenged by a new multi-centric world of NGOs and collectives.

Social movements in the South that are fighting against social injustice and exclusion need to be looked at in terms of the particular socio-economic, political and institutional contexts in which they are rooted. It is difficult to make generalizations about the 'social movements of the South'. But what is common to all Southern countries is that need for democracy on one hand and the liberalization of markets on the other (Polet 2007).

Resistance in the (Global?) South

During the 1980s and 1990s there was a general trend in the countries of the South (and the East) for authoritarian regimes to move towards officially democratic systems. In less than twenty years, the 'third wave of democratization' affected three continents of the South: Latin America (Argentina, 1982; Brazil, 1984; Uruguay, 1985; etc); Asia (Philippines, 1986; Thailand, 1992; Indonesia, 1998, etc) and Africa (Benin, 1990; Mali, 1991; South Africa, 1994, etc). This democratic contagion is not independent from changes in the international environment. The end of the Cold War and the reformulating of the hegemonic discourse around the principles of democracy

and economic freedoms invited the Western powers to put their relationships in order and to withdraw or condition their support to regimes that had become unsavoury. But in many countries the declining power of dictatorships was also the consequence of economic, financial and social crises. And finally, it was the growth of the democratic movements born within civil society which was to undermine the legitimacy of the autocratic regimes by refusing arbitrary rule, by cultivating popular support for the democratic project and by organizing social mobilization that destabilized those in power (Polet 2007).

However, the extent of this democratization wave should be relativized. As the UNDP Report 2002 stressed, 'Of the 81 countries that have taken steps to democratize, only 47 are considered full democracies'. Several studies have also shown the disillusion with democracy, if not an outright disbelief. This is essentially because the political opening up did not bring about the expected social progress. The contradictory situation is still further overshadowed by the international security situation which has prevailed since September 11, 2001. The international community is now less concerned about the 'internal management' of human rights in countries that cooperate fully in the war on terror. This has contributed to changing the internal power relationships to the detriment of the groups struggling to deepen the democratic process.

The other global tendency that enables us to trace the evolution of the environment in which social mobilization have been growing is that of the integration of developing countries into the world economy (Polet 2007). The difference between theory and reality is all too apparent. Adjustment measures have indubitably contributed to increasing the informal economy and the precariousness of living conditions for whole sectors of the population. The first signs of social malaise were ignored or put down to 'archaic behavior', in an ideological context in which most of the elites of the South converted to the principles of the market economy by either conviction or opportunism. However, the extent of social destruction and the increase of social protest were to bring that optimism to a halt. The World Bank and the development experts who had orchestrated the formation and diffusion of the 'model' have themselves been forced to review their diagnosis and to recognize that not only are the

'losers' of globalization more numerous than foreseen – the majority in many countries – but this situation is likely to endure.

From the mid-1990s, the debate within the community of development theorists has focused not so much on the relationship between liberalization and pauperization, but rather on the play of specific factors that explain the successive social crises. Are the macro-economic prescriptions badly conceived or is it their institutional framework that poses the problem? The dominant current of development assistance chooses the latter explanation: if the adjustment of the economies is to benefit the poorest, there must on the one hand be a better framework – and hence a reform of the institutions. On the other hand, they must be accompanied by social programs of compensation. This 'reform of the reform' does not affect the core of the structural adjustment measures, but aims at making them socially and politically viable in the long term. It is accompanied by a formidable rhetorical of counter-offensive: the poor are victims not so much of structural adjustments but of the incapacity of the rulers to manage the institutional environment conducive to these reforms. Hence, 'improved' reforms will be pursued in the name of the poor and with their participation.

The Poverty Reduction Strategy Papers and the Millennium Development Goals (MDG) embody this change of paradigm. Both these initiatives stress the notion of ownership by the government and the participation of civil society to eradicate poverty and exclusion. They claimed to have reconciled the donor community, particularly the World Bank, the governments and the organization of the civil society representing the poor. Is it a tactic employed by institutions losing legitimacy, or the latest example of voluntarism of the development community? Whatever it is, the international consensus against poverty has, up till now, helped to hide the unequal relationships between nations and within them, rather than softening the policies that create inequality and poverty.

Similarity in Economies of Asia, Latin America and Africa

It is striking how the socio-economic conditions are similar in the countries of Africa, Asia and Latin America. The following are the spaces of concern from which dissatisfaction and agitation started brewing eventually leading to mobilization (Polet

2007). The end of subsidized basic household commodities and the rise in prices of public services caused by privatization have resulted in a brutal fall in the consumption levels and well-beings of urban population. This same privatization of services and public enterprises has brought about lay-offs that have severely affected the middle classes. Industrial workers have not been spared, enterprises active in sectors that do not possess comparative advantages have had to adapt (through massive dismissal or outsourcing) or disappear altogether. Socio-professional categories who have resisted have been dismissed as corporatist groups. In the country-side, the combined effects of the disappearance of public mechanisms to support the production and distribution of agricultural products, together with diminishing prices as a consequence of opening to imports, have created intolerable pressures on the small producers. Unable to sell their harvests at reasonable prices, they have been forced to sell their land to reimburse their debts and to seek work on the large estates or in the duty free zones – when indeed; despair does not drive them to the most terrible way of escape: suicide. In India, farmers have been committing suicide one after another in Vidarbha, not being able to cope with the pressure of Bt cotton.

Rural communities are also regularly despoiled through the huge infrastructure projects (e.g. dams, highways, oil pipelines etc.), as well as the establishment of multinational corporations, tourist attractions and the urban expansion that are inseparable from 'modern' economic development. They suffer most of the negative consequences (exclusion), without participating in the benefit.

All these deterioration in living conditions has created resistance among a broad spectrum of those concerned. But, contrary to an overly mechanistic view of social relationships, passing to open contestation of official policies is not automatic (Polet 2007). The daily struggle for survival, which is immediate, does not get people to join social struggles or material benefits that can seem unpredictable and far off. The observation made by Yves Chouala concerning Cameroon can very well be applied to other countries: 'This orientation of helping people to help themselves is considerably diminishing the political conscience and capacity of Cameroon civil society, which is in complete antithesis to taking a critical approach and questioning the leadership'.

There has to be a minimum confidence in the ability of the democratic system to integrate the social demands being expressed by the population before launching a collective action to make demands. Such minimum confidence is increasingly lacking in certain countries. Many have the impression that nothing has changed, or that 'all has changed so that nothing will change'. Democracy is but the new framework within which the same people will battle for power, blocking all possibilities for economic and social change. This 'democratic disillusion', which borders on cynicism when the lifestyle of leaders is contrasted with the increase in the precariousness of existence of many, leads to the boycotting of elections, a falling back into private life, prioritizing individual strategies of social promotion.

The political effectiveness of such resistance particularly depends on their ability to respond to two challenges: that of convergence between social actors and the relationship between civil society and the political society (Polet 2007).

One of the strategic choices is to is that the most logical and the most profitable for groups who are mobilized is to combine their strengths and voices with the movements that, in the region or in the country, are fighting battles close to or similar to their own. In this way the contestation broadens, becomes more visible, and has greater political resonance. However, these convergences do not come naturally. They require that the people involve stand back from their own situation to realize what they might have in common with other groups. This 'growth in general awareness' usually takes place through the symbolic construction of a 'framework' of a common identity or adversary. This coming together of social actors is made extremely difficult by the ideological and partisan divisions that fragment the militants and the rivalries between the organizations that result from them.

Internationalization of Struggles

The challenges of convergences also involve the building of bridges between movements in different countries. The internationalization of struggles and the emergence of a global justice movement are the logical consequence of growing numbers of social actors becoming aware that in increasing number of policies that

affect their local ways of living are the result of decisions taken outside the national context, within international institutions such as the World Bank, IMF and WTO.

Another aspect determining the dynamics of social mobilization is the type of relationships that social movements have with actors in the institutional political sphere. For most of the social actors in the struggle it is a question of allying with individuals and parties who are directly or indirectly influence decision making that is favourable to them (Polet 2007). The challenge to militants is therefore to find trustworthy support in a sphere where the superficiality of the programs is competing with the lack of transparency in decision making, trying to prevent the social forces they are representing from being diverted or instrumentalized.

In countries where they exist, the left-wing parties are the 'natural' political allies of the social movements with whom they share, at least in words, their ideas and claims (e.g. Naxals in India). The ambiguity of the relationships between the social and the political left inevitably increases with the arrival of left-wing governments to power. The gap, more or less great and always present, between the 'historic' project of the left and the policies carried out by governments inevitably involves greater tensions between the different parts, social and political, of the left.

Is the emphasis put by funding agencies over the last few years on the participation of civil society in working out development strategies and the struggle against poverty a prelude to greater awareness by decision-makers of the problems raised the movements of development victims? Perhaps, but the potentiality of these participatory arrangements depends largely on the organization of civil society and the political will of those who govern. Experiences in Africa show that the new spaces for 'consultation' are mainly open to organizations that have a high profile and financial means; and that share the language and vision of international development assistance. They result in marginalization of the social actors who are more critical of the dominant policies; they also lead to the artificial building up of an obedient civil society, which gets its legitimacy from its role as intermediary between the population and the funding agencies, while giving greater legitimacy to those in government and to development experts.

There is no doubt that popular resistance has rendered more complicated the implementation of the anti-social reforms preached by the international financial institutions. To the great displeasure of their theoreticians, many of these reforms have been halted, postponed, distorted, even simply withdrawn, following the great mobilizations that they have provoked. And there have been many local victories against protests intended to enable transnational groups to exploit natural resources as well as local victories against the large infrastructure projects that have not respected the local people (Polet 2007).

While these political and juridical victories are encouraging, their follow-up generally remains vulnerable and often continues to depend on the development of the power relationships within a country and between countries. Where the representativeness of institutions remains problematic, the longevity of social and democratic gains in politics therefore depends on the ability of social movements to maintain a minimal degree of mobilization over a long period of time. That is the danger in terms of the sustainability of anti-globalization movements.

One of the most popular and successful (in terms of mobilization) anti-globalization movements so far has been made possible under the banner of World Social Forum; our discussion would remain incomplete without a careful observation of it.

World Social Forum

The most interesting attempt to create a global space for critical social movements is the World Social Forum (WSF), organized annually since 2001 in the different developing countries from the South and the East. Even though, to begin with, the event was organized simultaneously with – and also as a protest against – the World Economic Forum (WEF), in each subsequent gathering there were fewer attempts to interact with the WEF. The process has stimulated a considerable amount of enthusiasm, as well as various skeptical comments on its possibilities for facilitating social transformation (Patomaki and Teivainen 2004).

“Another World is Possible”

The best known slogan of the WSF is ‘Another world is possible’. The enthusiasm caused by the apparently simple and ambiguous phrase can be understood as a counter-hegemonic challenge to the equally famous slogan of Margaret Thatcher, ‘There is no alternative’. After all these annual social forums, however, simply repeating that another world is possible is no longer enough. An increasing number of participants and observers of the WSF process have started to ask what the other world(s) might look like (Patomaki and Teivainen 2004). Thus far, the WSF has been able to provide few concrete answers to that question. While this has been often considered a key limitation of the WSF, for some of its original creators, the WSF should not even attempt to give any clear answer to that question, at least not through a unified voice.

The World Social Forum is a space that, according to its Charter of Principles, ‘brings together and interlinks only organizations and movements of civil society from all the countries in the world’ (WSF 2001). The Charter was drafted by the Brazilian Organizing Committee soon after the first WSF meeting and approved with modifications by the WSF International Council (IC) in June 2001 in Sao Paulo. It has achieved a quasi-constitutional status within the WSF process, even if its authority has occasionally been challenged.

Some of the main challenges concerning Article 6 of the Charter even if it is seldom explicitly mentioned in the debates. According to the Article, ‘the meetings of the WSF do not deliberate on behalf of the WSF as a body...The participants in the Forum shall not be called on to take decisions as a body’.

Can WSF alter the existing course of Globalization?

Many debates have been waged in and around the WSF about whether it should be considered simply a space for these movements or whether it could become some kind of movement of movements itself. There are many actors who would want to see the WSF evolving into a fully fledged political movement. *The idea is that WSF*

movement should make a real political difference by altering the course of globalization.

The WSF 2004 in Mumbai, India made the social forum process truly world-wide. In fact, Mumbai meant opening up of the space for the forum in two distinct ways. First, in the previous three forums, Latin America and Europeans dominated the scene, and therefore, the move to India was a symbolic opening towards the world as a whole. Secondly, in the Mumbai meet a significant percent of the participants were Dalits, that is, the casteless people of India and other marginalized groups (Patomaki and Teivainen 2004).

What is the point of this gigantic global gathering? The Mumbai meet triggered a discussion on whether the WSF space could simply continue to grow and open up further, or whether the time has come to turn it into an organization that could somehow translate adversity into a common political will. Could there be alternatives to these two possibilities. It has been suggested that WSF could assume a new form in the future. Instead of a massive once-a-year event and a number of thematic, regional, national and local events during the year, these could be coordinated into a simultaneous burst of social forums all over the planet.

One way to avoid political silence without violating the Charter of Principles is to facilitate process whereby organizations that take part in the WSF produce political declarations. The most important attempt to move beyond the self-imposed limits for declarations and other forms of political action is the Assembly of social Movements that has taken place at all annual events of the WSF. Ideally, most of the participating organizations would sign such declarations and they could have powerful political impact.

WSF: Organization, Movement or a Space

Even if these declarations do not officially claim to represent the WSF as a whole, Chico Whitaker, one of the key initiators of the WSF process, and others, have been highly critical of them. Whitaker fears that the media may consider them as semi-

official conclusions. This can then lead to political disputes about whose concerns are expressed in the declarations.

For Whitaker, who has been the most vocal proponent of the WSF as 'purely a space' the activities of the Assembly have been a cause for concern, because they may compromise the WSF method.

There exists no clear dividing line between the 'social movements' and 'non-governmental organizations', NGOs are founded and often small, while popular movements emerge out of heterogeneous influences and actions, including those of NGOs. However, sometimes a clear-cut dichotomy between them emerges in the debates within the WSF governance bodies. In this dichotomy, the organizations recognized as 'movements' are more willing to issue statements and formulate common political goals, whereas members of the constructed 'NGO community' tend to be more cautious.

If the World Social Forum is a counter-event to the World Economic Forum, Mumbai Resistance was the counter-event's counter-event. Mumbai Resistance was considered to be a 'truly anti-imperialist' parallel event that took place next to the World Social Forum venue in Mumbai (Patomaki and Teivainen 2004). One of the concerns of the originators of Mumbai Resistance was that the WSF is not open to 'all forms of struggle', referring to the rule, expressed in Article 9 of the Charter of Principles, that military organizations cannot participate in WSF. The same article of the charter says that representatives of political parties cannot participate in the WSF either.

The '*open space*' method was discussed in the Mumbai meet of WSF with an aim to democratize the forum now that the true spirit of WSF had been replicated in Asian subcontinent. One possibility suggested by Boaventura de Sousa Santos was to use new information technologies in order to hold instantaneous referenda in the WSF and thereby make the forum more truly participatory.

“Open Space” in WSF

Chico Whitaker, one of the proponents of the ‘open space’ method, stressed the dangers of either falling back to the past of Leninist vanguardism or degenerating into absolute dispersion. The open space method is meant to overcome this choice. *Jai Sen*, however, argued that the WSF is not truly open. Even its minimum political program excludes a number of concerns and individuals; in fact no space can be neutral. *Sen* would like to open up the forum for everyone. *Virginia Vargas* countered this by saying that she does not accept the idea of allowing in, for example, right-wing religious organizations.

Meena Menon, in turn, ridiculed the idea that open space is a post-modern concept. *Anibal Quijano* made the qualification that the WSF also facilitates debates between those who disagree. For *Wallerstein*, WSF is a method for getting different anti-systemic movements together. *Wallerstein* criticized the democratic deficit of the WSF but not the method of open space as such. There is a need for both open space and real political outcomes. Therefore, the WSF should explicitly allow for organizing action-oriented networks and even facilitate their actions.

Wallerstein also underlined the fact that real decisions are being made at the WSF all the time; however, there are some 120 insiders in the International Council, 1,000 to 2,000 semi-insiders who follow, and take part in, discussions but do not participate in decision-making. Then there are those hundreds of thousands who participate in various social forums but merely abide by decisions made by the few. This is why there is a widespread perception that the WSF is a top-down organization, despite all talk to the contrary. It has also been stated that taking part in the WSF International Council was ‘a bit like being in the Politburo and not knowing who Stalin is’.

The WSF can be conceived as a parliament in the original, Latin sense of the term, as a place to talk or converse. Even if *George Monbiot* (2002) has suggested the WSF could form part of the process of building a real ‘world parliament in exile’, the WSF cannot be considered anything like a parliament in the contemporary, deliberate sense. There are many groups within the WSF that aim to build global democratic

institutions, and some of them place considerable emphasis on a world parliament as a key to any global democratization. Only few of these groups, however, believe that WSF itself could or should be transformed into a world parliament.

While one of the main challenges of the WSF is to change the meaning of politics, debate about its relationship to present and future political parties are wedged in an overwhelmingly traditional language. In world politics, it is not clear what forms political activities should assume. If the WSF became a movement, and a more formal organization, could it also become a global political party in some sense, even in the absence of parliamentary institutions? Alternatively, should the WSF somehow facilitate the creation of world political parties? What should world political parties do?

It is clear that the WSF forms a loosely defined party of opinion. 'We oppose neoliberalism, imperialism and violence in all their forms,' 'Another world is possible'. The idea of the WSF is clearly not to create a well-defined political program, compete in elections or take over states. The question is, is it possible to do anything other than merely organize a pluralist space for meetings, discussions and festivities? Can transnational civil society organizations and movements accomplish anything efficacious to bring about 'another world'? (Patomaki and Teivainen 2004).

It is nonetheless important that concrete strategies of change emerge from within the space (or movement) of the WSF. Global democratic changes are not possible without transformist global political movements, which must consist of not only civic actors but also states. Any transformation requires regulation as well, in the form of international – and later perhaps global – law. Currently, only states can create and change international law. Whatever form global civil society assumes, including the possibility of replacing the term 'civil society' with something much more accurate and imaginative, it can only achieve transformations by making interventions in more traditional-sounding processes, with the aim of creating new forms of deliberation, agenda-setting and decision-making.

While the WSF acknowledges that it is actually making at least some decisions on behalf of all the participants, it continues, first and foremost, to provide space for NGOs and movements. Only four years ago, the WSF was just a causal suggestion. Now new ideas and proposals are being forged within the WSF and also outside it. WSF is seen by many to provide a basis for new dialectics of hope.

WSF: Potentiality of becoming a Movement

The main themes of the event are no longer directly decided by the International Council but will result from an open consultation process in which, in principle, everyone can participate through the Internet. There is also an increased emphasis on applying principles of ecological sustainability and participatory economics in the WSF event itself. The events are no longer organized in lavish Catholic University of Porto Alegre, but in tents constructed using methods that are supposed to reflect the ideas of the WSF Charter of Principles. These changes tell us that there exists a learning process in the World Social Forum and that it is *in movement*, even if it is *not a movement* of traditional kind.

According to Wallerstein (2001) the period right after the Washington consensus saw in the world political arena, the world political Left beginning to organize rather a “movement of movements” – what has come to be identified with the World Social Forum (WSF), which had its first meeting in Port Alegre. Their slogan “Another World is Possible” is expressive of their sense that the world-system is in a structural crisis, and that political options are real.

The central characteristic of the struggle is the total uncertainty of its outcome and the opacity of the struggle. The key element of the debate is the degree to which any social system would lean in one direction or the other on two long-standing central issues of social organization – liberty and equality. Traditional antisystemic movements placed priority on what we call the liberty of the majority. The fundamental cleavage will be between those who wish to expand both liberties – that of the majority and that of the minorities – and those who will seek to create a non-libertarian system under the guise of preferring either the liberty of the majority or the liberty of the minority. What the emphasis on equality on the other hand does is point

to the necessary positions of the majority to realize its own liberty and to encourage the liberty of the minorities. :

It is interesting to note how scholars have different take on the anti-globalizing forces, e.g. Venter and Swart (2001) uses Korten's concept of "fourth generation movement" into studying anti-globalization trends worldwide.

Anti-globalization Movement as Fourth Generation People's Movement

The growing profile of the anti-globalization movement and the proliferation of related information suggest a need to lay the groundwork for a synthetic analysis beyond the fragmentary terms. *Venter and Swart (2001)* use the concept of 'fourth generation movement' – an ideal-typical concept that anticipates a global people's movement with the sustaining power to decisively challenge and transform contemporary global capitalism.

The degree of increasing worldwide opposition to different aspects of globalization indicates the emergence of a global social movement. Typically, oppositions, in the form of protests and demonstrations, target international bodies that regulate global trade and finance. TNCs perceived to spearhead or benefit from such arrangements also come under attack. The World Bank and IMF in particular have borne the brunt of worldwide opposition for its debt management of Southern countries as has WTO.

David Korten's "Fourth Generation"

Why include the concept of *David Korten* - "fourth generation people's movement" in this research to study anti-globalization movements? It allows us to move beyond a discourse on development to a wider social scientific corpus with a focus on new social movements, a (global) civil society, and a global transformative politics (Swart 2000: 171-184). Korten and others prioritize the role of new social movements in contributing to a global civil society marked by new democratic spaces and an alternative system of global governance. The objective is nothing short of a world order based on sustainable communities (Swart 2000).

Korten's concept of fourth generation development strategies could best be described as a discriminatory strategic perspective. Korten perceives an evolutionary pattern of four historical phases in NGO thinking, programming and growth. The first generation strategies entail relief and welfare work, second generation strategies comprise local community and project involvement, third generation strategies promote sustainable systems development, and fourth generation strategies facilitate people's movements (Korten 1990: 114-128). For Korten, the fourth generation orientation poses the ultimate challenge to development NGOs. Fourth generation strategies deliberately reach beyond the limited political space of the nation-states towards a global civil society (Swart and Venter 2001: 489-490). Made up of "many heteronomous transnational political networks", this global civil society poses a challenge to the nation-state system, "from below". It also manifests an on-going project of civil society to reconstruct, re-imagine or re-map world politics." As this project proceeds, civil society becomes global and so a political force to be reckoned with (Lipschutz 1992: 391). Through the activities of networking coalition and relationship building, an independent global civil society space is shaped (Korten and Quizon 1995: 160). Then it becomes possible for global civil actors – such as NGOs, social movements and people's organizations – to shift to the centre of the development and political discourse (Riker 1995: 198). In Korten's own analysis, however, the emphasis falls more explicitly on people's movements. Korten thus presents us with what Martin Shaw (1994: 651) calls "social movement approach" in civil society or global civil society theory. For Korten, the people's movements represent a "politics of ideas" and a "politics of connections" (Swart and Venter 2001: 493; Swart 1997: 14-15; cf. Walker 1994: 699-700). They embody the capacity of civil society "to rapidly and flexibly network diverse and dispersed individuals and organizations that are motivated by voluntary commitments (Korten 1995: 297).

Protests against the WTO have been happening for quite some time but what led to a movement coalescing out of what, until recently, have been disparate protests scattered worldwide? A diffuse number of tributary events seem to have contributed. Some, appropriately, occurred in the so-called Third World. INGOs also played a role, particularly those with an interest in promoting human rights and quelling violence.

In the form of protest directed against corporate globalization, the anti-globalization movement started attracting attention from about 1995 (CSIS 2000). Due to the extent to which TNCs are involved in the world economy, it is not surprising that they should attract opposition (Malhotra 1997). But demonstrations against the transnational corporations that drive globalization were gradually overtaken by protest against the WTO, World Bank, and IMF. The motivation is that (Malhotra 2000) these institutions “promote and facilitate corporate power” to the extent “that elected governments are being overshadowed.” On 18 June, 1999 the appropriately named “J18” protests were organized in London to coincide with the G-8 Economic Summit in Cologne, Germany. The Internet was used to originate and organize J18. Next came the protest in Seattle against the World Trade Organization (WTO) Ministerial Conference, held between 29 November and 3 December 1999. Plans for the protest were mooted in August 1999 at the People’s Global Action Conference in Bangalore. The event was “coordinated primarily by cell phones, emails and the Direct Action Network” (Hawken 2000, Klein 2001). Global Trade Watch (GTW) embarked on a “year-long 1999 ‘Road to Seattle’ campaign” to build U.S. public awareness about the WTO,” based in part on its “review of the WTO’s live-year record” (Global Trade Watch n.d.). On 16 and 17 April 1999 a demonstration was organized for Washington DC against the IMF and World Bank. On 18 February 2000, “hundreds” of protestors met outside the United Nations Conference on Trade and Development (UNCTAD) in Bangkok, Thailand, to denounce globalization (BBC 2000b).

The anti-globalization activism is directed first, against big businesses and second, against big money. The movement is cemented by opposition to the powers of the corporations, name-brands, globalization and the interests of capital in opposition to the welfare of workers, exploitation of the ecology. Some activists call for restructuring corporation to reflect accountability and transparency, while others demand the total demise of the structures (anti vs. alter globalization movements).

Michael Albert opines that the anti-globalization movement is not opposed to global interconnectedness or trade; but to global relations that increasingly empower huge corporations and weaken whole nations and populations. These are viewed as roots of centrally important economic and social problems. *Hawken* (2000) claims that the

demonstrators and activists in e.g. Seattle in 2000 were “not against trade”. Instead, they demand proof that shows when and how trade, as the WTO constructs it, benefits workers and producers abroad, as well as workers in developing nations. He adds that those who marched and protested opposed globalization but they did not necessarily oppose internationalization of trade. Economist Herman Daly has long made the distinction between the two. Internationalization means trade between nations. Globalization refers to a system where there are uniform rules for the entire world, a world in which capital and goods move at will without the rule of individual nations. Albert concludes that a lack of alternate long term goals for the economy and polity, and for other sides of life is a prominent reason why this is so. The current trends of mobilizing people over vast distances weaken activists’ ties to local spaces where potential participants can be found. In other words, the movement is outstripping its base. The centrepiece of the movement should shift from public demonstrations to persuading uninvolved people to become involved at diverse and welcoming levels of participation.

Anti-globalization Movement as Social Movements

While many of the participants in the anti-globalization movement can be described as to the left of the political spectrum, some right-wing groups also identify with the goal of the movement, albeit interpreted more parochially. Anti-globalization protests and demonstrations are often described as multi-generational, multi-class and multi-issue (Kim 2000: 27). Some participants primarily target globalization, while other regards anti-globalization as a shared goal, with the demonstrations simply a means to an end. The scale of participation and the nature of the participants depend upon the subject of the targeted meeting as well as the location.

In terms of organization, the anti-globalization movement is true to its nature as a social movement. *Noami Klein* (2001) points out that the movement “does not have leader, a center, or even an agreed-upon name”. Klein believes that participants in such movements are gradually rejecting impoverished and passive vision of democracy in favour of “a taste of direct political participation”.

Noami Klein suggests the need to move beyond pro and anti-globalization polarization. The Alternatives for the Americas (AfA) is a Latin American initiative that spells out an alternative to the free market approach. The “Dakar 2000: From Resistance to Alternatives” Conference initiated a substantial alternate African agenda similar to the Latin American attempt, apart from its call for debt relief. The Dakar manifesto desires “the participation of the people of the continent in an alternative globalization to the neo-liberal globalization...a globalization based on a solidarity among people of the North and the South and giving priority to meeting basic human needs.”

By contrast to the general consensus about opposing global capitalism and its supporting institutions and ideologies, there are considerable differences about focus, strategies and alternatives (anti vs. alter-globalization). The Washington-based Global Trade Watch (GTW) represents some of the alternate strategies and outcomes advanced by those within the movement that attempt to engage institutions from within the system. Patrick Bond (2001) outlines some of the initiatives taken in Africa to transcend the development orthodoxy of the Washington-Consensus and the slightly reformed post-Washington Consensus.

Firstly, the magnitude of the movement suggests that it is an important manifestation of a counterpoint to the contemporary global civil society. Anti-globalization movements represent one of the strongest expressions of discontent against globalization and capitalism. Events like Seattle actually represent a “watershed towards the creation of a global citizen-based and citizen-driven democratic order” (Shiva 1999). Ablest claims that the global perspective that underpins the anti-globalization movement calls for “a growing solidarity even across countries and whole continents”.

The idea of locality itself has been redefined by the actions of the anti-globalization movement. Local translates into political autonomy, and not into a single geographic location. For them, locality is anywhere and everywhere and their loyalty is likely to others around the world who oppose the same system. This projection of the local over long distances is partly due to the globality represented by their opponents. To

oppose the global, you have to organize globally. Put differently, participants in the movement have to think global, act global. But, the reconstruction of the local as the global is also partly due to the effects of globalization itself.

The movement appears to meet Korten's strategic orientation, at least partly. The movement constitutes a loosely connected global network that links a great diversity of organizations. The organizations do mobilize collectively and interact at times. In some ways anti-globalization organization is both contained and extends beyond Korten's conceptualization of fourth generation strategies. For example, Korten's fourth generation description does not appear to anticipate fully the fluidity of organization that marks the anti-globalization movement. The movement seems to combine a number of sub-networks; what transforms these networks into a global force is the ability to mobilize groups from all over the world for protests in one locality.

Otherwise, the movement is bound together by their focus on a common 'enemy', by a similar politics of ideas and worldview. But not too much should be made of commonalities. Naomi Klein (2001) denies that "there is one ideology that will reach around the world. We need to find a belief system that rejects that sort of 'one-size fits all' ideology systematically". On the other hand "we can agree that we have the right to the basic level of self-determinism and democracy". Their actual connection is not so much through physical location but through cyberspace. She said that without "the Internet and cell-phones" protests like we saw in Seattle and Prague...could not have happened in the way they did" (BBC 2000b).

A special trademark of the movement appears to be the extensive diversity of its composition, to bring various issue-based organizations and movements together to fight against common foes. Environmentalists, human rights advocates, developmentalists are collectively mobilized to fight a common cause, so giving some expression to Korten's ideal of a global people's movement.

The movement favourably meets Korten's voluntary and people's organizations. They comply with Korten's description of social movements motivated not by money or

organizational structures, but by ideas and vision of a better world. Essentially financially self-reliant, the democratic principle of people's radical participation appears to define their nature.

There is no clear indication of real victory except disruptions of capitalist activities. The neoliberal global capitalist paradigm appears as strong as ever today. Sections of the movement engage in very little constructive dialogue with the enemy. Yet, the prolonged and frequent protest actions worldwide appear to have had some impact on the structures and the rhetoric of IFIs. But, according to Martin Khor (2000), of the Third World Network, "PRGF conditions are almost identical to the old ESAF conditions," while PRSPs "closely resemble SAPs".

But just how deep these changes are run is yet uncertain. Some argue that the movement has succeeded in showing "the momentum for global integration – particularly in relation to trade talks". But the fundamental issue – that the voting rights in these organizations are weighted towards the rich countries, with the US enjoying a blocking majority – was not addressed (Schifferes 2000).

Critics may argue that the achievement of an alternative social order will only become a real possibility when actual alternatives are offered. Such a critique does not mean that the anti-globalization movement is not to be valued as of great importance. It signifies a growing discontent with an oppressive capitalist order. Resistance is indeed crucial to overturning the current order. Yet equally important, now, is the extent to which concrete, viable and attractive alternatives to global capitalism are offered. This remains the key to the anti-globalization movement and its quest for a better world (Venter and Swart 2001).

Summary

This takes us to the next chapter where we need to search for whether and what kind of alternatives the anti-globalization movements are suggesting. It is mentionworthy here that there is no one coherent body of post globalization alternatives that the counter-globalizing forces can or do suggest: this is precisely because there is no

single mainstream channel of resistance to begin with. Counter-globalization is multilithic cut across by the anti and alter-globalizers and so on. Thus, a corollary would be that we can expect a series of contradictory choices for the future. However, it is sociologically demanding to discuss the concept of civil society with global governance and that of the Third way Network among the alternatives that the proponents of “globalization-from-below” suggest.

Leisering and Leidfried (2001) suggested few policy formulations aimed at reducing social exclusion:

- The time dimension of poverty and Social Assistance (‘temporalization’) suggests the need to reconceptualize anti-poverty policy as *life-course policy*.
- The action potential of the poor, which is the driving force behind the dynamics of poverty, implies the need for – and the feasibility of – an *enabling approach*, focusing on paths out of Social Assistance, rather than just administering cases and paying benefits.
- When poverty spreads beyond traditional marginal groups (‘democratization’), then the barriers between ‘policies of the poor’ and ‘policies for workers’ or ‘policies for citizens’, between the lower and the higher tiers of the welfare state (which are particularly pronounced in comparative European welfare states of the conservative and social-democratic variety) lose their meaning. An *integrated social policy* is thus called for.
- Dynamic research, which evaluates the impact of Social Assistance on people’s lives, is itself part of a new *reflexive social policy*. The latter relies on continual social reporting as well as the monitoring of its own effects, quite unlike traditional Social Assistance.

According to Joseph Stiglitz, former economic advisor to the World Bank and a Nobel laureate, this is an exciting time for those committed to advancing economic growth, reducing poverty and sustaining policy reform in developing countries that are making the transition to a market economy. The success, not just one but of

several countries in breaking out of poverty in which they had mired for centuries, shows that development is possible (Stiglitz 2001).

It is now clear that countries that pursue appropriate policies have a better chance of economic success than those that do not. And there is mounting evidence that economic assistance when combined with good policies promotes economic growth, especially among the poorest countries. The challenge is to understand which policies are appropriate and how to target assistance to promote growth and reduce poverty most effectively.

This broadened set of objectives leads to quite different development strategies: for example, democratic development leads to increased emphasis on participation and development of political institutions and education (inclusive in nature). Similarly, while greater participation is essential to democratic development, the actions to achieve it must be constantly scrutinized: How representative e.g. are those whose voices are being expressed? Therefore, the question is: does greater participation bring functional inclusion?

4

Alternatives: Civil Society, Global Governance and Nation States

In this chapter we discuss the rise of Global Third Way Network concept and also relevance of civil society as the new actor in the state-market-community dynamic. The Third Wayers move away from the mainstream to restructure leftist doctrines. It is about how the left of center parties should respond to change – taking neither of the extreme positions (radical-left or ultra-right). Though there is no single version of the Third Way, just as there is no single strand of anti-globalization sentiments, the thrust of the Third way politics is to reinforce and reform the role of the state and the government, in a way that state and civil society are not posed at odd with each other, but coexist in their mutuality. The relevance of the Third Way lies in the fact that it is modeled not only for the industrialized but also for the developing countries. However, the Third Wayers do not believe in equality the way classical left do; they set out the principles of equal importance and special responsibility. According to the Third Wayers, it is through these two principles one can aim at reducing inequality, uneven development and social exclusion. In the section on Global Civil Society(Chandhoke 2001:101), we are back to the discussion on state-market-community (civil society) dynamic in which it is functionally impossible to allow civil society to take precedence to the complete absence of state intervention. The truth is civil society has come to fill in the gap for the state today, given the similarity

of circumstance in which both state and civil society have had their rise. Therefore, it is helpful to eventually recognize the importance of nation states in our attempt of bringing in social justice – firstly to cut down on the potential over-dominance of the civil society and also because without the state machinery civil society would be crippled.

The Global Third Way Debate:

The ‘Third Way’, according to Anthony Giddens (2001) in his “*Global Third Way Debate*” refers to a generic series of endeavours, common to the majority of Left parties and thinkers in Europe and elsewhere, to restructure leftist doctrines (Giddens 2001). There is a general recognition almost everywhere that the ‘two ways’ i.e. the traditional socialist ideas and neoliberalism that have dominated political thinking since the Second World War have failed or lost their purchase. Leftist parties are being forced to pioneer something new, since the core doctrines of socialism are no longer applicable. The third way is not to be identified solely with the outlook and policies of the New Democrats, New Labour or indeed any other specific party, but is a broad ideological stream with several tributaries flowing into it.

There is an overall political orientation and policy programming emerging, not just in Europe, but in other countries and continents, which can be described as the third way. It is still in the process of construction, rather than being a fully rounded system. Different political groups, and different countries are approaching it from varying historical backgrounds and with different needs.

The third way is about how left of centre parties should respond to change – not only to the changing ideological map itself, but to the transformation which stand behind this shift. There are three such transformations which are altering the landscape of politics – globalization, the emergence of the knowledge economy and profound change in people’s everyday lives i.e. the rise of individualism.

There will not be a single version of third way politics. However, we can identify the key areas of structural reform which a third way approach suggests. All can be

described as involving modernization in terms of globalization, emergence of the knowledge economy and rise of individualism (Giddens 2001).

Reform of government and the state is a first priority. A fundamental theme of third way politics is rediscovering an activist role for government, restoring and refurbishing public institutions. The aim should be to make government and state agencies transparent, customer-oriented and quick on their feet. Also, the growth of political apathy needs to be responded to. When asked why they do not have much interest in politics, most people, particularly the younger generation, tend to mention the self-serving attitudes of politicians and political corruption. Therefore, rooting out corruption is equally important. Some say that corruption has increased in the industrialized countries as the sphere of the state is curtailed.

Secondly, the state should not dominate either market or civil society, although it needs to regulate and intervene in both. A similar point can be made about markets. An effective market economy is the best way of promoting prosperity and economic efficiency. However, the role of markets must be kept confined. Where the market is allowed to intrude too far into other spheres of social life, a variety of unacceptable consequences result. Markets create insecurities and inequalities that require government intervention and regulation if they are to be controlled and minimized. Commercialism can evade areas that should either be the province of government or civil society.

Thirdly, an understanding of the core role of civil society is a crucial feature of new left thinking. Without a developed civil society, there cannot be either well-functioning government or effective market system. Yet just as in the case of the state and markets, there can be 'too much' of civil society, as well as 'too little'. Important as civic groups, special interest groups, voluntary organizations and so forth are, they do not offer a substitute for democratic government. Interest groups and NGOs may play a significant role in forcing issues on to the political agenda and ensuring public discussion of them. A society could not be run, however, by an assemblage of such groups, not only because they are unelected, but because government and the law need to adjudicate between the rival claims they make. This is one reason why the

conservative notion that the state should simply disengage from civil society is wrong. The state both need to draw sustenance form civil society and also to play an active role in regulating it.

Civil society is not an exempt from wider process of modernization, which it both reflects and to which it contributes. Government should contribute directly to the modernizing of civil society while maintaining its boundaries from it. Civic entrepreneurship is one quality of a modernized civil society.

Fourthly, we need to construct a new social contract linking rights to responsibilities. Most of those who have written on citizenship rights, including T.H. Marshall in his classical analysis, accept that rights also imply duties. But in practice, they stress and spell out the rights much more than the responsibilities. The limits of this view are apparent today. Allocating citizen rights to provision, especially welfare rights, without a spelling out of responsibilities, creates major problems of moral hazard in welfare systems. Welfare systems that are not integrated with obligations can also produce a culture of deceit – expressed, e.g. in high levels of welfare fraud.

Fifthly, we must not give up on the objective of creating an egalitarian society. It is here that many on the old left express their strongest reservations. The pursuit of equality has to be at the core of third way politics. The recipe ‘take form the rich to give to the poor’ should remain a cornerstone of centre-left policy. Progressive wealth and income taxes make a direct contribution to social justice, assuming they are deployed effectively. Fiscal policy must be assessed in terms of its contribution to economic efficiency and the overall level of lax revenue it will deliver.

Tackling inequality cannot be just a case of reacting to inefficiencies of the market. Problems and limitations of the welfare state are involved as well. Some forms of social exclusion, such as those connected with failed social housing, result directly from misapplied welfare positions. In addition, there are new sources of inequality which necessitate innovative policy responses. Thus the demand for unskilled labour is diminishing as a result of the growth of the knowledge economy.

Globalization, information technology, and changes in social norms affect elites, not only the less privileged. However the category be defined, 'the rich' are diverse, ranging from long-established wealthy families to youthful millionaires, footballers and pop stars. Few policy initiatives are going to apply to all such groupings. Moreover, some of the key issues involved are not economic – they are to do with how to prevent 'elite opt-out'. Social exclusion at the top – the disengagement of elites from civic involvement – is as important for a society as exclusion linked to poverty.

Sixthly, the creation of a dynamic yet full employment economy has returned as a feasible goal in the developed societies. In helping generate and sustain high levels of employment, the role of the government is central. Government must provide adequate macroeconomic steering and observe fiscal discipline. It must stimulate technological innovation and economic investment. Very substantial investment is required in education and skills training, but not just through conventional mechanisms. Adaptation to technological change and job creation necessitates the cultivating of flexible labour market, and here too, government has a key role to play. Labour markets that are too rigid, with too high a benefit floor, have perverse effects. Flexibility in labour markets is not the same as deregulation, examples from the EU countries show. Countries which have full employment, or close to it, such as Denmark or \The Netherlands, have introduced flexibility, but backed it up with human capital guarantees – effective processes of requalification or retraining.

Seventhly, social and economic policy must be connected. The left must acknowledge that social justice is not always served by elevating taxes. Tax reductions can in some circumstances both generate a higher tax take, especially where they stimulate job creation, as well as promote social justice.

Eighthly, reform of the welfare state has already been mentioned. Welfare reform in most societies is an absolute necessity if a sustainable welfare state is to be created.

Ninthly, active policies are needed to combat crime in a long-term sense. Apart from poverty, it is crime that has other source besides inequality, because there are many different kinds of crime.

Tenthly, policies have to be forged to cope with the environmental crises. 'Red-green' coalitions have mostly proved unstable so far. Nevertheless, ecological sophistication, economic growth and job creation can go hand in hand.

And lastly, we need to establish an effective framework of responsible capitalism. New policies are required for regulating the social and environmental costs that business can impose on the wider community, as well as providing incentives for firms to assume social obligations. The rise of NGOs, consumer activist groups, and other agencies concerned with monitoring the conduct of corporations, creates constraints that companies ignore at their peril.

A basic question for the near future is, can the central European economies unfreeze themselves efficiently to create the same 'virtuous circle'? What could be seen to be happening in the successful economies in Europe is the emergence of transformed European social model (ESM).

Is the third way one relevant to the industrialized countries? No, third way politics is as germane to the developing as to the developed world. However, the contexts in which they apply are sometimes different. Reform of government or state is even more necessary – although also more difficult, in countries of the South than in the developed nations. Some Southern societies suffer from inadequately developed state institutions (Giddens 2001). Most poor countries, however, have states that are too extensive, bureaucratic and inefficient. Corruption and lack of developed democratic procedures rare the norms rather than the exceptions. Yet effective reform is possible if the governments are determined o push it through.

The importance of civil society to reformist politics in the South is not only well recognized, but some of the main civic initiatives used across the world were initiated

in the poor countries. Microcredit¹⁵ originated in Bangladesh, but has since been used in many developed countries too. Community empowerment has become accepted as crucial to development programs, including those seeking to protect against crime. Coupling rights to responsibilities goes along closely with these emphases. The acceptance of duties and obligations can be crucial in building the civic commitments upon which both a flourishing economy and a solidary society depend.

Many countries of the South have high unemployment rates and the goal of full employment is almost impossibly remote. The principles of job creation, however, are not so different.

Developing societies have at best fragmentary welfare systems: they need to create mechanisms of social protection. In building welfare systems, however, less developed countries can learn from the problems of established welfare states. They can also hope to introduce welfare pressures which relate to new economic and technological conditions.

Southern leaders are apt to claim that their countries should not have to observe the same environmental hazards as the developed societies, since the richer countries have contributed most to the world's ecological difficulties. Moreover, 'ecological modernization' is not relevant only to the developed countries. Some of the technologies might allow poorer societies to develop more quickly than the environmentally more problematic ones they replace.

Next, issues of inequality and exclusion are of an altogether different scale in developing countries. Tackling poverty in the poorer countries depends upon generating economic development. Neither is easy to bring about.

So far as responsible capitalism is concerned, the North and South have a common interest in creating framework for governance for the global economy. As globalization intensifies, it makes no sense to suppose that effective responses can be

¹⁵ Lending to people who have no money to help them develop business enterprises

made only on a local or national level. Third way politics must have global reach. On a world-wide level as well as nationally, we have to chart a path which mobilizes the power of states and governments, but avoids the heavy-handed approaches to development that failed so signally in the 1960s and 1970s.

The global problems that have to be raced are huge. Massive amounts of capital flow across the world, but most of this flow is concentrated in the industrial regions and a few other markets in Latin America and Asia. It barely reaches poorer areas, which desperately needs capital investment. World economic inequalities are very wide. Levels of global pollution have reached an alarming stage, to speak the least and fundamentalism is ripping the world off today.

Left of the centre governments need to respond collectively, working both within and outside established international institutions. Greater regulation of the world economy, especially with to limiting short-term currency speculation; integration of local and global systems of ecological management; boosting international law in respect of human rights; adapting strategies that will prevent local conflicts escalating into war; developing democratic mechanisms above the level of the nation-state – all are needed and all involve active intervention or regulation.

Global governance is best described as a set of prescriptions and conventions that nations agree to follow or be bound by. Most of the existing global institutions like the United Nations are international rather than transnational. Global governance must still involve these institutions, but also has to involve a mixture of other agencies, public, private and civic.

Globalization now is far more intensive. Some of the old ideologies, like fascism and communism have disappeared; therefore, we have more chance of effective global governance than was possible a hundred years ago – and our need to achieve it is correspondingly better.

Question of Equality

This brings us to the question of whether the Third Way Politics at all believes in the issue of equality in the leftist manner. Third way politics rejects the idea of equality (Dworkin 2001). Some parties of the left and some academic socialists and liberals, did seem to suppose that genuine equality means everyone must have the same wealth, at every moment in his life, no matter whether he chooses to work or what work he chooses – that government must constantly take from the ants and give to the grasshoppers. That flat, indiscriminate version of equality is easily mocked and easily rejected. Equality implies equal access to resources.

What policies of the 21st century mature democracy would meet the requirements of equal concern?

But we can hope intelligibly to describe the central features of a theory of equality, and usefully to illustrate and elaborate those central features through a discussion. That large project has two parts. We must pursue it in political philosophy, because we must be able to state, with rigor required in the discipline, a coherent account of our ideal (Dworkin 2001). But we must also be ready, indeed anxious, to test our theories against actual political problems and controversies, including the great the national debates over healthcare provisions, welfare programs, electoral reform, affirmative action and genetic experimentation. We must, that is, work not only outside-in, from general philosophy to most detailed theories, but also inside-out, from concrete political issues toward the theoretical structures we need responsibly to confront those issues.

Two humanist principles called the principles of ethical individualism seem to be fundamental to any such comprehensive liberal theory (Dworkin 2001). The first of these is the principle of equal importance; the second is the principle of special responsibility. Principle of equal importance – the equality in question attaches not to any property of people but to the importance of their lives coming to something rather than being wasted. This principle has a very strong implication for conduct. The most important of these is the political context: democratic government must take the

objective point of view towards the fate of its own citizens, and the principle that from that perspective each citizen's fate is a matter of equal importance is the most important source of the political requirement of equal concern. The principle of special responsibility – is neither metaphysical nor sociological. The principle is rather relational: it insists that so far as choices are to be made about what would count as a successful life for a particular person, within whatever range of choice is permitted by resource and culture, he is responsible for making those choices for himself.

The general theory of equality that we need would respect both those principles. The second principle demands that their fate be again so far as government can achieve this, sensitive to choices they have made.

Dworkin (2001) suggests that many politicians are now anxious to endorse what they call a “new” liberalism, or a “third” way between the old rigidities of right and left. These descriptions are often criticized as merely slogans lacking substance. The criticism is often justified, but the appeal of the slogans nevertheless suggests something important. The old egalitarians insisted that a political community as a collective responsibility to show equal concern for all its citizens, but they define that equal concern in a way that ignored those citizens' personal responsibilities. Conservatives – new and old- have insisted on that personal responsibility, but they defined it so as to ignore that collective responsibility. We need not choose between these two mistakes. We can achieve a unified account of equality and responsibility that not only respects both values, but explains each in terms of the other. If that is the third way, then it should be our way.

The contemporary left needs to develop a dynamic, life-chances approach to equality, placing the prime stress upon equality of opportunity (Giddens 2001). Equality of opportunity has off course, long been a theme of the left. Yet many of the left have found it difficult to accept its correlates – that incentives are necessary to engage those of talent to progress and that equality of opportunity typically creates higher rather than lower inequalities of outcome.

T.H. Green, Leonard Hobhouse and others took an affirmative attitude towards market mechanism. Economic competition is desirable; government should not 'feed, house or clothe' its citizens, but should 'secure conditions upon which its citizens are able to win by their own efforts all that is necessary to a full civic efficiency' (Hobhouse 1911). The ethical liberals insisted that state should not undermine personal autonomy. Yet the third is not, and cannot be just a reversion to ethical liberalism. Recent authors are more instructive than the ethical liberals. *Amartya Sen's* concept of 'social capability' makes an appropriate starting point. Equality and inequality does not just refer to the availability of social and material goods – individuals must have the capability to make effective use of them. Policies designed to promote equality should be focused upon what Sen calls 'capability set' – the overall freedom a person has to pursue his or her well-being. This advantage should similarly be defined as 'capability failure' – not only loss of resources, but loss of freedom to achieve (Giddens 2001).

Emphasis on equality of opportunity presumes redistribution of wealth and income. One of the reasons is that since equality of opportunity produces inequality of outcome, redistribution is necessary because life-chances must be reallocated across the generations. Without such redistributions, 'one generation's inequality of outcome is the next generation's inequality of opportunity'. A second reason is that there will always be people for whom opportunities will necessarily be limited, or who are left behind when others do well. They should not be denied the chance to lead fulfilling lives.

The U.S. appears as the most unequal of all industrial countries in terms of income distribution. There are other changes that run counter to increasing inequality. For example, in economic as well as social and cultural terms women have become much more equal to men than they used to be which is 'social egalitarianism'. Technological change is more important than global free trade. The spread of information technology leads to a declining demand for unqualified workers, whose job opportunities and wages therefore, also decline (Giddens 2001). At the same time, those with skills or a strong educational background are able to increase their productivity and their earning power, pulling further away.

Social democracy traditionally has a straightforward and morally compelling solution to inequality: take from the rich and give to the poor. Can such a formula still be applied today? The answer is that it can and should be. Modernizing social democrats should accept the core importance of progressive taxation as a means of economic redistribution. Governments need to work together – to coordinate tax-gathering from multinational companies.

Global Civil Society: The Issue of Global Governance and Role of Nation States

Along with the concept of a 'global civil society' comes the issue of the territorial sovereignty of the states (Hayden and Ojeli 2005). Debate over the effect of globalization in the transformation of the domain of sovereignty to the construction of new modes of governance between states, intergovernmental institutions and non-state actors thus entails not only the intensification of interactions and interconnections that have not only have led to the 'shrinking' of the world but also the emergence of a system of global governance that seeks to regulate and various areas of transnational activity. In addition, a host of non-state actors (NGOs) have become increasingly influential in traditional political forums, and have also helped to shape global decision-making and policies through transnationally-networked forums of organizations that operate beyond and supplement formal state and interstate functions and settings. The diminishing efficacy and pertinence of sovereign territoriality raises the question of the justice of the order bolstered by globalization, the parties affected by the causes and consequences of injustice have been increasing in transnational terms. With the increase in normative discourses such as those of human rights and human development, there is an ever-growing global inequality of resources and goods, of extreme poverty and world hunger seems to many theorists to provide ample evidence of the manifest yet avoidable injustice of the existing economic order. 'Communities of fate' extend beyond the political boundaries as economic, political, cultural and social boundaries become increasingly global. The challenges of distributive justice under globalization raise other pressing issues concerning the justness of the world order – global order suffers from a palpable 'democratic deficit'. In much of the literature on globalization there is a general

consensus that the present system of global governance is distorted in so far as it reflects a hierarchy of power at the international level which too frequently promotes the interests of the most powerful states and global social forces at the expense of the majority of the world's inhabitants. In response to the demand for greater participation and accountability in the process of globalization, a global public domain commonly referred to as 'global civil society' is emerging and is widely regarded as playing central role in fostering global governance. Civil society is defined as a realm of cooperative public engagement and social relations that involves individuals who act collectively yet who are separate or autonomous from the state (Hayden and Ojeli, 2005).

Power: State-Market-Society Dynamic:

However, the concept of 'civil society' needs our special attention. It is important to remember that civil society is not an extra-state institution. It is very much a part of the state-market-society dynamics. Civil society is not dissociated from the state and the market; it is the interaction of all three sectors that either would make civil society work or fail (Chandhoke 2001). Therefore, what is problematic is the assumption that these collectives do no influence each other, they do not affect each other; or indeed that they do not constitute in the sense of shaping each other (Chandhoke 2001). According to *Neera Chandhoke*, this is something additive social scientists tend to ignore. He insists that they should read Copernicus, who was to write about the astronomers of his day thus: 'With them it is as though an artist were to gather the hands, feet, head, or other members of his images from diverse models, each part excellently drawn, but not related to a single body, and since they in no way match each other, the result would be a monster rather than a man (Kuhn 1962:83).

Of course power manifests itself in and through different avatars that apparently have nothing to do with each other. Thus, globalization which is legitimized by its defenders as the rationalization of economic life, may seem diametrically opposite to say, fundamentalist movements. On the face of it, fundamentalist movements look as if they are knee-jerk reaction to the globalizing project and possessed of a different logic. But, Chandhoke insists us to note that both of these projects manifest different forms of power, simply because both limit the endeavours of human beings to make

their own lives with some degree of autonomy. Power, in other words, produces identifiable effects even though its various manifestations do not always act in concert. It is however precisely these insights that are at a discount when theorists suggest that civil society possesses a discrete and distinct *raison d'être* which marks it out as different as well as autonomous, both from the state and the market. Thus, civil society in contemporary political theory is posed as an alternative to both the state and to the market. It simply emerges as the third sphere of collective life. Gordon White for instance, conceptualizes civil society as an intermediate associational realm between the family and the state populated by organizations which are separate from the state, enjoy autonomy in relation to the state and are formed voluntarily by members of the society to project or extend their interests or values (White 1994:379). Charles Taylor suggests that civil society is 'those dimensions of social life which cannot be confounded with, or swallowed up in, the state' (Taylor 1991: 171). If Axel Honneth (1993:19) thinks of civil society as 'all civil institutions and organizations which are prior to the state', Jeffrey Isaac (1993:356) speaks of the sphere as 'those human networks that exist independently of, if not anterior to, the political state'. Above all, Jean Cohen and Andrew Arato in a rather well known definition, refer to a 'third realm' differentiated from the economy and the state as civil society (Cohen and Arato 1998:18). In the hands of these two authors, civil society as a normative moral order is diametrically opposed to both the state and the economy.

Similar thinking is reflected when it comes to the issue of global civil society. Many theorists seem to be of the view that global civil society represents a 'third sector', which cannot only be distinguished from but which is an alternative to both the state-centric international order and the networks of global markets. Lipschutz, for instance, employs the concept of 'global civil society' to indicate a plurality of agencies such as social movements, interest groups and global citizens. If the distinguishing feature of these organizations is that they defy national boundaries, the cornerstone of global civil society is constituted by the 'self-conscious construction of networks of knowledge and action, (and) by de-centred local actors, that cross the reified boundaries of space as though they were not there'. Global civil society actors, in other words, engage in practices that can possibly reshape the 'architecture' of

international politics by denying the primacy of states or their sovereign rights (Lipschutz 1992:390). Other scholars are of the opinion that the anti-state character of global civil society is revealed through its projects, for example, through the promotion of values from below, which exist in tension with dominant statist conceptions of the state system (Falk, Johnsen, and Kim 1993:13-14).

In other words, contemporary thinking gives us a picture of a global civil society that seems to be supremely uncontaminated by either the power of states or of the markets. Now it is true that global civil society organizations have managed to dramatically expand the agenda of world politics by insistently casting and focusing widespread attention on issues such as human rights, the environment, development etc. But to conclude from this that these actors have drawn up a blueprint for a new or an alternative global order, or indeed to assume that they are autonomous of both states and markets, may prove too hasty a judgment. This is not to say that global civil society can be reduced to the logic of the state-centric world order or to the workings of the global economy. The basic thrust is we should treat with a fair amount of caution the assumption that firstly, global civil society is autonomous of other institutions of international politics, secondly, that it can provide us with an alternative to these institutions, and thirdly, that it can give us a deep-rooted and structural critic of the world order. To put it bluntly, should our normative expectations of civil society blind us to the nature of *real* civil society whether national or global? Here there are two broad questions that we need to follow: the first question has to do with the perennial preoccupations of the political theorists i.e. what are the implications of the development of global civil society for issues of representation and political agency? Do the organizations of global civil society enhance for ordinary men and women the empowering process or constrain it? Simply putting it, *are the global civil society inclusive enough as against the forces of exclusion that it condemns namely, the state and the market?* The second question is: to what extent can global civil society be autonomous of the state-centric world system and of the system of markets? In other terms, can global civil society provide us with a third and presumably an alternative way of organizing international relations? Or is it bound by the same logic that characterizes the other two systems?

Globalization and the emergence of Global Civil Society:

The idea of internationalism has been central to working class politics since the end of the 19th century. In a parallel development, Henri la Fontaine, who was awarded the Nobel Peace Prize in 1913, created the Central Office of International Associations in 1907 to link up nongovernmental organizations (NGOs) in different countries. That was the beginning; and ever since, global civil society has eventually been dominated by the NGOs even though other actors, such as political activists networking across borders and anti-globalization movements were playing an important role in this sphere. The discussion that follows therefore shifts between NGOs and other civil society actors, even as it recognizes that NGOs play a larger-than-life role in global civil society.

The power of global NGOs was first visible at the Earth Summit in Rio in 1992. However, the one of the most dramatic manifestation of global civil society so far was to appear in what came to be known as the 'Battle for Seattle'. In fact, it is historically crucial to speak about this incident as it paved the way for what we see today as paraphernalia of global civil society. At the end of November 1999, massive protests involving some 700 organizations and about 40,000 students, workers, NGOs, religious groups, and representatives of business and finance who were there for their own reasons brought the third ministerial meeting of the World Trade Organization (WTO) in Seattle to a halt. Though large-scale protests against the WTO, The International Monetary Fund (IMF) and the World Bank were not new, what were new were both the scale of mobilization and the intensity of protest. Angry demonstrations by student unions, environmentalists or 'tree huggers', economic and xenophobic nationalists, church groups, anarchists, protectionists, consumer groups, NGOs, and even business and financial groups were hailed by some scholars as 'globalization from below' (Kaldor 2000) or as heralding a new internationalism.

There were two aspects of the 'Battle for Seattle' that proved significant for the consolidation of global civil society. First, for the first time hitherto single-issue groups coalesced into a broad-based movement to challenge the way the world trade and financial system was being ordered by international institutions. Secondly,

whereas in the late 1960s protest groups in the US and in Western Europe had targeted the state, at Seattle they targeted global corporations and international economic institutions. Ever since, mass protests have become a regular feature of annual meetings of the World Economic Forum, the IMF, and the World Bank and the WTO. On the other hand, students across university campuses in the US demonstrate against the unethical practices of large corporations such as Nike, Reebok, the Gap, and Disney which use cheap labour in the Third World. Novel methods and vocabularies of protests captured the attention of the international media and generated considerable excitement at the idea of renewed political activism. And the phrase 'global civil society' became an integral part of political, corporate and technical vocabularies.

In sum, global civil society organizations have emerged as a powerful and influential force on the world stage affecting as they do both domestic and international policies. Arguably, two factors have strengthened the mandate of these organizations. One, the informational revolution has increased their capacity to collect, select and publicise information on a variety of specialized issues, ranging from development disasters, to the environment, to the effect of WTO policies such as patenting to human rights violation. The revolution in communications and information has allowed NGOs to form coalitions, as for instance the Conference of Peoples Global Action Against Free Trade that held its first meeting in Geneva in May 1998, the Third World Network which as a union of the Third World NGOs is based in Malaysia to mention a few. Second, global NGOs have become influential simply because they possess a property that happens to be the hallmark of *ethical* political intervention: moral authority and legitimacy. And they possess moral authority because they claim to represent the *public* or the *general* interest against official or power-driven interests of the state or of the economy. Though the idea that they are truly representative can be challenged, it is not to deny that NGOs have raised normative concerns in the domain of global civil society. As the upholders of an ethical *canon* that applies across nations and cultures, international actors in civil society now define as well set the moral norms, which should at least in principle govern national and international orders. Because they articulate a global and ethically informed vision of how states should treat their

citizens, global civil society actors command the kind of attention that normally does not accrue to political activism within states (Chandhoke 2001).

This as a matter of course has significant implications for our traditional concepts of state sovereignty. Traditional states pleading sovereignty and state security have resisted any intervention by outside agencies. *As the keepers of a moral conscience that applies across borders, global civil society organizations question the monopoly of the nation states over the lives of its people.* But they also challenge the workings of the international institutions such as the World Bank, the IMF and the WTO.

Globalization demanded and demands sustained political intervention for one main reason. If capital more often than not originating in the West had to cross boundaries in order to pursue accumulation on the world scale, the state had to be rolled back from its hitherto legitimate task of regulating the market as well as providing social services to the people. In other words, the legitimization of the ability of the market to regulate itself, as well as to provide for both growth and well-being, demanded the delegitimization and the consequent withdrawal of the state from the market. The state had to be rolled back both to encourage the unhindered flow of capital and to enable the market to display its dynamics. It was precisely this understanding that came to be known as the neo-liberal agenda, or what John William termed the 'Washington Consensus'. We find that the consensus dictated the following: firstly, the state particularly in the Third World countries should withdraw from the social sectors; secondly, the market should be free from all constraints; and thirdly, people in civil society should organize their own social and economic reproduction instead of depending on the state.

Ironically, the idea that people in civil society should organize their own reproduction has emerged at exactly the same moment as globalization has drastically eroded the capacity of the same people to order their own affairs. It was in this particular historical juncture that NGOs appeared on the horizon to take over functions hitherto reserved for the state. The space cleared by the rolling back of the state came to be known as 'civil society', and NGOs were transformed into the guardians of civil society even as they subcontracted for the state. To put it in stark terms, the

emergence and the growing power of the NGOs whether national or global has been actively facilitated by the Washington consensus.

The role of NGOs however has been further strengthened by what came subsequently to be known as the post-Washington consensus. The mid-1990s was to witness a sharp swing in the mood of international trade and financial institutions. For the rhetoric of these institutions was to move away from an emphasis on free and untrammelled market to the idea that both the market and the generic process of globalization had to be governed. The doctrine of free trade and unregulated market had run into trouble ever since 1994, when Mexico was hit by financial devastation. The second financial crisis which began when the government of Thailand devalued the bhat, and which then spread to the rest of East Asia, Japan, Brazil and Russia in 1997 and 1998, impoverished millions and generated rage and discontent. Thus, as free market started failing since as early as the mid-20th century, many scholars saw these financial and economic crises as a consequence of unfettered globalization, as a result of the working of the free and unregulated market (Rhodes and Higgot 2000). The neo-liberal agenda after all had failed to deliver the much promised benefits of greater growth, stabilization of financial markets and political order. Income disparities had increased, the number of the poor had grown drastically. A global economic order had been forged through globalization without any prospect for justice, or democracy, or redistribution. And this posed problems for the defenders of globalization. For if a system is widely perceived as unjust, it will necessarily engender resistance.

Therefore, whereas in 1980s and early 1990s free market liberalism had been left to private corporations, this strategy had to be rethought since it had proved counter-productive. In fact, as early as in 1995, Paul Krugman had identified this situation as 'globalization of a crisis'. Interestingly, Karl Marx had pointed out long back that if markets were to endure they had to be controlled or 'governed'. This realization led to a radical shift in the rhetoric of globalization: the replacement of language of the market by that of governance, accountability and democracy. And the World Bank under the influence of the economist Joseph Stiglitz, known for his critique of the unfettered market moved from a narrow economic focus on development to what

came to be known as the Comprehensive Development Framework. Even as the policies of structural adjustment were replaced by the notions of partnership between the Bank and borrowing governments, the shift was not radical inasmuch as the dominant themes of neo-liberalism continued to dominate the political imagination of most, if not all, of the international financial institutions. But now these international financial institutions were to cushion neo-liberalism in a vocabulary that spoke of the regulation and the moderation of the processes of globalization. In effect, these institutions opted for strategies of conflict management. Perhaps the Bank had no choice.

It is of some significance that some global civil society actors, who had earlier emerged on the political scene in and through the politics of protest, now became partner in decision-making activities. NGOs now attend the annual meetings of the World Bank and the IMF as special guests. This of course raises an important methodological question: can we continue to call agencies that become a part of global decision-making structures 'civil society organizations' that supposedly challenge the workings of the global order?

As the post-Washington consensus came to 'govern' the global flow of capital and trade, it was to focus on three issues: firstly, globalization was too important to be left to the unrestricted corporate world; secondly, the state needed to be replaced not so much by the market as by civil society organizations that represented the aspirations of the people and strengthened democracy; and thirdly, the new consensus opined that only a strong civil society under the guidance of the NGOs can further democracy. *In effect, the earlier move away from the state to the market has now been replaced by a move away from the state to civil society based on networks of trust.*

However, despite some changes in rhetoric, the post-Washington consensus continues to retain significant elements of earlier neo-liberal consensus. For neither was the idea that a free trade encourages democracy put aside, nor was the role of the state in institutionalizing and realizing democracy considered. More importantly, the international policy community now concentrates on the management of discontent.

which has erupted in reaction to the liberalization and the deregulation process that lies at the heart of globalization (Higgot 2000:138).

The post-Washington consensus, in other words, views protests and struggles, which happen to be an integral part of the civil society, as problems that have to be resolved through managerial techniques. It still does not recognize that a democratic civil society is about struggling for a better world, that it is about politics and not only governance, that it is about visions and aspirations and not only about neutralizing tensions. Next, civil society continues to be identified, as in the earlier version, with NGOs. To put it differently, if earlier version of neo-liberalism cleared the space for global civil society actors, the present consensus legitimizes their activities. All these, have depoliticized the very concept of civil society.

Whom (or what) does Global Civil Society represent – In Real?

Referring to the classical political theory, civil society signifies both a space and a set of values. Civil society possesses no one characteristic, no one core, no one essential nature. It is what its inhabitants make of it. The values of civil society are those of freedom, accessibility and publicness. On this ground alone, no one is in theory barred from civil society, everyone is allowed entry into the sphere and everyone in theory is free to link with others to make their own histories even though these histories are not made, as Marx told us long ago in the conditions of their own choice. Thus is associational life born and thus is an activity called politics born. Therefore, for most theorists of civil society, social associations are vital to collective life simply because they allow people to realize their selfhood through collective action. It is this interpretation of civil society that finds it difficult to accommodate NGOs, for two reasons: firstly, though it is possible that individuals who come together in associations transform their association into an NGO, a number of important and influential NGOs are not born through this process. Global NGOs very often come from the outside armed with their own ideas of what is wrong and what should be done to remedy the situation. At precisely this point the issue of representativeness arises to bedevil thinking on civil society; secondly, if the global NGOs have their own ideas of what is wrong and what should be done to rectify the situation, then ordinary men and women who are actually experiencing exclusion in their everyday

lives are denied the opportunity to frame their responses in their own terms. This is exclusion of another kind – the subjects themselves are excluded from the process of channelizing their own cause! NGOs more often than not speak a highly specialized language that may be incomprehensible for the ‘civilians’ for whom they operate. Bluntly put, *people are disempowered rather than empowered when highly specialized, professional, and more often than not bureaucratized civil society actors tell them what is wrong with their daily existence and how they should go about resolving the problems of their collective lives.* In the process, civil society may undergo both depoliticisation and disempowerment.

The notion of agency is compromised when a ‘people’ is not going through the transition from subject to object. Interestingly, it resonates Marx’s understanding of a ‘sack of potato’s journey from a class-in-itself to a class-for-itself. However, it is precisely this notion of agency in politics that is devalued when global civil society actors commandeer political initiatives and once again constitutes human beings as subjects of political ideas arrived at elsewhere, or worse, when they constitute individuals as consumers of agendas finalized elsewhere. For we must ask this uncomfortable question of even the most well-meaning of NGOs: *who* was consulted in the forging of agendas? *When?* And *how* are the local people consulted: through what procedures and through what modalities? Were they consulted at all? *Do, in short, global civil society actors actually represent people, particularly of the Third World?*

Certainly, cyber-savvy global activists are influential as they know the language that will win attention and perhaps applause. Politics may remain absent from this entire exercise of representing the ‘real’ voice of ordinary folk, but politics of representation come manifest when we have ask question such as what happens when ordinary human beings do not have access to computers? What happens when activists who passionately feel for some crucial issues are not in a position to participate in acts of resistance at the annual meetings of international financial institutions? Frankly, it is unclear whether international NGOs strengthen or weaken the role of the community; NGO activism is no substitute for self-determining and empowering political action

borne out of specific experiences. Herein the issue of accountability of such NGOs raises question.

Next, international NGOs resist attempts to make their own functioning transparent even as they demand transparency and accountability from international financial organizations. Observers have commented that since most NGOs do not issue financial or activity reports or any declaration of objectives, it is difficult to gauge their nature (Scholte 2000:119).

We also need to wonder how democratic the organizations of global civil society are, given the great inequalities between North and South, East and South, South and South. (Yes, China is soaring high; still social exclusion looms large on the rest of Asia even if the US claims India to be global partner. Had it been so, Copenhagen Summit on environmental issues would not fail). Thus we discover dissonance in the way Third World activists envisage crucial matters and the way in which civil society actors largely based in the West view them.

Certainly we need to acknowledge the outstanding services rendered by some global civil society organizations. Nevertheless, the domination of global civil society by organized and well-funded NGOs hailing from the West poses some very vexing questions for issues of political representation, political agency, and politics in general. *Is it possible that NGOs perhaps unwittingly form an integral part of the same plan that characterizes the state and the market? Is it possible that the same logic of power underpins the activities of international civil society actors?*

The next question has to do with whether global civil society actors counteract deep-rooted structures of global capitalism and the state-centric global order, or provide an alternative to the system (*potentiality of a post-globalization alternative?*). There is much wider methodological issue that confronts us here: what is the relationship between civil society and the other two domains of collective existence, namely, the state and the market. Civil society is not only constituted by the state and the market but also permeated by the same logic that underpins these two spheres. It is important here to recall that *civil society as a peculiarly modern phenomenon emerges through*

the same historical processes that generate both the modern impersonal state and the modern market system. This was recognized as early by Hegel (Chandhoke 2001).

The problem is that global civil society tends to be broad-based, comprising as it does many groups with divergent purposes and aims. Kaldor, for instance, accepts that only a few of the protesters at Seattle were actually against globalization; the others wanted to reform international trade and financial institutions as well as make them accountable (Kaldor 2000: 112). And the same theme is echoed almost every year at the World Social Forum meets.

We have already mentioned the relevance of differentiating between anti and alter-globalizers. According to Chandhoke, the movement against globalization can be split into three groups: firstly, radical individuals and groups who oppose capitalism but are rather clueless as well as powerless when it comes to alternatives; secondly, established NGOs that work at the margins of the reform system; and lastly, the ones that are anti-capitalist globalization and dream of a better international order are relegated to the fringes of global civil society, dominated as it is by professional bodies who now are partners in world decision-making forums.

Thus, it is evident, that global civil society by and large prefers to work within the parameters of a system that has been found wanting by many critics both from the Third World and from the advanced capitalist world. Given the plural and somewhat contradictory features of the protest movements, they can hardly provide with an alternative system. In tandem with the post-Washington Consensus, some global civil society actors would humanize the capitalist system rather than think of another system that may be able to deliver justice and equity. Therefore, they may reform the neo-liberal platform but they are unable to amp a new course. And the anti-capitalist globalization groups are romantic and pragmatic when it comes to alternatives. For, as Scholte put it in the context of Seattle, 'halting a new round of trade liberalization is not the same as building a better world order' (2000:116). In the mean time liberalization, privatization and exploitation of the Third World resources continue to coexist with the rhetoric of human rights, environment and democracy, and what the World Bank now calls the Comprehensive Development Framework.

Relationship between State and Global Civil Society:

When we come to the state-centric international order, we find that the relationship between states and global civil society is profoundly ambivalent. It is true that the global civil society actors through the techniques of 'naming and shaming' have embarrassed individual states and even succeeded in throwing individual governments. But it is equally true that states are not at all ceding their power over matter they consider crucial. Let us consider the response of the US to the mobilization of international public opinion in the wake of September 11, 2001 attacks on New York and Washington. Political activists are connecting via the Internet, peace marches dotted the landscape from New Delhi to Washington to Berlin, and writers were authoring impassionate pieces on why the Bush government should not punish the innocent people of Afghanistan by bombarding the country. And yet the American government went ahead and declared war on Afghanistan, adding to the already considerable woes of the people of that country. The US, which incidentally claims to speak for the 'free world', refused to heed the voice of global civil society and proceeded to violate the freedom of the people of Afghanistan. Thus the sovereignty of the US remained intact despite considerable criticism by civil society actors.

On the other hand, global civil society actors need state as their institutions to substantiate and codify their demands in law; they need the state to create political and legal framework that facilitate setting up of the rule of law, civil and political rights, and environmental protection, to name a few. Efforts in civil society will come to naught unless states codify these efforts in the form of law or regulations. In fact, states constitute the limits of civil society, as well as enabling political initiatives in global civil society. In effect, the very state the global civil society opposes enable the latter in the sense that only they can provide the conditions within which the civil society agenda is realized. In effect, vibrant civil societies require strong and stable state as a precondition to their very existence. After all, we hardly expect to find a civil society in countries like Afghanistan or Somalia, where the state itself leads a precarious existence as a result of the civil wars that have wrecked the countries and

their politics. The shade of Hegel, who espoused that the state is a precondition for the existence of civil society, looms especially large here.

Summary

No matter how much we extend our discussion here, certain questions linger around: can global civil society transcend the existing tension between the Western world and the Third World that permeates the international legal, political and economic order? Or will it work merely within the parameters of a system that has already been laid down by a few powerful states? Can global civil society ever be truly global? Or is it fated, as national civil societies are, to function within the framework laid down by hegemonic states?

Therefore, the notion that civil society can institutionalize normative structures that run counter to the principles of powerful states or equally powerful corporations; which govern international transactions; should be treated with a fair amount of caution. Of course, actors in global civil society have made a difference, but they function as most humans do, within the realm of the possible, not within the realm of the impossible. Ultimately, global civil society actors work within the inherited structures of power that they can modify or alter but seldom transform. But this can be understood only when we locate global civil society in its constitutive context: a state-centric system of international relations that is dominated by a narrow section of humanity and within the structures of international human capital that may permit dissent but do not permit any transformation of their own agendas; and therefore, the logic of accumulation has not changed.

5

On Globalizing India: Implications of Social Exclusion

Having discussed the implications of social exclusion the globalization context throughout the world in general, the study remains incomplete without looking at how India experiences and deals with the issue of exclusion in the 21st century. There are spaces of exclusion peculiar to India, i.e. caste. We will try to give an overview of what Indian scholars have to say about economic globalization related social exclusion in this country.

Overcoming 'exclusion' constitutes the most elementary pre-requisite for the building of a democratic society. This concern is the centre of our Constitution. Indian Constitution provides equality to all citizens irrespective of caste, creed, region and gender. It also directs the State to take various measures to remove the different forms of discrimination, inequality and thereby help to eradicate social exclusion. Without attaining this objective, an integrated and united nation cannot be built on a sound footing. The potentialities and limitations of such protective measures need to be studied carefully¹⁶.

¹⁶ www.socialexclusion.co.in

Social Exclusion: Indian Context

Exclusion on the basis of race, colour, religion, ethnic background, national or social origin exists in many nations under diverse social, economic and political systems. India is just one of them. The concern about exclusion at the policy level is primarily because of its consequences on economic growth, and the inequality and deprivation that it brings to groups excluded and discriminated against. Broadly speaking, social exclusion has been defined as 'the process through which individuals or groups are wholly or partially excluded from full participation in the society within which they live.' Two defining characteristics of exclusion are particularly emphasised: the societal relations (or institutions) that cause exclusion and its consequence of deprivation in several spheres through the denial of equal rights.

Before getting into the debate of what constitutes caste, let us first look at the historical context in which caste became a problem in India.

Historical Emergence of Social Exclusion in India

The first are the protest movements that have been a feature of caste society since the sixth century B.c., when Buddhism and Jainism arose in opposition to Brahminism and the supremacy and socio-cultural hegemony of the Brahmins and related caste prejudices. The Bhakti movements in different parts of the country throughout the Middle Ages, and Veerasaivism in twelfth century Karnataka challenged the established hierarchy of caste in the name of social equality. The Brahmo Samaj founded by Rammohun Roy in Calcutta in 1828 repudiated caste, and established a brotherhood of men irrespective of caste or creed. The Satya Shodak Samaj, or society of truth-seekers, was founded by Jotiba Phule in Poona in 1873 and blamed the Hindu religion for social inequality, and the Brahmins for fabricating "sacred scriptures" to maintain their social dominance; the movement, which is still alive, asserted the worth of man irrespective of caste. The Hindu reform movement Arya Samaj was founded by Dayananda Saraswati in Bombay in 1875 and seeks to remove birth as the basis of hierarchy. It promoted inter-caste marriages, and encouraged admitting untouchables into mainstream society. Sri Narayana Guru, who was active in Kerala as a socio-religious reformer for four decades beginning in the 1890s.

attacked the caste system, especially the supremacy of Brahmins, who had denied low caste Hindus the right to participate in Brahminic Hinduism. He exhorted his followers to reject differences based on caste and to work for the abolition of the caste system. B.R. Ambedkar, who described the caste system as a gradation of castes forming an ascending scale of reverence and a descending scale of contempt, advocated its outright annihilation. The political culture built by Ambedkar in articulating the socio-political rights of the untouchables culminated in the constitutional provisions for formal equality to all and special dispensation (affirmative action) to the historically disadvantaged, in particular the constitutionally recognized Scheduled Castes (SC), otherwise known as Dalits, and Scheduled Tribes (ST). Second, beginning in the early 19th century, caste came under severe attack by Christian missionaries like William Ward and Abbe Dubois, especially in the context of discrimination against lower castes and women. Ward (1822, Vol.1: 143-44) criticized the caste institution as one of the greatest scourges of Indian society, dooming 90 percent of the people even before birth to a state of mental and physical degradation. Buddhism and Jainism arise in opposition to Brahmanism, and the supremacy and socio-cultural hegemony of the Brahmins and related caste prejudices. Caste system, however specious in theory, has operated like the Chinese national shoe; it has rendered the whole nation crippled. (*Op. Cit.* 64) Third, from the second half of the 19th century the British administration also showed concern about various forms of exclusion in Indian society. This was mainly in the context of Brahmin dominance, Muslim alienation and the social isolation and backwardness of the lower castes and tribes. As a result, British educational and employment policies came to be characterized by concessions, communal representation and patronage politics. Since the 1950s, social exclusion in India has assumed a wider connotation, and discourse on it has had greater significance in political rhetoric, and among academics, more recently in writings on women, Dalits and other deprived groups. Exclusion discourse also gained new meaning in the 1990s with Prime Minister V. P. Singh's decision to implement the Mandal Commission report, which sought to increase affirmative action programs for the disadvantaged. The discourse now covers a wide range including emancipation politics, national justice and the empowerment of women and backward classes.

Amartya Sen (2004) draws attention to various meanings and dimensions of the concept of social exclusion that we have already discussed in the Introduction.

Social Exclusion in India: Sukhdeo Thorat

The way in which it has been developed in social science literature, the concept of social exclusion in general and economic exclusion in particular essentially refers to societal institutions (of exclusion), and their outcome (in terms of deprivation) (Thorat 2004). In order to understand the dimensions of exclusion, therefore, it is necessary to understand the social relations which lead to exclusion of certain groups, causing deprivation in multiple spheres — civil, cultural, political and economic. For a broader understanding of the concept of exclusion, insights into the societal process and institutions of exclusions are as important as an understanding of the outcome of deprivation for certain groups.

For conceptual clarity, it is necessary to recognize the group character of exclusions. It is also equally necessary to recognize that economic exclusion or discrimination is independent of income, productivity or merit of individuals in the group. Often, people do get excluded from markets due to lack of income, or from employment due to low productivity or skill, or from admissions due to low merit. In the case of group-based exclusion, on the other hand, the basis of exclusion is group identity and not the economic characteristics of a group. The focus of exclusion is the social group, not the individual. Exclusion necessarily leads to denial of economic opportunities and powerlessness but low income, poor productivity or low merit are not the original criteria. Rather, they are the outcomes of exclusion associated with group identity. This group characteristic needs to be recognized when we discuss policies and remedies against discrimination. It is also possible that some individuals in the group discriminated against may be economically better off and may have some advantage in overcoming the effects of discrimination. But since exclusion has a group focus, they would also suffer from discrimination — perhaps not of same degree and magnitude as the poor members of their group.

According to Sukhdeo Thorat (2004), in India exclusion revolves around the societal interrelations and institutions that exclude, discriminate against, isolate and deprive

some groups on the basis of group identities like caste and ethnicity or religion. The nature of exclusion revolving around the caste system particularly needs to be understood and conceptualized. Caste-based exclusion has formed the basis for various anti-discriminatory policies in India.

Historically, the caste system has regulated the social and economic life of the people in India. Theoretical formulations by economists like George Akerlof, Deepak Lal and B.R. Ambedkar recognised that in its essential form, caste is a system of social and economic governance or organisation (of production and distribution), governed by certain customary rules and norms which are unique and distinct. The organisational scheme of the caste system is based on the division of people into social groups (or castes) in which the civil, cultural and economic rights of each individual caste are predetermined or ascribed by birth and made hereditary. The assignment of these rights is therefore unequal and hierarchal. The most important feature of the caste system, however, is that it provides for a regulatory mechanism to enforce social and economic organisation through the instruments of social ostracism, or social and economic penalties. As observed by Lal and Ambedkar, it is further reinforced by justification and support from the philosophical elements of Hindu religion.

The caste system's fundamental characteristics of fixed civil, cultural, and economic rights for each caste, with restrictions on change, implies forced exclusion of one caste from the rights of other caste, or from undertaking the occupations of other castes. Exclusion and discrimination in civil, cultural and particularly in economic spheres such as occupation and labour employment is, therefore, internal to the system and a necessary outcome of its governing principles. In the market economy framework, this occupational immobility would operate through restrictions in various markets such as land, labour, credit and other inputs and services necessary for any economic activity. Labour, being an integral part of the production process of any economic activity, would obviously become a target of market discrimination.

This interpretation implies that the caste system involves the negation of not only equality and freedom, but also of basic human rights, particularly of the low castes.

which become an impediment to personal development. The principles of equality and freedom are not the governing principles of the caste system. This is because the underlying principles of the caste system assume particular notions of 'human rights'.

Unlike many other human societies, the caste system does not recognize the individual and his/her distinctiveness as the centre of social purpose. In fact, for the purpose of rights and duties, the unit of Hindu society is neither the individual nor the family; the primary unit is caste and hence, the rights and privileges (or the lack of them) of an individual flow from membership of a particular caste (Ambedkar, 1987). Also, due to differential ranking and the hierarchical nature of the caste system, the entitlements to various rights become narrower as one goes down the ladder in the caste system. Various castes get artfully interlinked and coupled with each other with respect to their rights and duties, in a manner such that the rights and privileges of the higher castes become causative reasons for the disadvantage and disability of the lower castes, particularly the Untouchables. In this sense, as Ambedkar observed, a caste does not exist singly, but only in the plural. Castes co-exist as a system of endogenous groups, which are interlinked with each other in unequal measures of rights and relations in all walks of life. Castes at the top of the social order enjoy more rights at the expense of those located at the bottom. Therefore, the low castes located at the bottom of the caste hierarchy have much less economic and social rights.

The practice of caste-based exclusion and discrimination thus necessarily involves failure of access and entitlements — to use Sen's words — not only to economic rights, but also to civil, cultural and political rights. It involves what has been described as 'living mode exclusion' — exclusion from political participation and exclusion from and disadvantage in social and economic opportunities. Caste and ethnicity-based exclusion thus reflects the inability of individuals and groups like former Untouchables and Adivasis to interact freely and productively with others and to take part in the full economic, social and political life of a community. Incomplete citizenship or denial of civil rights (freedom of expression, rule of law, right to justice), political rights (rights and means to participate in the exercise of political power) and socio-economic rights (economic security and equality of opportunity) are key impoverishing elements.

Categories of Exclusion: Caste

In the light of the above, caste and untouchability-based exclusion and discrimination can be categorised in the economic, civil, cultural and political spheres as follows:

First, exclusion may be practiced through the denial of jobs in the labour market; through the denial of access to capital in the capital market; through the denial of the sale, purchase or leasing of land in the agricultural land market; through the denial of sale and purchase of factor inputs in the inputs market; and through the denial of sale and purchase of commodities and consumer goods in the consumer market.

Secondly, discrimination can occur through what Sen would describe as 'unfavourable inclusion', namely through differential treatment in the terms and condition of contracts, reflected in discrimination in prices charged and received by groups discriminated against. This can include the price of factor inputs, consumer goods, the price of factors of productions such as wages for labour, the price of land or rent on land, interest on capital, rent on residential houses and charges or fees on services such as water and electricity. Groups discriminated against may get lower prices for the goods they sell and may pay higher prices for goods they buy, as compared with the market price or the price paid by other groups.

Thirdly, exclusion and discrimination may occur in terms of access to social services supplied by the government or public institutions, or by private institutions in education, housing and health, including common property resources like water bodies, grazing land and other land of common use. Fourthly, a group (particularly the Untouchables) may face exclusion and discrimination from participation in certain categories of jobs (such as the sweeper being excluded from jobs within the household), because of the notion of purity and pollution of occupations, and engagement in so-called unclean occupations.

In the civil and cultural spheres, Untouchables may face discrimination and exclusion in the use of public services like public roads, temples, water bodies and institutions delivering services like education, health and other public services. In the political sphere, Untouchables may face discrimination in the use of political rights and in

participation in the decision-making process. Due to physical (or residential) segregation and social exclusion on account of the notion of untouchability (or 'touch-me-not sum'), they can suffer from general social exclusion. Since there is a societal mechanism to regulate and enforce the customary norms and rules of the caste system, Untouchables may generally face opposition in the form of social and economic boycott and violence which acts as a general deterrent to their right to development.

After having brought some clarity to the concept of caste-based discrimination, from which Untouchables and other backward castes suffer the most, we now turn to another form of exclusion from which groups like Adivasis suffer. This type of exclusion is linked with the ethnic identity of a group. Anthropologists tend to define ethnicity as a set of cultural elements shared by a community of individuals who organise their daily life around them.

In rural areas, ethnicity is an attribute commonly associated with native communities that have limited contact with other communities. Historically, the Adivasis have suffered isolation, exclusion and underdevelopment due to their being ethnically different from mainstream Indian society, and due to their having a distinct culture, language, social organisation and economy (they generally practise hunting and gathering and shifting cultivation, and have traditionally inhabited river valleys and forested regions). The historical nature of their isolation and deprivation has resulted in considerable deprivation. In their case, exclusion can take several forms, such as denial of the right to resources in their vicinity and unintended and intended consequences of policies of government and societal processes — what Sen would call 'active and passive exclusion'. The Adivasis can further suffer from what Sen would call the 'constitutive relevance' of exclusion, which arises due to their inability to relate to others and to take part in the life of the community, which can directly impoverish the members of these groups.

This overview of the development of the concept of exclusion in general, and that of caste, untouchability and ethnicity-based exclusion and discrimination in particular, brings out various dimensions of the concept in terms of its nature, forms and consequences. Caste and untouchability-based exclusion and discrimination is

essentially structural in nature and comprehensive and multiple in coverage, and involves the denial of equal opportunity, particularly to excluded groups like former Untouchables. In the case of Adivasis, exclusion is not systemic or structural in nature but in its outcomes — in some respects, if not all — it is similar to that of former Untouchables.

Though exclusion and related vulnerabilities in the traditional Indian context are seen in terms of groups, in the case of globalization it is necessary to go beyond groups and look at vulnerable populations as a broad class or category. A case in point is the devastation of India's agrarian sector by global companies with the resulting rural impoverishment; indebtedness and rise in farmers' suicides in a number of regions (Radhakrishnan, 2006).

This impact is not only on traditionally excluded social groups but also on many others, as caste and class overlap to a large extent. For instance, while the majority of the scheduled castes are agricultural laborers, the majority of agricultural laborers are not SCs. Here it is necessary to keep in mind the impact of globalization on rural and urban areas alike, with those in rural areas migrating to urban areas and ending up as insecure street vendors, daily wage workers or vagabonds.

The negative impact of fast emerging "gated communities" for the wealthy in urban areas is obvious. Such communities shrink the traditionally available social space to people in general and the excluded in particular. Traditionally, human habitation has been horizontal — at ground level — though social relations involved hierarchies reflected in the geography of spatial habitations. These horizontal habitations created adequate avenues for social interaction, and, when necessary, social mobilization. Those who were not part of such habitations at least had access to the public space. "Gated communities" exclude by definition those outside the gate but also exclude the denizens inside from the dynamics of society and the social interaction such communities cannot provide. This is in some sense a symptom of a dying society.

In Pursuit of Eradicating Exclusion

Reducing economic discrimination is thus essential because it is likely to increase economic growth, reduce inequality among individuals and between groups and also reduce the potential for conflict to which inequality between groups may give rise. Conclusions regarding the consequences of market discrimination on economic growth and income distribution are derived from mainstream economic theory. The same theory also predicts that in highly competitive markets, discrimination will prove to be a transitory phenomenon as there are costs to the firm or employer associated with market discrimination, which results in lower profits. Firms or employers who indulge in discrimination face the ultimate sanction imposed by the markets. This theoretical perspective thus sees the resulting erosion of profits as a self-correcting dimension of discrimination.

However, the free market solution is not a practical remedy. For a number of reasons market discrimination, particularly labour market discrimination, might persist over long periods with or without the prevalence of the free market situation.

First, not all markets are highly competitive. The persistence over decades of labour market discrimination in high-income countries attests to that. Indeed, in developing countries, monopolistic power is quite significant, which enables indulgence in market discrimination.

Second, even if competition exists in all markets, it is not a sufficient condition for the elimination of discrimination. Market discrimination in a competitive market situation will still prevail if all the employers are discriminators.

Thirdly, the worker discriminated against may not have an opportunity to prove his or her productivity potential and therefore, discrimination will persist.

If these two theoretical positions on discrimination have some meaning, then they also have obvious alternative policy implications. Those who believe that discrimination is indeed self-correcting would argue in favour of strengthening competitive market mechanisms. But if discrimination persists despite the presence of the competitive

market process (which is the case in reality) or for other reasons mentioned above, activist or interventionist policies would be necessary.

The perspective that competitive market mechanisms work against the perpetuation of discrimination is countered by an alternative theoretical view on discrimination. I cannot do better than quote Steven Shulman and William Darity, who have summarised the two views so precisely:

The analytical stance of the mainstream neo-classical economists is characterised as methodological individualism and it presumes that economic institutions are structured such that society-wide outcomes result from an aggregation of individual behaviours. It presumes that if individuals act on the basis of pecuniary self-interest then market dynamics would dictate equal treatment for equal individuals regardless of inscriptive characteristics such as race. Consequently, observed group inequality is attributed to familial, educational or other background differences among individuals who are unevenly distributed between social groups. The causes of a dissimilar distribution of individuals between social groups may be genetic, cultural, historical or some combination thereof. The differences in cultural attributes include the value families and neighbourhoods place on education, attitudes and work habits. The historical refers primarily to the impact of past discrimination on current inequality. In contrast, economists who may be classified as methodological structuralists do not accept this interpretation. Structuralism as an analytical method holds that aggregate outcomes are not the result of a simple summation of individual behaviours, but rather arise from the constraints and incentives imposed by organisational and social hierarchies. In this view, individual behaviour achieves its importance within the context of group formation, cooperation and conflict. Economic and political outcomes are thus a function of the hegemony exercised by dominant groups, the resistance offered by subordinate groups and the institutions that mediate their relationship. Discrimination, in this view, is an inherent feature of the economic system. Competition is either not powerful enough to offset the group dynamics of identity and interest or it actually operates so as to sustain discriminatory behaviours. Discrimination is due to the dynamics of group identification, competition and conflict rather than irrational, individual attitudes. Market mechanisms, far from being

relied upon to eliminate discrimination of their own accord, must be scrutinised and pressured to further the goal of equality of opportunity.

Issue of Liberalization, Globalization and India's Response: Employment, Education and Environment

India provides a significant example of such a response to the process of the declining significance of nation states as a consequence of globalization. At the same time, liberalization has provoked a positive response from policy makers in India (Kumar 2009).

Even the critics of globalization find no difficulty in agreeing that in India there was an average 8.6 per cent rate of growth in gross domestic product (GDP) between 2004 and 2007, which made India the second fastest growing economy in the world. It was accompanied by a remarkable improvement in the indices relating to the country's external sector. With imports constituting about one-fifth of Indian GDP, clearly the expansion of GDP in India translates into a major market for multinational corporations (MNCs). It is obvious that India has won the confidence of international communities.

The problem with all these liberalizing reform is that, they constitute a narrow corporate sector based expansion of the economy, while marginalizing agriculture and the informal sector. It is argued that the inverse relationship between the movement in shares of different sectors in output on the one hand and the workforce on the other have given rise to structural regression. This is a major indicator of a structural and socioeconomic imbalance with critical adverse regional implications (Alternative Economic Survey 2007, p. 4). It is obvious that the present wave of liberalization and globalization has made a deep impact on India since 1990-1. India has moved away from economic strategies based on self-reliance-oriented planning to the liberalization privatization globalization (LPG) syndrome, which has created a thrust towards market-mediated economic direction. On the one hand, the Indian engagement with (and the Chinese participation in) globalization has created stability and positive results in the context of poverty levels and social inequalities. On the other hand, there

has been a consistent improvement in India's global rank and India has avoided any major economic crises. Thus, there is a significant relationship between India and liberalization and globalization (World Bank 2006).

It is thus important to underline the paradoxes of this paradigm shift (Kumar 2009). It argues that the processes of liberalization and globalization have to be understood with reference to two sets of questions, which are presented from two opposite directions. Optimists talk about the problems of perpetuation of structural bottlenecks – energy, employment, education and environment. New tariff rules are creating a decline in the financial capacity of the state to continue its social commitments to the under privileged sections of the society. It has been argued that the declining role of the state has resulted in discontent in spite of a rise in foreign currency reserves and export performances. A number of serious questions have been asked about the orientation of the better half of the society, particularly business communities, towards wider social responsibilities. It has been pointed out that unless affluent sections eschew conspicuous consumption and care for the less privileged through charity there may be a deepening of distress and the polity may become anarchic. Critics have raised the issues of maldevelopment causing a pampering of corporate and a marginalization of agriculturalists and the unorganized sector and the deepening of social disparities and divides due to the uneven impact of growth. They assert that a very less number of Indian people are found to 'working poor'; at least 836 million Indians live on less than Rs. 20 or a half dollar a day each, according to the report of an Indian government committee enquiring into conditions of work and livelihood in the unorganized sector. This group points to the problem of lack of investment in infrastructural development. Another financial group has reported that there are 25 districts spread over 12 states of the Indian union which are affected by naxalism (Maoist political agitation) rooted in discontent among the poor and the landless; these regions are also known as the 'red corridor' which has been growing since the adoption of LPG policies in 1991-92. The experts comment that Indian's strong growth has done little to improve conditions among the landless and poor in these areas.

The Indian experience of globalization has gone through three phases in the last two decades: a crisis in foreign currency reserves (1990-6); the enchantment of liberalization (1996-2003); and a quest for liberalization 'with a human face' (2004 onwards). The present phase is marked by cautious optimism due to a number of paradoxical conditions. For example, the process of liberalization has created consistent growth rates of around 7 per cent over the past several years. But it is mostly 'jobless growth'. Similarly, while there has been an enlargement of the service sector accompanied by the expansion of information and communication technology, (the 'ICT revolution'), there has also been a growing crisis in the agricultural sector due to negative growth rates: the latter has caused a wave of suicide among farmers as well as widespread rural unrest. The twin challenges of poverty and regional disparity are becoming more and more complex for the proponents of the LPG approach. It is true that India has been successful in avoiding the recurrence of financial crisis. It is widely recognized as a country that has all the basics correct and strong, as well as an increasing flow of foreign investment and a consequent rise in the number of 'gainers'. But the 'rolling back of the state', commercialization of education and health, rising prices of the basic necessities and lack of growth in employment have created a much larger number of 'losers'. Thus, there is an 'anti-poor' image of globalization in India, which has made it an issue of nationwide debate between 40 million gainers and 400 million losers (Kumar 2009).

The employment situation is becoming more and more disappointing. It has created urgent demand to make the liberalization-globalization process inclusive and sustainable in social terms. It has been noted that globalization has created jobless growth because the acceleration in GDP growth in the 'reform' period has not been accompanied by a commensurate expansion in employment, particularly in the organized sector. The share of organized sector employment in the total employment of the country is very small (only 7 per cent), so even if the growth in GDP increases further, there is little possibility of a significant increase in the formal sector as far as employment is concerned. The bulk of economic activity (93 per cent) takes place in the unorganized sector. In fact, the agricultural sector has almost zero employment elasticity because there was no growth of employment in this sector during this period. There has been some increase in the share of employment in construction,

trade and transport. But it is small. The growth in unemployment during recent years was almost three times (3 per cent per annum) the growth of total employment (1.03 per cent during the same period). The emerging labour market offers scope for employment and income to those with skills, often with more than one skill. Unfortunately, the educational and skill level of a large proportion of the Indian labour force are quite low. According to a national survey of 1993-4, only 20 per cent of the Indian population has any marketable skills, even among the urban labour force. So there is a need for strengthening the unorganized sector – both absolutely and relatively – if the people in general and youth in particular are to be provided with adequate and secure means of livelihood (Ramchandran and Arora 2004, pp. 39-49).

After the defeat of the National Democratic Alliance (NDA) in the national elections of 2004, the political implications of growing unemployment were recognized by the political elite. The new coalition government has gone ahead with a national minimum employment guarantee program for the rural workforce, as there had been a dangerous drift towards ‘radicalization of the poor youth’ due to the labour market crisis. The issue of employment is now being addressed by a proactive state, as there was little hope remaining in market mechanism for a solution. The launching of the rural employment program scheme in 2006 in 200 of the most needy districts was the first step in this direction. It promises 100 days of work per annum on minimum wages for one person for each household. It has now been enlarged to cover all rural areas of India. The failure of the LPG model in the context of mass employment generation in agriculture and allied activities has worried even the prophets of globalization.

The educational bottleneck in today’s India is related to the large backlog in the provision of basic education for the children of the economically weaker sectors, including women, scheduled castes (SCs), scheduled tribes (STs) and Muslims. India had a literacy rate of just 18.3 per cent in 1951; this percentage had increased to 65.2 per cent in 2001, according to the census that year. But there is large interstate variation in literacy rates; over 90 per cent in Kerala are literate but less than 50 per cent in Bihar, Orissa, Jharkhand and Chattisgarh. In recent years, this issue has been addressed through a nationwide drive for ‘education for all’, raising the gross

enrollment ratio to 1-5 to 94.9 per cent in 1999-2000. Similarly, higher education has expanding rapidly, with more than 300 universities and 15,000 colleges in existence by the end of the last century. But in global terms, only 7.2 per cent of the youth in the 17-24 age group have the opportunity for higher education in India, compared to 80 per cent in the US and Canada, and 52 per cent in the UK (Pathak 2005). According to the Knowledge Commission of India, the country needs at least 15,000 good universities and 50,000 well-equipped colleges to be able to meet the challenge of becoming a global player in the modern world system. This expansion of opportunities may be achieved by promoting public-private participation. At the moment, the education system in India is facing a resource crunch in the public sector and lack of quality in most of the private institutions.

The environmental crisis in India has reached dangerous levels in several towns and districts. Unplanned urbanization, concentrated industrialization, deforestation, chaotic transportation, population pressure and lack of infrastructure are identified as the major factors which together have led to a serious environmental crisis: What are the indicators of this crisis? India is the sixth-largest and fastest-growing producer of greenhouse gases. Three of the largest Indian cities are among the ten most polluted cities in the world. There is a loss of 10 per cent of national income due to environmental degradation. There has been a decline of 2/3 in the availability of fresh water in recent decades. 5 per cent of the country's cultivable soil (80 million hectares) is facing soil degradation. There is only per cent forest coverage, half of which is low density or degraded forest. In rural areas, due to over-exploitation of underground water, there has been a rapid decline in the ground-water level. There has been a six-fold increase in sewage generation from urban centers in the past 50 years and a seven-fold increase in municipal solid waste without a proper system of collection, transport and disposal.

This situation has led to the growth of a vibrant environment movement in India in the past few decades, which is supported by the judiciary, the media and the scientific communities in various ways. A series of pro-environment laws have come to existence, and there has been a growth in the 'environmental market' of 10 to 12 per cent annually. The new policies have consistently supported by eminent economists

since 1991-2. The UPA government has come up with a social charter for the business community underlying 10 conditions to be followed by the business class to fulfill its obligations for inclusive growth and for a more humane and just society: care for worker' welfare, community-needs fulfillment, co-active role for employment of the less-privileged, particularly SC/ST/OBCs/Minorities and Women, preventing excessive salaries to senior executives and discouraging conspicuous consumption, investment in people and their skills, avoiding non-competitive behavior, environment-friendly technology, promoting innovation and enterprise within each firm and outside, fighting corruption at all levels, and promoting socially responsible media and advertising. The presentation of the social charter to the gainers from globalization in India was concluded with a call to the better-off to come forward to be 'role models of poverty, moderation and charity'. It also expects that corporate India will fulfill its obligations towards 'the new partnership'. Therefore, there are seems to be hope for the less privileged and for 'the making of a more humane and just society' in the near future via a liberalization-privatization-globalization approach (Singh 2007b).

The call to the gainers from globalization has been further underlined by the noted economist-cum-policymaker, Professor Joseph Stiglitz. By his assessment, globalization has played an important role in strengthening Indian economy since 1991². The impact of the reforms can be seen in IT industry, the information-technology revolution and a growing interest of the rest of the world in Indian markets and commodities. But India must be warned about the need to strengthen spending on its people's common needs, including education, health and poverty relief. India has to be careful about the increasing threat to the environment caused by resource-intensive growth. In the case of water, India is living on borrowed time as the water level is falling in large parts of the country. In short, India has to avoid economic meltdown, political and social instability, and environmental crises. India has a strong asset in democracy, but the failure to invest adequately in education and health poses risks for the future.

Most of the objections coming from the critics of the LPG paradigm point to the problems of narrow social base and the weakening relationship between democracy.

development and governance. It is argued that without sufficient deepening of the roots of the Indian parliamentary system and strengthening of economic stake holding among the masses, India will become merely a partner in the corporate strategies of market-led globalization. This may cause a crisis of legitimacy for the state and may give rise to protest and violent social unrest. The mismatch between the political environment on one hand and the socioeconomic on the other has proved to be the main challenge to making the Indian democracy meaningful and participatory (Social Watch 2007, pp. 61-95). Corruption in high places and criminal behavior in politics have created a crisis of confidence in democratic politics (Das 2006).

On the other hand, the policy orientation since early 1990 has increased the vulnerability of the poor, the weaker social sectors and the more backward regions. The country is facing the challenge of 'failed development' among the large pockets of the population. Growth performance in the 1990s has been impressive in aggregate terms, but has also created a paradoxical impact due to the unevenness of growth, creating new disparities and deepening new imbalances. The case of agricultural decline has been one of the most depressing aspects of the total picture. Similarly, commercialization of education and health services had contributed towards the making of a 'new poor' and more chronic poverty in the past decade. India's performance in the field of health services is marked by intra-state differences and income-based variations. The disparities are also due to caste and gender inequalities.

The critics point out that 'the market has failed' in promoting the welfare of the masses but has succeeded in rapidly increasing the wealth of corporate. According to the latest NSSO figures, 19.9 per cent of the rural population in India was found to spend less than Rs. 950 per month. In urban India, 83.6 per cent of the population spent less than Rs. 1,500 per month. In other words, around 700 million Indians are subject to low, inadequate and uncertain incomes and little access to basic public goods and services. On the other hand, the share of the corporate sector in the national income rose by 290 per cent between 2001 and 2002 and 2006 and 2007.

According to the Report of the National Commission for Enterprises in the Unorganized Sector (2006), an overwhelming 836 million people in India (77 per cent

of the total population) live on a per capita consumption of less than Rs. 20 per day; 88 per cent of the SCs and the STs, 80 per cent of the OBCs and 85 per cent of the Muslims belonged to the category of 'poor and vulnerable' who earned less than Rs. 20 per day in 2004-5. Landless households of small and marginal farmers account for 84 per cent of this proportion and also struggle under substantial and crippling debt. According to the report, the LPG approach has benefited around 43 million among the extreme poor as their per capita income has gone up from Rs. 9 to Rs. 12 per day. In India, a person is classified as absolutely poor if their per capita consumption is less than Rs. 9 per day. However, if per capita consumption is Rs. 13 a day, then the individual is above the poverty line (People's Democracy 2006).

These paradoxical consequences found reflection in a growth in discontent, unrest and extremism in different parts of India after the late 1990s. The Planning Commission of India published a report in 2008 about 'development challenges' to the country. It attempted the identification of processes and causes contributing to continued tensions and alienation in the areas of unrest and discontent, such as widespread displacement, foreign issues, unsecured tenancy and other forms of exploitation such as usury and land alienation. It is obvious that the widespread discontent plaguing the Indian polity has not exclusively been caused by the LPG paradigm. Most of the unrests are associated with issues of non-performance of the state machinery in the context of effective implementation of existing constitutional provisions, protection of civil rights and the prevention of atrocities, particularly the SCs and STs. At the same time, there has been deepening of the hold of extremist movements in recent years.

The Indian experience of globalization has two levels of challenges – sociopolitical and structural. It has to democratically diffuse the polarization between the 'gainer' (40 million) and the 'losers' (400 million) in the population. Structurally it has to become sustainable through solutions to the problems of energy deficit, unemployment, education and environmental degradation. Only after success is achieved at these two levels is there any chance of India becoming an autonomous global player in the modern world system through pursuing its sustained paradigm shift following policies of liberalization, privatization and globalization (Kumar 2009).

Civil Society, Nation-state and the issue of Governance in India

In India the power of global civil society organizations was revealed in a way distinct from that of other parts of the world. Soon after the independence a massive project was inaugurated to dam the gigantic Narmada River, which runs through the three states of Madhya Pradesh, Gujarat and Maharashtra in Western India (Chandhoke 2001). This entailed an anticipated displacement of more than three lakh people, a majority of whom are tribals and forest dwellers. In the mid-1980s, a number of voluntary organizations started mobilizing the tribals for better resettlement and rehabilitation policies, as the existing ones had been found sadly wanting. Even as these organizations linked up with international NGOs to pressure the government of India into granting better resettlement and rehabilitation for the displaced, in 1988 about 20 groups formed the Narmada Bachao Andolan (NBA) or the save Narmada Movement. At the same time, international NGOs such as the Environment Defense Fund and Oxfam began to lobby the World Bank and the Japanese government to withdraw from their commitments to fund the project. The World Bank, now under public scrutiny, laid down conditions for better resettlement, conditions that the Indian government refused to fulfill. In 1993, the government decided to ask the World Bank to withdraw from the project rather than face the embarrassment of having the bank draw back on its own. Soon afterwards the Japanese government also retracted its funding commitments. Whereas most of the pressure against the dam was generated by the NBA, the matter would not have come to international attention in quite the same manner without the support of international NGOs, which publicized the issue and pressurized centres of power in the West (Chandhoke 1997). That the Indian government eventually decided to build the dam on its own, after the Supreme Court authorized it to do so in a judgment delivered on October, 2000, may point to the limits of political mobilization in civil society.

Next, the civil society in India has raised its voice extensively in the current decade especially in relation to two most tragic cases of rape and murder e.g. Jessica Lal Case and Priyadarshini Mattoo Case. It is through the media that civil society pressurized the Law of the Land into *action*, so that even if justice was delayed, it was not denied.

Civil society is gradually becoming indispensable. However, here one can expect a detailed review of the role media plays in terms of capturing civil society's voice and bringing them to the fore; but the contours of the thesis do not stretch that far.

Exclusion of Rupee in Dollar-dominated market: Policy Recommendations

According to Krishna and Pieterse (2009) the economic and social processes accompanying globalization have cleaved India into two separate yet interrelated economic spheres. In the sphere that is more directly connected to the global economic flows, the appropriateness of incomes and (most) prices have begun to be assessed in dollar terms. In the second sphere, images of dollar-based lifestyles are still physically unavailable, except as blurry and intermittent black-and-white television signals. In the farms and the villages and little towns that are inhabited by more than 80 per cent of all Indians, rupee economy prevails (Krishna and Pieterse 2009).

The contemporary upbeat globalization stories of a 'borderless world' (Ohmae 1992) or a 'flat world' (Friedman 2005) make claims to postwar modernization theory – only the mechanisms have changed. The mechanisms used to be modernization, industrialization, nation-building and trickle-down, and now the rising tide that lifts all boats is liberalization and export-oriented growth. The message remains the same: gradually, eventually, the benefits of development will embrace all. However, our readings of the relations between the dollar economy and the rupee economy suggests that inequality is not incidental but is built into the current accumulation model; in addition the findings imply that *as long as the growth model does not change, this inequality is likely to be sustained.*

This parallels wider trends in contemporary globalization. Multi-speed economies have been common in segmented societies and developing economies and it is through multi-speed economies that some of the successes of globalization have been achieved. Thus, it is true that contemporary globalization makes the world more interconnected, but it is equally true that this interconnected world is being segmented

in new ways. *Uneven development is reinvented and re-inscribed in accelerated globalization*. These unequal economies are both old and new. Intermediaries such as trading minorities and immigrant economies that act as go-betweens between different economic zones go way back. Contemporary globalization reworks these patterns as it interlinks and re-divides the world (Krishna and Pieterse 2009).

Some of today's epidemics and risks arise from glitches in the interaction of multi-speed economies, e.g. avian flu arises from poultry reared by the poor in China, in close physical proximity with animals, and spread through contact with wider food chains. Thus, as commodity chains traverse diverse economic zones, they are exposed to the differential profitability equations that they seek to harness.

There are several approaches to these configurations. One of the bywords is *glocalization* as anthropologists and geographers discuss the relations between the local and the global. *Rosenau* (1997) refers to contemporary globalization as '*framgregation*' – a combination of integration and fragmentation. An account that is gaining ground in international relations is *neo-medievalism*, or the re-emergence of 'overlapping jurisdictions and crisscrossing loyalties' (Winn 2004).

While these approaches indicate general trends, they do not capture the unevenness of power that characterizes the new configuration. The dollar economy and the rupee economy are global-local articulated economies and also refer to overlapping jurisdictions, but more importantly, they are profoundly unequal. The classic thesis of *combined and uneven development* comes closer to capturing this; combined uneven development refers to its development as a factor in political economy. Dorren Massey's 'power geometry' (1993) also seeks to capture different power equations. The grossly unequal distribution of opportunities in India is the dark side of 'Shining India'. Relations between the dollar economy and the rupee economy and between formal and informal sector are in flux and opaque; they are not transparent, and hidden recesses and crevices in this relationship enable various intermediaries to prosper and flourish. Thus, here we need to explore three ways of capturing this general configuration: asymmetric inclusion, enlargement-and-containment, and

hierarchical integration, each of which seeks to capture different nuances of the contemporary political economies of inequality.

Asymmetric inclusion rejects the notion of *exclusion*. The idea is that if the population in question (backward area, minority or least developed country) would be *included* in the modern sector or in fast-lane capitalism, it would experience the benefits of economic growth. In effect, this perspective is a spatialized version of trickle-down theory. What it overlooks is that these populations have been included already, are already within the reach of international financial regimes and national policy, but have been included on asymmetric terms. This asymmetry is not just a minor quirk but a constituent part built in to the overall equation. This also applies at the macro level with the financial drain from poor countries to rich countries, even as the international financial institutions and the Millennium Development Goals proclaim assorted targets of poverty (Stiglitz 2006).

An alternative perspective is *enlargement-and-containment*. The terms are borrowed from American foreign policy. Enlargement was the overarching theme of the Clinton administration foreign policy and containment refers to US foreign policy during the Cold War. This explicitly political terminology captures another dimension of combined and uneven development – the enlargement of the influence of the US, G-8 and NATO, of transnational regimes from the WTO, World Bank and IMF to multinational corporations (MNCs), oil companies, banks and hedge funds. And, on the other hand, the containment of risks that emerge in the process – from ecological spillovers, toxins and diseases, popular resistance, ethnic and religious conflicts to international crime and terrorism. Thus, enlargement-and-containment concerns a two-way movement. Let us consider ethnic cleansing; local ethnic conflict often occurs downstream of enlargement politics: it emerges after the end of the Cold War, follows the implementation of structural adjustment programs (as in former Yugoslavia or Rwanda) or the momentum of European unification (as in the re-Balkanization of the Balkans).

Enlargement-and-containment refers to top-down process of contemporary hegemony as operations of divide-and-rule. Thus, as some external borders lose salience new

internal frontiers emerge, carving up social space by reworking the existing boundaries of class and status. This integration-and-fragmentation of social space also occurs in advanced societies.

The third and overall perspective that may diagnose these relations is *hierarchical integration*, in which integration refers to increasing border crossing and borderlessness and hierarchy involves the upkeep of old borders or boundaries and the institution of new ones (Nederveen Pieterse 2001, 2002). Thus, societies and parts of societies are both brought closer together *and* separated in new ways. As value chains lengthen and economic and political cooperation and regulation widen in tandem with different regimes in accumulation, the newly include renegotiate their status through reworking codes of class and cultural difference and redrawing boundaries in space. These dynamics unfold across economic, political and cultural levels and domains. That the world is becoming smaller and more stratified explains the phenomenon of lessening diversity across places and increasing variety within places (Storper 2001, p. 115).

It raises the question: integration into what? Expansion, by means of the 'incorporation' of less developed regions is a fundamental modality of capitalism. According to world-system theory, the modern world-system incorporates peripheries into its operations. In this perspective, what takes place is *incorporation*, rather than integration. It is an extension of Marx's notion of the incorporation of labour into the workings of capital. Surely this forms part of hierarchical integration. However, as a general perspective, incorporation is too system-centric and West-centric; it overlooks counter-currents and flows that run sideways (such as East-South and South-South). In contrast, hierarchical integration refers to multiple crisscrossing hierarchies and stratification systems, in a layered set of processes. In this understanding, integration, in contrast to incorporation, is not just vertical but also horizontal. Hierarchies arise not just between North and South but also between East and South, within the South, and so forth.

Studies in advanced countries document segmented labour markets with different wage rates and work conditions for minorities and immigrants (for example. Bonacich

and Applebaum 2000). Accompanying notions are segmented assimilation (Ports et al. 1999) and flexible acculturation (Nederveen Pieterse 2007). We can view India's dollar economy and rupee economy as overseas extensions of segmented labour markets. It follows that not just the dollar economy but also the rupee economy should be included in mapping global value chains. The rupee economy affects the price of the outputs of India and other low-wage economies and price is obviously a variable in global value chains, particularly in buyer-driven chains (Gerefi and Korzeniewicz 1994; Gerefi et al. 2005). The informal economy figures in treatments of subcontracting and of twilight economies such as sex tourism (Clancy 2002) and illegal trade such as the global cocaine commodity chain (Schaeffer 1997). Thus, one suggestion can be that the informal economy should be methodically included in analysis of international competitiveness and global value chains.

Hierarchical integration is not merely a political economy but also a cultural politics. Marketing messages reach all but only call those who can afford the gate fee. Ads for credit cards, five-star hotels, luxury watches etc. all convey an aura of unrestricted mobility while at the same time establishing purchasing power thresholds. Since hierarchical integration combines bifurcating economies in which luxury consumption and bargain-basement consumption are growing side by side, it builds bridges while it erects barriers. The polarization between the hyper-rich and the growing number of the poor prompts a new private security industry. Besides the 'paper walls' that surround the advanced countries, photo IDs, surveillance cameras and security personnel erect other thresholds. Surveillance technologies such as database marketing and data use in credit and insurance implement *social sorting* (Lyon 2003, 2007). In urban studies, this has given rise to the intriguing theme of medieval modernity (Alsayyad and Roy 2006).

Some frontiers are intangible and consist of subtle codes such as dress codes in restaurants and clubs etc. and new codes in relation to gender difference (Ainley 1998). They extend to politics of looks (lookism) and body politics of weight-watching (matching anorexic fashion styles), plastic surgery and cosmetics. At the end of the spectrum is the cultivation of bodies for libidinal display, and at the other are the hunger, weakness, exhaustion and sickness that beset the bodies of the poor for

whom strength and health are basic tools of survival. 'For many poor people the body is their main asset. For some, it is the only asset they have' (Narayan et al. 2000, p. 95). And this asset often turns into a liability because of illness and ever more expensive cures that have worked cumulatively to drive millions into poverty (Krishna 2005, 2006).

The new fault lines of globalization take various shapes. The salience and ease of border crossing vary across domains. It becomes more difficult as we move from capital to labour and from intangible (finance, cyberspace) to tangible assets (goods, investments). As some state borders lose importance (as in special economic zones etc.), others retain their force (such as those which straddle the boundary between economic or developmental zones such as South Africa and neighbouring countries) or new ones emerge. As some national borders lose importance (as in the European Union) external regional borders gain weight (as in 'Barbed Wire Europe'). As some external borders lose importance, internal frontiers gain importance, such as ethnic and religious differences and frontiers of class, status, consumption and style.

The description of economic globalization as an epoch of the breaking down of boundaries is an ideological posture rather than an empirical account. Understanding contemporary globalization calls for new border theories. This treatment finds that the dialectics of contemporary globalization takes the form of a patch work of contradictory moves. Three perspectives can be presented to analyze these dynamics. Asymmetric inclusion critiques the social exclusion approach. Enlargement-and-containment highlights the political genealogies of new divisions. Hierarchical integration is the overarching account of uneven globalization and refers to specific processes such as segmented labour markets as part of global value chains. Rather than uncritically praising globalization or condemning its results, it is essential to learn more about the terms of integration of different strata or segments in layers and sequestered capitalism. What explains the longevity and the revival of these asymmetries in some cases and their mutation and flux seen in other cases?

One hypothesis is that asymmetric trends are related to ethnic and cultural diversities and political representation. In brief, as cultural heterogeneity rises, political

representation falls. Research in the US indicates that as cultural diversity rises, support for public spending falls. In India, cultural heterogeneity includes caste and communalism. By this reasoning, then, contemporary globalization benefits from straddling different economic and cultural zones because cultural heterogeneity weakens political representation. To be precise, what matters is not cultural or ethnic difference *per se* but how it is represented, coded, put into discourse. Thus, research in the US also indicates that 'ethnic diversity does not necessarily reduce spending on public goods. Rather, spending tends to fall when elected officials choose to run and govern on platforms that heighten racial and ethnic divisions (Porter 2007).

Summary

One of the important distinctions between ideology and science is that science recognizes the limitations on what one knows. There is always uncertainty. By contrast, the IMF never likes to discuss the uncertainties associated with the policies that it recommends, but rather projects an image of being infallible. This posture and mind-set makes it difficult for it to learn from past mistakes – how can it learn from those mistakes if it cannot admit them? While many organizations would like outsiders to believe that they are indeed infallible, the problem with the IMF is that it often acts as if it *almost* believes in its infallibility.

If financial interests have dominated thinking at the IMF, commercial interests have had an equally dominant role at the WTO. Just as IMF gives short shrift to the concerns of the poor – the WTO puts trade over all else. They discover that trade considerations trump all others including the environment! While the institutions seem to pursue commercial and financial interests above all else, they do not see matters that way. They genuinely believe the agenda that they are pursuing is in the *general interest*. In spite of the evidence to the contrary, many trade and finance ministers, and even some political leaders, believe that everyone will eventually benefit from trade and capital market liberalization.

The greatest challenge is not just with the institutions themselves but with mind-sets: the problem is that the institutions have come to reflect the mind-sets of those to whom they are accountable.

The world is a complicated place. Each group in society focuses on a part of reality that affects it the most.

In public policy debates, few argue openly about their own self-interest. Everything is couched in terms of *general interest*. Assessing how a particular policy is likely to affect the general interest requires a model, a view of how the entire system works. Adam Smith provided one such model, arguing in favour of markets; Karl Marx, aware of the adverse effects that capitalism seemed to be having on workers of his time, provided an alternative model. Despite its many well-documented flaws, Marx's model has had enormous influence, especially in developing countries where for the billions of poor capitalism seemed not to be delivering on its promises. But with the collapse of the Soviet empire, its weaknesses have become all too evident. And with that collapse, and the global economic dominance of the United States, the market model has prevailed.

But there is not just *one* market model. There are striking differences between the Japanese version of the market system and the German, Swedish and American version.

Opposition to globalization in many parts of the world is not against globalization per se – but to the particular set of doctrines, the Washington Consensus policies that the international financial institutions have imposed. And it is not just opposition to the policies themselves, but to the notion that there single-set of policies that is right. Therefore, much of the rest of the world feels as if it is deprived of making its own choices.

But while the commitment to a particular ideology deprived countries of the choices that should have been theirs, it also contributed strongly to their failures. The IMF felt it had little need to take the lessons on board because it knew the answers; if

economic science did not provide them, ideology – the simple belief in free markets – did. Ideology provides a lens through which one sees the world, a set of belief that are held so firmly that one hardly needs empirical confirmation. Evidence that contradicts those beliefs is summarily dismissed. For the believers in free and unfettered markets, capital market liberalization was *obviously* desirable; one did not need evidence that it promoted growth. Evidence that it caused instability would be dismissed as merely one of the adjustment costs; part of the pain that had to be accepted in the transition to a market economy.

An understanding of globalization that does not include the dark side of ‘Shining India’ is not complete. A proper understanding of globalization must include the rupee economy as one of the lowest rungs of the global value chains. This includes the creativity and resilience of the rupee economy and the global poor. Without its lowest rungs the ladder of globalization would not stand up.

Conclusion

It is perhaps noteworthy here that I concluded the last chapter with the same sentence that I began my writing with – ‘Without its lowest rungs the ladder of globalization would not stand up’ (Krishna and Pieterse 2009). Therefore, it is crucial to address the issue of exclusion today. I will summarize each chapter separately, answer the research questions that I began my study with, and in the end provide the final insight and the larger implications of the study.

What constitutes globalization and what constitutes anti-globalization is subject to who has the access to resources and the power to *define* globalization. If it is about coming together of multinational investors for private (read vested) interests then the general interest of the people remains just incidental. However, if globalization is about worldwide interconnection between people of different social locations uniting for a larger cause (e.g. World Social Forum), then also it *is* globalization – but *for* the people.

In this connection, Chomsky (2002) suggests that the dominant propaganda systems have appropriated the term "globalization" to refer to the specific version of international economic integration that they favor, which privileges the rights of investors and lenders, those of people being incidental. In accord with this usage, those who favor a different form of international integration, which privileges the rights of human beings, become "anti-globalist." This is simply vulgar propaganda, and idiotic, too. Chomsky (2002:193) adds:

Take the World Social Forum, called "anti-globalization" in the propaganda system – which happens to include the media, the educated classes, etc., with rare exceptions. The WSF is a paradigm example of globalization. It is a gathering of huge numbers of people from all over the world, from just about every corner of life one can think of, apart from the extremely narrow highly privileged elites who meet at the competing World Economic Forum, and are called "pro-globalization" by the propaganda system.

However, in common parlance globalization does stand for the privileged (in whichever way). People benefited through the process of globalization not only shape its definition but also dictate and dominate the logic of accumulation. Therefore, at the functional level, globalization, especially economic globalization is still about capitalist world system and its concomitant features of exploitations and benefits.

Summary of the Chapters

Let us now summarize the chapters discussed so far in the study so that we can eventually answer the research questions that we began with.

In Chapter I “**Global North-Global South: Issue of Social Exclusion**” we concentrated upon the theories of globalization, in which Jagdish Bhagwati (2004) sounded the most hopeful about globalization. A leading adherent of free trade, he denounces the anti-globalization protestors as greater opportunists than those whom they want to oust. On the other hand, Samin Amin (1976) is highly skeptic of globalization and asserts that globalization does not mean the global expansion of capitalist production, but it means power relations according to which the most powerful nation on the earth, the United States of America, imposes its cultural system on other nations. Other major theorists like Immanuel Wallerstein (2001) and Jan Aart Scholte (2001) remain critical of globalization, at the same time not negating the phenomenon completely. However, it is A.G. Frank (1998) whose take on globalization is brainstorming enough, for he contests the eurocentric perspective of the rise of the West and insists that the western hegemony is merely a historical interlude; it is rather the East Asian economy that has always dominated global

market. If we take Frank as our reference point then the history and trajectory of globalization have to be rewritten completely.

However, no matter what positions scholars take, the Global North-Global South divide cannot be ignored. Outside the “triad zone” globalization has not shown much hope since 1980s to the end of 20th century, especially in Latin America, Caribbean and the Sub-Saharan Africa poverty and inequality run very deep. But that does not mean that agony and affluence are neatly geographically divided. We find the North in the South and vice versa. Poverty in the First World is no less well-known today and no less a threat than that of the Third World. Therefore, according to Pieterse (2009) we need recognition of “multiple capitalisms” and “multiple modernities” to the basic tenets of globalization.

In Chapter II “**Global Interdependence: New Links Emerging?**” we identify the two most important developments in the globalization process today – that of formation of BRIC (Brazil, Russia, India, China) and IBSA (India, Brazil, South Africa); and the extension of G-8 to G-20. We also identify the spaces in which the domination of USA and Western Europe is gradually giving way to countries like China and India. Following the global economic crisis since the later part of 2008 which caused America a fortune – a wound yet to heal, the global balance of power is tilting. It is tilting gradually for the rest of the newcomers but quite fast for China. Due to such changes in the global market authors like James Rosenau (1999) are optimistic about rising human development indices, urbanization and the growing trend of “skill revolution”.

The rise and fall of global players in the global market is reflected in Immanuel Wallerstein’s World System Analysis. Through the Kondrateiff cycle he analyses the core-periphery relations. He also brings in the concept of semi and quasi-periphery to accommodate the rest of the countries. He rightly brings in the terms semi and quasi periphery in his theory, as globalization is increasingly about the dynamic process of global interdependence in which some pockets of the Third World also has something to offer the First World. Again, as we have already seen, given the fluidity of the market, there is no assurance that if one economy is developing today and showing

diminishing indicator of inequality, then it will continue doing so peacefully without any disturbance. This is exactly what the concept of semi-periphery suggests. Thus, the issue of exclusion and interdependence becomes multilayered in this context. Exclusion is no more divides the world into the West and the Rest.

In the light of the global interdependence (that we witness in the section “China-America Interface”) between the western and East Asian economies, Schwengel (2009) has coined the term ‘emerging societies’, to denote not only the growing economic prowess of the e.g. China, India, Brazil or South Africa, also the fact that development in their economies are gradually bridging the inequality gap in these countries as well. Therefore, the nature of social exclusion is changing; what is visibly growing mutual interconnectedness. Nevertheless the growth of the “Chinese Dragon” has not swept poverty away from the East. The relationship between the high-tech Cyber-city and clumsy Charminar in the city of Hyderabad remains very strong. There are pockets of opulence, but that has not been able to strike exclusion away. Along with the increase in mutuality, we can also identify the rate of urban poverty increasing. Therefore, development in that light is regional and sectoral.

Chapter III “**Range of Resistance to Globalization**” makes a note of the forces opposing capitalist expansion of globalization. What is striking is the fact that counter-forces to capitalist globalization are many, and they are often characterized by diverse attributes. If anti-globalization wants to completely do away with the process of globalization itself, for alter-globalization supporters it is about accommodating more reasonable terms of accumulation so that exclusion and economic inequality is minimized gradually. However what is common to them all is that all counter-globalizers find capitalist logic of accumulation problematic.

There are a range of theories that contribute to the understanding of what remains problematic about globalization-from-above. Under the broad spectrum of Kantian, Marxian, Nietzschean traditions, post structuralism, radical democracy, post colonial theory and cosmopolitanism, we have discussed the critical theories. They challenge the presumptions of certainty which underpin the positions of neoliberalism and orthodox Marxism in regard to globalization. Though such theories do not form a

comprehensive unilinear body of theories, all of them except for Jagdish Bhagwati are critical of the existing pattern of economic globalization and thus render the capitalist expansion problematic.

These theories form the framework within which we explore the on-going anti-globalization movements. While the resistance in the South is due to the authoritarian regimes they had for decades, voices of protest have also been raised from the so-called globalized world as well. Social movements in the South stand for democracy, with an attempt to usurp liberalization and the consequent pauperization. In fact the socio-economic conditions are not too different in countries of Africa, Asia and Latin America, so one country's struggle does reflect on that of the others. In almost all the countries where social movements exist, Left parties are the logical allies to help the dissenting voices reach people. Protest against uneven development social exclusion come mainly from the rural poor who are the worst victims of economic globalization.

World Social Forum, started in Brazil in 2001 is a classic example of how social movements are not only about vehement protestations, but also lay the foundation of some constructive criticism of the West through their yearly meets in different parts of the so-called Third World. The "open space" debate in the Mumbai raised the potentiality of the forum even further, leading people to contemplate whether the annual forums can gradually be turned into permanent and more regular organizations discussing and acting upon the issues of global unevenness, poverty and social exclusion. To view anti-globalization movement as a fourth generation people's movement is about a theoretical transcendence in which social movement's credibility is established through the formation of a global civil society with a global transformative politics.

Chapter IV "**Alternatives: Civil Society, Global Governance and Nation States**" opens with the relevance of global civil society and the Third Way Debate (Giddens 2001:15) to explore whether there can be any alternative to the existing pattern of uneven unequal development due to globalization. The Third Wayers move away from the mainstream to restructure leftist doctrines. It is about how the left of center parties should respond to change – taking neither of the extreme positions (radical-left

or ultra-right). Though there is no single version of the Third Way, just as there is no single strand of anti-globalization sentiments, the thrust of the Third way politics is to reinforce and reform the role of the state and the government, in a way that state and civil society are not posed at odd with each other, but coexist in their mutuality. The relevance of the Third Way lies in the fact that it is modeled not only for the industrialized but also for the developing countries. However, the Third Wayers do not believe in equality the way classical left do; they set out the principles of equal importance and special responsibility. According to the Third Wayers, it is through these two principles one can aim at reducing inequality, uneven development and social exclusion. In the section on Global Civil Society(Chandhoke 2001:101), we are back to the discussion on state-market-community (civil society) dynamic in which it is functionally impossible to allow civil society to take precedence to the complete absence of state intervention. The truth is civil society has come to fill in the gap for the state today, given the similarity of circumstance in which both state and civil society have had their rise. Therefore, it is helpful to eventually recognize the importance of nation states in our attempt of bringing in social justice – firstly to cut down on the potential over-dominance of the civil society and also because without the state machinery civil society would be crippled.

In Chapter V “**On Globalizing India: Implications of Social Exclusion**” we turn to issues of exclusion and economic unevenness specific to India. We first look at the historical emergence of exclusion in Indian politics and society that started right from the 6th century B.C. Exclusion in India is primarily about the caste hierarchy which translates into caste discrimination in this country. Therefore, it becomes important to look at the available literature on caste issue. Caste, already an unequal system only reinforces itself in the context of capitalist globalization. This hinders personal development and excludes communities from sharing public benefits. To eradicate caste from the Indian society is not an easy task, the logic of mere market domination would not do. Nevertheless it is crucial to reduce market discrimination as that is likely to increase growth, reduce inequality among individuals and groups and also reduce the potential for conflict to which inequality between groups may give rise. However, in the LPG regime India has moved away from economic strategies based on self-reliance-oriented planning, which has created a thrust towards market-

mediated economic direction. With market vulnerability in its pick, Indian economy in terms of employment, education and environment is increasingly finding itself at the receiving end. Therefore, it takes little efforts to say that the Indian currency (rupee) suffers a big low in a dollar-dominated market. Uneven development as a function of the political economy do suggest three ways of integration and inclusion, namely, asymmetric inclusion, enlargement-and-containment, and hierarchical integration; but these are not adequate to do away with the existing logic of capitalist accumulation.

After summarizing the basic tenets and contents of each of the chapters, the next task is to attempt answering each of the research questions.

Seeking Answers to Research Questions

In this section, I will consider each of the five research questions separately and try to answer them.

R.Q. 1: How does the notion of differential aspects of exclusion-inclusion shape the definition of globalization in terms of Global North-Global South divide?

As it has already been mentioned, globalization as a process is multifaceted, multilayered. Therefore, it is functionally impossible to provide one singular definition of globalization. This is precisely why we had to capture a variety of scholars' take on globalization in the Introduction and Chapter I, to explain what this phenomenon stands for. In this regard one is reminded of the fable of five blind men with the elephant – each of whom would call the animal something else in terms of the part of its body he would touch. Therefore, when it comes to globalization – to each his own. People sharing the benefits of globalization welcomes it as a desirable process but people at the other end call it a hydra-headed monster. Again, most of the time, a community is not *entirely* excluded from the benefits of globalization, not entirely included in the process either. Given the multidimensional character of globalization, e.g. a community which is economically included in the mainstream dollar economy might be ethnically excluded as they live as migrants to earn their

living. Also according to Petras and Veltmeyer (2001:11), there is a difference between globalization as prescription and globalization as description. As a prescription, globalization involves the liberalization of national and global markets in the belief that free flows of trade, capital and information will produce the best outcome for growth and human welfare (UNDP 1992). When the term globalization is used, to prescribe or to describe, it is usually presented with an air of inevitability and overwhelming conviction, betraying its ideological roots. On the other hand, those who view globalization as a class project rather than as an inevitable process tend to see the changes associated with it differently. In the first place, according to Petras and Veltmeyer (2001:13) “globalization” is regarded as not as a particularly useful term for describing the dynamics of the project. It is seen rather as an ideological tool used for prescription rather than accurate description. In this context it is often counter-opposed with a term that has considerably greater descriptive value and explanatory power: *imperialism*.

The reason for giving mentioning this distinction between prescription and description is that it brings us to the issue of imperialism. The word is extremely value-laden, and never used with a positive connotation. Therefore, scholars studying globalization from the imperialist perspective find little to praise it for. Thus, the bottom-line is differential notion of exclusion-inclusion brings out the multifaceted character of globalization successfully in which globalization causes uneven development for the world.

R.Q. 2: How does ‘exclusion’ and ‘interdependence’ operate within the 21st century global economy?

It is not only the issue of exclusion that defines globalization. With the rise of the East Asian Economy the character of global unevenness is slowly but steadily undergoing a shift. The most important development in the 21st century global scenario has been the formation of BRIC (Brazil, Russia, India, China) and IBSA (India, Brazil, South Africa) and the extension of G-8 to G-20. The “Paper Tiger” has found a serious and threatening competitor in the “Chinese Dragon” (Frank 2009:51). Under such circumstance it is as important to examine the spaces of interdependence between the West and the Rest, as the recognition of exclusion. The Chinese economy is rising at a

super-fast pace outsmarting its rivals in the West. Not only China, economies like Brazil, India, North Korea, Thailand etc. are increasingly becoming visible in the global market; therefore the gigantic trend of the globalizing mammoth to flood the world market is no more restricted to the “Triad Zone” anymore. Thus, globalization today definitely talks about interdependence between the first and the so-called third world. However, one cannot remain obscure to the fact that such growing feature of global interdependence speak noting about addressing the already impoverished parts of the world; e.g. it is only the southern part of Africa that is developing due to globalization today, East Africa and Sub-Saharan Africa’s story is as tear-ridden as it was yesterday. Therefore, only the rich is getting richer and the poor is becoming even poorer. Poverty and beggary within the U.S. economy is strikingly visible, let alone the economies like India or Brazil. It is only Rio that has arrived at the global market; the rest of Brazil has no happy song of globalization to sing.

Thus, exclusion and interdependence does reside and operate side by side in the globalization era today. They coexist almost without disturbing the balance of resources. And that is the fear. It is crucial to address the growing rich-poor gap – a disconcerting feature of globalization in the 21st century.

R.Q. 3: Does ‘globalization of resistance’ have any alternative vision to replace the on-going process of (exclusion-inclusion dynamics) globalization?

Globalization of resistance refers to each and every force that counters capitalist globalization. As Chomsky already pointed out that capitalist globalization is one of the many manifestations of globalization; the dissenting voices also comprise a kind of globalization, insofar as it brings in voices from all over the world under one roof.

However, here we are only concerned with the consequences of and voices raised against – capitalist globalization. There are various forces opposing economic globalization, most of them emerge from the developing nations, however many of them are from the first world as well. Globalization-from-below as against the capital globalization-from-above is not about one particular ideology, counter-globalizing forces are equally multifaceted as the process of globalization itself is. Anti-

globalization opposes the entire phenomenon of globalization altogether and want to usurp it completely. On the other hand, we have alter-globalizers who wish to bring few vital changes in the existing dynamic of exclusion-inclusion in globalization so that the phenomenon is no longer as uneven and exclusionary. Nevertheless, all counter-globalization forces recognize the importance of both civil society and the reformed state to bring in the desired goal of social justice. As an alternative to globalization, alter-globalizers see the emergence of a global civil society as the capable of creating the defining premise of egalitarian distribution of resources and inclusive policies. The World Social Forum's attempt at translating its scope to a more regular organization not only providing a space for discussion but also of policy formulation is noteworthy.

Therefore, the forces opposing capitalist globalization do have alternative vision in their minds – alternative to inequality, alternative exclusion and global uneven development. However their scope becomes functionally relatively disadvantaged for the fact that they do not come under one banner. It is only when their visions get more crystallized and they come together unified, that one can expect the existing capitalist expansion to feel a real threat, till then it remains largely rhetorical.

R.Q. 4: What are the scopes of global civil society in terms of global governance with inclusive policies through intervention of individual nation-states?

In a word, the scope of global civil society today is huge. Next to globalization, the buzzword is 'civil society'. In my last answer I already mentioned that establishment of a global civil society with global governance has been in the agenda of globalization skeptics, as a replacement of existing unequal exchange pattern of globalization. However the scope of civil society is factored by a number of things: firstly, more often than not, at the functional level civil society gradually comes to represent those select few who are practically a part of the existing state machinery (e.g. finance minister of a first world economy), and needless to say this renders problem as the person representing the 'civilians' himself is very much a part of the bourgeois. Next, such situation arises mostly when the space for civil society gets flooded with national and international NGOs. The logistics of all NGOs are not

convincing and their goals not well defined today; many of the NGOs are no less a part of the socialite class and have little to do with the *general interest*. Therefore, civil society very often suffers from a problem of representation. These factors condition the scope and relevance of civil society in terms of globalization. Next as regard the issue of global governance and the importance of individual nation-states, it is important to remember the relevance of state-market-society triad here. Since civil society very much a part of the larger tripartite dynamic, it is structurally and functionally impracticable for the former to operate without the intervention of the individual nation states. In fact the importance of individual nation states has not diminished due to globalization; rather it has eventually arrived in a new avatar – as a reformed state with its welfare quotient upfront.

Given this, it is only logical for civil society to work hand in hand with the (reformed) state placing importance on governance.

R.Q. 5: What are the implications of social exclusion for India?

At the global level, social exclusion is mainly about race, ethnicity and gender. However in India race gets translated to the caste issue. Here we do not get too much into the debate of “race as caste” and “race or caste”, we simply explore the historical emergence of caste discrimination in India which goes back as early as to the 6th century B.C. we also trace the issue of caste in Indian politics especially in the struggle for independence during the mid-nineteenth to mid-twentieth century. Social exclusion in India at the level of employment, education and environment is also reflected in the LPG mode of market mechanism that has come to constitute Indian economy since early 1990s. Next, we also explore the state of rupee in a dollar-dominated market. Needless to say that rupee fails vehemently. This is precisely why the Copenhagen Summit failed in 2009. In spite of the fact that India has arguably “arrived” at the global market, the Indian economy is still inflation ridden, the gap between the rich and the poor is increasing rapidly, and the introduction of quota system in MNCs have come to constitute interesting ambivalence for globalizing India. Therefore, instances of uneven development in India are endless – next to the plush Ambience Mall in Gurgaon one can notice the dingy slums and cloistered existence of thousands of urban poor. The material conditions of existence for the

urban poor and the rich are becoming vulgarly contradictory, and this poses a serious threat to the Indian economy.

The above discussed are the answers to my research questions. Following these answers next I would try to provide the final insight acquired while doing this research. The following are my personal observations after completing the study on globalization, uneven development and social exclusion.

Final Insight

Dasgupta (2009:23) observes that growth of civil society organizations have led to increasing democratization in the marginalized and impoverished communities creating local responses to the grand meta-narratives. Yet the nation state needs to evolve a new role for itself in this fast changing world. However, our very expectation from global civil society to play the proverbial agony aunt to 'exclusion' might run certain risks. This brings us to some very fundamental questions: Is civil society only a proxy of the market as the putting it in the Marxian fashion, the material condition that helped civil society born was very similar to that of those conditions that helped the free market emerge as opposed to state control? Now if we see civil society's main aim as governing the market, then corollary goes that it plays the same role as market did to restrict state intervention. Therefore, state-market-society framework plays a tripartite role in the larger process of economic globalization: they are mutually fed and operate interdependently. In that light, *the logic of accumulation has not changed so far*. The concomitant fear remains: is global civil society intensifying social exclusion instead?

Next, inclusive growth will be meaningless divorced from sustainable development. If social policies do not do not start with addressing the lowest strata, then overall holistic transformation in the society is not possible. Over the past decade three changes in particular have influenced thinking about effective development strategies – the collapse of the socialist economies, success of the East Asian economies and globalization of the world economy; this accounts for the change in perspectives (Stiglitz 2001). Another set of changes was equally important in affecting thinking

about development strategies – a change in objectives. It used to be that development was seen as simply increasing GDP. Today, there is a broader set of objectives, including democratic developments, egalitarian development, sustainable development, and higher living standards.

Thirdly, scholars like Jagdish Bhagwati (2004) and Meghnad Desai recommend the increasing role of corporate social responsibility (CSR) of trans- and multi-national companies in bringing in the desired changes in the economy and society. Samir Dasgupta (2009) observes that the growing international and domestic interest in CSR stems largely from the concerns held by many in every society about the real and *perceived* effects of rapid globalization. The interest has been reflected in the expectation that globalization must proceed in a manner that supports sustainable development in all regions of the world. People insist that the activities of the corporations should make a positive contribution, not only to the economic development and stability of the countries in which they operate, but also to their social and environmental development.

Lastly, if Shanghai is rising today that is a good thing. But if China follows America and the West (yesteryear imperialists) the same way in terms of its aggressive foreign policies, then exclusion is bound to perpetuate. After all it is not a matter of bifurcating between the West and the Rest; it is about deconstructing the existing understanding of power-relationships among nation-states. So far as the so-called 'emerging global partner' like India provides the market for the developed countries, they ought to be counted for the latter's sake; it is no hidden truth that USA went ahead for the Iraq War primarily to help its global arms and armaments market keep thriving.

It is practically impossible to do away with globalization altogether; the world has travelled too far from that turn. But it is definitely plausible to look for alternatives in terms of making affirmative changes in the logic of accumulation, to make globalization humane. However rhetorical 'globalization with a human face' sounds, it is hard to ignore the potential forces of 'another world' brewing all around. If people like Jagdish Bhagwati and Lord Meghnad Desai are to be taken seriously, one

can choose to be hopeful about the global corporations' sense of social and moral responsibility (Bhagwati 2006).

After all, what better way to end my discussion than quote Joseph Stiglitz:

“The problem is not with globalization, but with how it has been managed...the international economic institutions which help set the rules of the game...they have done so in ways that, all too often, have served the interests of the more advanced industrialized countries – and particular interests within those countries – rather than those of the developing world.”

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Appendix Table 1

2007 KOF Index of Globalization*		
	country	Globalization Index
1.	Belgium	91.96
2.	Austria	91.60
3.	Sweden	89.89
4.	United Kingdom	89.29
5.	Netherlands	89.15
6.	France	87.71
7.	Canada	87.49
8.	Switzerland	85.53
9.	Finland	84.84
10.	Czech Republic	84.46
11.	Denmark	84.27
12.	Ireland	83.09
13.	Portugal	83.06
14.	Spain	82.52
15.	Germany	82.48
16.	Singapore	82.14
17.	Hungary	81.15
18.	Australia	80.91
19.	United States	80.83
20.	Italy	80.61

2008 KOF Index of Globalization*		
	country	Globalization Index
1.	Belgium	92.09
2.	Austria	91.38
3.	Sweden	90.02
4.	Switzerland	88.60
5.	Denmark	88.42
6.	Netherlands	88.40
7.	United Kingdom	86.67
8.	Czech Republic	85.51
9.	France	85.38
10.	Finland	84.65
11.	Germany	83.01
12.	Spain	82.73
13.	Hungary	82.52
14.	Portugal	81.57
15.	Canada	81.21
16.	Ireland	79.82
17.	Norway	79.75
18.	Italy	79.44
19.	Poland	78.42
20.	Singapore	78.37