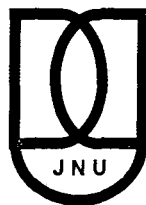


***THE CONCEPT OF GLOBALISATION:
A SOCIOLOGICAL ANALYSIS***

*Dissertation submitted to Jawaharlal Nehru University
in partial fulfilment of the requirements for the
award of the Degree of*

MASTER OF PHILOSOPHY

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CERTIFICATE

This is to certify that the dissertation titled "*The Concept of Globalisation: A Sociological Analysis*", submitted by **Mr. Yogesh Kumar**, in partial fulfilment of the requirements for the award of the degree of *Master of Philosophy* has not been previously submitted for any other degree of this or any other University. This is his original work.

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To
my
parents.....

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Introduction.....

INTRODUCTION

Economy, apart from the complex computations it involves, is a potential moving force that helps in keeping the different components of social system integrated and dynamic. The metabolic needs involve everyone into the network of production and consumption and this leads to a process of mutual dependence both at micro- i.e. individual-individual and macro- i.e. individual-community, community-community, community-nation-state levels. The interrelation of nation-states at global level is also a part and parcel of such mutual dependence and complementarity.

In such an interface between economy and society, present study tries to peep into the origin, evolution and pinnacle of the process that today is being addressed as “globalization”. In fact, what will be analysed later in details, globalisation is not a phenomenon of recent origin but its traces can be found even before the collapse of feudal structure and rise of capitalism and industrialization. The formulation, that the globalisation has its roots deep in the ancient history, needs elaboration through the evidences which are buried in the graveyard of history. In this regard, here is an attempt to reminisce. This work sails back into history to explore the trade links that enveloped the world in ancient times (i.e. before the starting of medieval period in world history in are seventh and eighth century A.D.). These trade links and routes have remained unchanged though out succeeding centuries

till the contemporary times, though due to changed in geo-political configuration at international level, some deviations from the past can be witnessed. And the growth of air transportation, *inter alia*, has added one more dimension to the integration the nation-states in much better and faster way.

The attempt, here, is to involve the historical roots of global interconnections to throw light on the process of globalization. Apart form it, an understanding have been tried to achieve about which peculiar element motivates the theoreticians to address the contemporary period as a stage of globalization.

OBJECTIVES OF STUDY

The objectives of the study are as following:

- to locate the origin of globalization;
- to elaborate the sociological dimensions of globalization;
- to analyse and expatiate socio-cultural homogenisation and heterogenisation process emanating from the momentum generated by globalisation;
- to comprehend the socio-economic currents and their novelty stirred by recent process of global economic integration; and
- to examine the impact of the offshoots of globalisation (i.e. privatization and liberalisation).

HYPOTHESIS

The process of interaction at global level is nothing new and has its roots in ancient past. Terming it as 'globalisation' now requires reconsideration. But the accelerated pace of this phenomenon can introduce socio-cultural homogenisation through out the world by which the differences in life styles, dresses, food habits and other preferences may be coloured similarly by a global pigment.

METHODOLOGY

The present study revolves around acquiring a basic understanding of the process of globalisation as theorized differently among the academic and intellectual circles. The attempt has been made to locate the origin of globalisation in the ancient past. The approach here is:

- ❖ to subsume these theoretical leanings and lacing their inclinations into a continuous series. The method, here, to undertake this project is descriptive-analytical; and
- ❖ the historical method that is employed to compile informations through longitudinal analysis through the centuries in past.

The sources of information and statistical compilation are secondary originating from reference texts, government document, journals,

newspapers, magazine and agencies of United Nations and other organizations. The study is primarily conceptual and theoretical in nature with modicum contents of empirical nature.

THE SCHEME OF CHAPTERISATION

There is a significant incorporation of theoretical dimensions on globalisation in this study. The topics laced together in all the chapters are tinge in colours of various theoretical inclinations.

The first chapter “The Theoretical Orientations” deals with the academic discourse that prevails on the course of global development through the decades and centuries. This chapter presents a longitudinal study of socio-economic changes that marked their presence on global landscape. The classification of three schools of thought which proliferated at distinct locations but were contemporaneous (as the French and German schools, though the American school emerged when the former two were petering out) to each other.

The modernization theories, as analysed in this unit, delve into the epistemological transformations that took place after the end of World War II. The decimation of imperial-colonial network liberated many regions in African and Asian continent. The enigma these nation states confronted was that of national development in socio-economic, cultural, educational terms. The readymade

model to emulate for this objective was Western. The novice political elites in these nation-states started following the proven success formulae, but ultimately, to the risk of the development of the nations, they were based. The things could not turn as bright for them as they used to be for their European mentors. Thus came up Dependency theory and World Systems debate. With a bird's eye view, both these appear overlapping when they classify the nation-states into dependent/peripheral/exploited and dominant/core/exploiting categories. But the difference is observed when the World Systems Theory traces the roots of present global hierarchy way back in 15th and 16th century, while there exists no such attempt on the part of dependency theorists. Dependency theorists analyse the discrepancy in trickling down of development i.e. as opposed to modernization theorists' formulation that underdeveloped nation-states would ride the development ladder following the footsteps of developed nations, they argued no such interlinked growth exists. Instead the gap between two worlds (i.e. the developed and underdeveloped one) is on increase. At the end, Structural-functionalists take the note of structural components i.e. norms, values, institutions, processes, as important players in absorbing any external change. They argue, while the different components of social structure help in incorporating change, they can also potentially resist it altogether. All these theories have been given due expatiation in this chapter.

The second chapter titled as "Old Wine In New Bottles" is an interesting debate. As the title suggests, old commodities in new packets are being served for public

consumption. It reasons that interaction at global level is a historical reality and mere change in the rates and intensity of such intercourse has accelerated. The emergence of information-technology revolution has played a significant role in such transformation. The strength of technology is what it can do. Now it is most strengthened. It can do most of the things that human beings want it to do. The chapter proceeds with historical traces of interaction at global level from ancient times onwards and enters into modern historical development like colonialism, world wars, liberations, World Bank, IMF, Soviet collapse, WTO, privatization, liberalization etc. It throws light on types of globalisation and analyses why the theorists see the process of globalisation taking place now. The theoretical discourse on globalisation and modernity is yet another dimensions in this unit.

The third chapter “Globalisation: Homogenising or Heterogenising?” focuses on the consequences appearing on the scene as a result of globalisation. It includes a theoretical discourse on globalisation vis-à-vis modernity, media and consumerism. There has been an attempt to incorporate empirical statistics to strengthen the discourse. The chapter scores more on highlighting the evidences of global integration through the exchange of films, books, novels, TV channels, cuisines, fashions, MNCs, cars, consumer structure of India and what not. Towards the end, the unit exposes foreign investment in India has been much below the amount that was officially allowed. And the foreign investors occupied with self-interests did little to capacity building by not investing in infrastructural

projects. Their inclination is found to be more towards portfolio investment that involves speculative practices and is considered to be safe.

The conclusion deals with more current issues that are cropping up as a result of the monster of globalisation. Issue of corruption in public life, reservation in private sector, disinvestments of the Public Sector Units/Enterprises (PSUs/PSEs) have been touched upon. The discussion concludes by abnegating the possibility of any homogenisation of life-style at global level.

Chapter 1

Theoretical Orientations....

CHAPTER 1

THE THEORITICAL ORIENTATIONS

Economic processes in a social formation potentially influence the dynamics of social processes. As the old hackneyed goes, societies for their material needs undertake the basic of economic activities namely production, distribution and consumption. Though the needs of a social group are classified into various categories, but first of all the basic needs, as according to Malinowsky, is 'metabolism'. That is expressed as response in the form of *commissariat* i.e. ministry of food. The other basic needs like reproduction, security etc. occupy the place only after this. Whereas, the "derived needs" and "integrative needs" emerged much later in the course of social development. Nothing but the needs of the human beings, goad them to go ahead and interact with the environment, they live in. In the necessity of achieving the survival, they establish a relationship with the nature i.e. they work on natural resources to control them in such a way that may help them addressing their pressing needs, whenever and wherever required. This initiates a relationship of man with the nature and starting of production, consumption and saving practices. The economy takes birth. It not only provides survival but regulates many of social relationships and cultural interactions also. The society, in collectivity, and its members, individually, are intricately linked with the economic activities that earn a material existence to them. And there exist many points where social processes

come across their economic counterparts and amalgamate with each other. This is applicable not only to the simple societies but the present day complex societies also. In fact, in complex and organically integrated societies the interaction between the economy and society is even closer and more sophisticated. And the study of such an interaction falls in a discipline of a hybrid character. Sociology involves the study of society and economics undertakes the study of economy but the discourse here involves both the disciplines and their close interrelation, addressed as economic sociology.

Hence, the present discussion of larger global economic phenomenon, with its socially significant and relevant attributes, can be categorized and comprehended under this economic sociology. Essentially, the economic sociology is a part and parcel of the discipline of sociology. It tends to converge the to academic research on two aspects, firstly, the social correlates of economic phenomenon; and secondly, the perusal of social structure and organization in the economy. The scope of economic sociology envelops both the peripheral economic issues, for example, the influence of religious values on economy or the ethnicity on entrepreneurship and the core economic events like pure market operations or grounds, which emanate different investment decisions in an active market economy.

The process of the evolution of a sociological study of economic phenomenon can be categorized into three distinct categories of thoughts. All these

categories were characteristically unique and theoretically away in their orientations from one another. The lands of their emergence were Germany, France and United States of American. Their major theoretical inclinations and concept formulation can be analysed in the following the following section.

ECONOMY AND SOCIETY

The German School of Thought

The economic ideas, which were concretized with sociological tinge in Germany, had vanguards like Max Weber (1864-1920,) Schumpeter (1883-1950) and Warner Sombart. All of them provided a range of comments on the emergence, evolution and the effects of the most debated economic mode of production i.e. capitalism. Capitalism is not a very old phenomenon but emerged after the collapse of feudal mode production in sixteenth century and with the rise of industrial revolution and mass production in Western Europe. Capitalism has engendered many socio-political and intellectual currents in the present time. These currents involve the discarding of age-old practices (addressed as 'traditions') and the acceptance of what is known as 'modern' and 'rational way of life'.

Max Weber, a thinker in German school of thought, in his work "*Economy and Society*" (1921-22(1978)) emphasized that capitalism was being increasingly rationalized. He tried to establish a relationship between the history of economy and the study of society. For him, a healthy science of economics (he placed the term

Sozialökonomie or “Social Economics”) should be broad and encompassing, and must draw its foundations at the same time from the trio i.e. economic theory, economic history and economic sociology. Schumpeter did not differ much from Weber and stood, ideologically, in close boots to him. In his work, “*Capitalism, Socialism And Democracy*” Schumpeter ((1942)1976) argued that capitalism was marching towards self-destruction and soon would be surrogated by the mass of socialism. Similarly, the other thinker in the German school, Warner Sombert in “*Der modern kapitalismus*” ((1902) 1987) tried to correlate the study of economy and society. He contended the economic theory should be replaced by the social theory and he brought forth a classification of the different historical stages of capitalism. These trio sociological thinkers made seminal contribution to discourse of interaction between the society and economy.

The French School of Thought

Apart from the German School of thought, during around the same time, in France also, movements were apparent, bound towards the sociological study of economy. Among others the monumental contributions, work by Emile Durkheim (1858-1917) especially his *magnum opus* “*The Division of Labour in Society*” ((1893)1964), his nephew Marcel Mauss (1872-1950) with his writing in “*The Gift*” ()1925)1969) and Francois Simiand with his inquisitive remarks on the intercourse of economy and society, occupy the center stage in French school of thought. In “*The Division Of Labour in Society*” Durkhiem expatiated his ideas in an apparently morality framework and located the society above the

individual in his sociological analysis. For him, survival of a society with predominantly economic element was inconceivable. He analyzed the determinants of social solidity in industrial society. For him, economic life has to be conditioned and restrained by a moral element and in the absence of common morality, society would be inflated with warring instincts, that is, the instinct of each one versus the other. The principal inclination of French school thinkers was, firstly, that economic theory was not a social theory because it orients studies towards individual instead the society. And secondly, they contended that economic theory to be substituted by the sociological approach to economy. Their contribution in comprehending the sociological approach to economy is immense and in no way can be underestimated. In fact, through their perspicacious thought they inflated further the ballooning literature of economic sociology and made it intellectually lighter also.

The American School of Thought

The third stream of thought, directed towards the similar destination, emanated in U.S.A. This was the moment when European sociology had exorted itself and French and Germany schools were petering out somewhere around 1930's. Economic sociological thoughts now ascending in U.S. had vanguards like Talcott Parsons (1902-79) and Neil J. Smelser. The bottomline of argument now was the rejection of the "bifurcating hypothesis" i.e. the economy and society were separate. The contention was the economy formed a part of society

and the “economic subsystem” was part of the “social system”. they placed social system far above the economy and linked it with the other sub-systems falling under the social system only.

THE CLASSICAL SCHOOL OF THOUGHT

Apart from this triumvirate categorization of intellectual dialogue on economy and society, the undercurrents, which appeared even prior, were the methodological orientation that emerged in the works by Frederic Hegel (1770-1831), Karl Marx (1818-83), Friederic Engle (1820-1895), and later Louis Althusser (1918-90) etc. Though their contributions to the study of economy (i.e. political economy) were seminal and impressive, none of them nevertheless was crowned as the founder of this intellectual discourse. The rapid transformations had stirred the socio-politico-economic structure of the European continent including more turbulent currents in French and British society in last quarter of eighteenth and first quarter of nineteenth century. Amidst such social commotion, by 1830 industrial capitalism had pushed the traditional agrarian economies into the folds of history and *inter alia* Adam Smith (1723-90 A.D.) laid the foundations the first study of capitalism that made him the founder of modern political economy. Though best known as trailblazing economist, Smith was undoubtedly a social theorist who presented an erudite description of division of labour and inherent economic behaviours of social actors in his work "*An Inquiring into the Nature and Causes of the*

Wealth of Nations” (1776). Smith saw human behavior as self-perpetuating network of economic exchanges and people as buyer and sellers interact for the purpose of production and consumption. The self-interest of individuals lies in profit making of which is achieved through rational ways and means. Smith argues, “in commercial society every man thus lives by exchanging, or becomes in some way or measure, a merchant” (*The Wealth of Nations*, 1776). In the pursuit of self-interests, individuals promote social good “led by an invisible hand to promote an end which was no part of his intention” (ibid, p-477). Smith projected the social good emanates automatically from the actions oriented towards economic profit making.

MODERNISATION THEORIES

Modernization theories were developed during late 1950's and early 1960's by a group of development specialists in the United States to develop an alternative to Marxian account of social development. These theories provide a description and explanation of the process of transformation from traditional and underdeveloped societies to modern and developed social constructs. Since their emergence, modernization theories have provided major perspectives in the studies of national development and underdevelopment. The focus of the theories on the phenomenon of development is concerned with the analysis of the rates

of industrial growth, per capita income, domestic products and the like as experienced by those countries.

Talcott Parsons provided the concept of “structural differentiation”¹ and the modernisation theory argued that the modernization process started as soon as this structural differentiation began to gain momentum. Eisenstadt (1996) notes that “Historical modernisation is a process of change towards those types of social, economic, political systems that have developed in western Europe and North America from seventeenth century to nineteenth century and have then spreaded to other Europe countries, and in nineteenth-twentieth centuries to the south America, Asian and African continents”². Societies follow different models of modernisation to develop, but the changes which are most likely to occur came either through technological or valuational changes. As corollary the institutional structure and individual activities march towards high degree of specialization, differentiation and integration. They tend to resemble much to those developed in the West during 1960s. In nutshell, an apparent movement takes place from mechanical to organic solidarity. The mechanical solidarity that existed among the nation-states of African, Asian and Latin American

¹ Structural differentiation is concept linked to evolutionary theories and structural functionalism. It involves a movement from a ‘simple and homogeneous’ stage of society to ‘complex and heterogeneous’ one. Like an amoebae dividing, redividing, and then redividing again; or a unicellular organism developing into multicellular being. The works of Eisenstadt (1964, 1967, 1978), H. Spenser (1876), Smelser (1959), Parsons (1966) and Giddens (1984) have made important contributions to this concept.

² Eisenstadt, S.N. “Modernization: Protest and Change” (1966). p-1.

continents that was to witness a change to the organic solidarity which had its roots in West European and North American countries. It is important here to note that there exists a marked difference between modernization, modernism and post-modernism. Modernism, in philosophical and epistemological discussions, pertains to the sweeping changes that were witnessed between late nineteenth century and the beginning of World War II (1939A.D.). These changes were, particularly, related to the arts and literature. This perspective refers that there is one true and descriptive model that reflects the actual world. Whereas phenomenon called post-modernism is a post- Second World War narrative, postulates that no single description or explanation of reality exists but there are multiple ways of comprehending the occurrence of social processes. Knowledge, Science and ideology bear subjective elements and are of relational nature. In such a discourse modernization theories are put into 'modernism' category.

WORLD SYSTEM THEORY

There are as many world systems theories as there are world system theorists. Fernand Braudel first proposed the notion of a world-system to understand the Mediterranean region in the early modern times (Braudel 1949)³. This concept was then taken up by Immanuel Wallerstein to encompass a much larger

³ Braudel, Fernand 1949, *La Méditerranée et le Monde Méditerranéen à l'Époque de Philippe II*, 2 vols. Paris: Armand Colin. 1982 edition.

system, both spatially and temporally, that is, the five hundred years old capitalist world-system (Wallerstein 1974)⁴. He took it to be fundamentally different from previously existing world-systems, world-empires (politico-militarily unified) or world-economies (not unified). The main and determining difference was the mode of production, with commodification of labour and ceaseless accumulation of capital in the capitalist world-system. More recently, Andre Gunder Frank and Barry K. Gills proposed that a *single* world system has continually existed for about five thousand years (Frank 1993a), of which Wallerstein's capitalist world-system is just one particular instance.

THE FIVE THOUSAND YEAR WORLD SYSTEM

CIRCUMSCRIPTION AND THE ITERATIVE MODEL

Chase-Dunn and Hall developed an iterative model of formation and evolution of social structures such as polities and world-systems (Chase-Dunn⁵ 1997; Bartley⁶ 1997). According to the model, population growth in a given region (e.g. in the fertile valleys of the Nile, Euphrates and Tiger) leads to increasing

⁴ Wallerstein, Immanuel 1974, *The Modern World-System I: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*, San Diego: Academic Press.

⁵ Chase-Dunn, Christopher, and Thomas D. Hall 1997, *Rise and Demise. Comparing World-Systems*, Boulder: Westview Press. pp-45-46, pp.101-108.

⁶ Bartley, Tim, and Albert Bergesen 1997, *World-System Studies of the Environment*, Journal of World-Systems Research <http://csf.colorado.edu/wsystems/jwsr.html> Volume 3, Number 3.

pressure on local resources. Emigration will follow, unless (or *until*) the region is circumscribed, either ecologically (e.g. in Egypt by the desert), or socially by the presence of other peoples established in the adjacent regions (e.g. in Mesopotamia with a multicentric city-state system). This will lead to competition for scarce resources, and endemic conflict and warfare. The created problem could be tamed by either the incidence of high death rate or by the emergence of a hierarchically arranged international set up which could ensure tranquility around and uncontending use of resources. The rise of such hierarchically arranged international set up introduced, (1) increasing inequality among the nations; and (2) the intensification of production and technological upliftment. Any mounting pressure on the resource was solved through increasing the production. "There was thus an increase in both the scale of world-systems and the scale of environmental degradation"(Bartley⁷ 1997), and there is a long-term trend to increase the size of polities and decrease their number (Chase-Dunn⁸ 1995). Increasing complexity of society starts new trajectory of development and age of circumscription and conflict becomes the thing of past. Now pressure on the resources leads to effective exploitation and technological innovation. This theory denounces the hypothesis that the global interaction and the process of globalisation is the phenomenon of recent time.

⁷ .ibid. p-374

⁸ Chase-Dunn, Christopher, and Thomas D. Hall 1995, *Cross-World-System Comparisons. Similarities and Differences*, in Sanderson 1995a. pp-117-120.

The same thesis is advocated in this work also, to which the evidences are tried to trace in history of international transaction in trade, commerce and socio-cultural elements.

WALLERSTIEN AND WORLD SYSTEM THEORIES

In his book, "*The Modern World System: Capitalist Agriculture and the Origins of the European World Economy in the Sixteenth Century*", Immanuel Wallerstein⁹ developed a theoretical framework to understand the historical changes involved in the rise of the modern world. The modern world system, essentially capitalist in nature, followed the crisis of the feudal system and helps explain the rise of Western Europe to world supremacy between 1450 and 1670. According to Wallerstein, his theory makes possible a comprehensive understanding of the external and internal manifestations of the modernization process during this period and makes possible analytically sound comparisons between different parts of the world.

In the background of world system, Wallerstein picks thread from medieval period when Western Europe was dominated by feudalistic societies. This was the period between A.D. 1100-1300. Trade and commerce flourished

⁹Wallerstein, Immanuel. op. cit. 1974.

in this feudal structure. Expansion in the population was also visible. The crisis came during A.D. 1300 to A.D. 1450 when

- economy under feudal system got saturated and started shrinking;
- agricultural production fell down and burden on the peasant increased as ruling class expanded; and
- A shift of climatological conditions decreased agricultural productivity and contributed to an increase in epidemics within the population.

In response to the feudal crisis, by the late fifteenth and early sixteenth centuries, the world economic system emerged. This was the first time that an economic system encompassed much of the world with links that superseded national or other political boundaries. The new world economy differed from earlier empire systems because it was not a single political unit. Empires depended upon a system of government which, through commercial monopolies combined with the use of force, directed the flow of economic goods from the periphery to the center. Empires maintained specific political boundaries, within which they maintained control through an extensive bureaucracy and a standing army. Only the techniques of modern capitalism enabled the modern world economy, unlike earlier attempts, to extend beyond the political boundaries of any one empire.

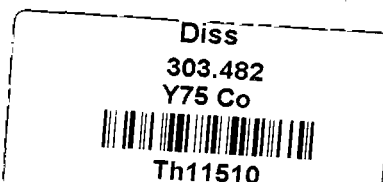
For Wallerstein, Europe to attain the constant economic growth started moving towards capitalist mode of production. The new capitalist world system was based on an international division of labor that determined relationships between different regions as well as the types of labor conditions within each region. The scheme of classification suggested a correlation between the type of economy and the political system. As a basis for comparison, Wallerstein proposes four different categories, core, semi-periphery, periphery, and external, into which all regions of the world can be placed. The categories describe each region's relative position within the world economy as well as certain internal political and economic characteristics.

THE CORE

Initially, Core was constituted of mainly northwest European countries such England, France, Holland. Economic transaction was carried out under capitalist system proved highly beneficial to the core countries. Their political set up was characterised by the strong central government, specialized extensive bureaucracy, and large mercenary armies. This permitted the local bourgeoisie to obtain control over international commerce and extract capital surpluses from this trade for their own benefit. As the rural population expanded, the small but increasing number of landless wage earners provided labor for farms and manufacturing activities. New set up rose from the ashes of feudal system, left many peoples landless and reduced them little more than the



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wage labourers. Pauperization was on its peak which compelled the peasants to migrate to cities. Agricultural productivity increased with the growing predominance of the commercially oriented independent farmer, the rise of pastoralism, and improved farm technology.

THE PERIPHERY

The periphery is constituted by the nations that lacked strong central governments or were controlled by other states, exported raw materials to the core, and relied on coercive labor practices. Two areas, Eastern Europe (especially Poland) and Latin America, exhibited characteristics of peripheral regions. In Latin America, the Spanish and Portuguese conquests destroyed indigenous authority structures and replaced them with weak bureaucracies under the control of these European states. Powerful local landlords of Hispanic origin became aristocratic capitalist farmers. Whereas in Poland, kings lost power to the nobility as the region became a prime exporter of wheat to the rest of Europe. Labor systems in both peripheral areas differed from earlier forms in medieval Europe in that they were established to produce goods for a capitalist world economy and not merely for internal consumption. The core expropriated much of the capital surplus generated by the periphery through unequal trade relations.

THE SEMI-PERIPHERY

Between the two extremes semi-peripheries served as buffers between the core and the peripheries. These areas represented either core regions in decline or peripheries attempting to improve their relative position in the world economic system. Good examples of declining cores that became semi-peripheries during the period are Portugal and Spain. Other semi-peripheries at this time were Italy, southern Germany, and southern France. Semi-peripheries exhibited tensions between the central government and a strong local landed classes. With a weak capitalist rural economy, landlords in semi-peripheries resorted to sharecropping. This lessened the risk of crop failure for landowners, and made it possible at the same time to enjoy profits from the land as well as the prestige that went with landownership. According to Wallerstein, the semi-peripheries were exploited by the core but the semi-peripheries like Portugal and France were often the exploiters of peripheral countries.

EXTERNAL AREAS

These areas managed to remain outside the modern world economy. They maintained their own economic systems, for example Russia. Russia's wheat served primarily to supply its internal market. Its internal commerce remained more important than trade with outside regions as Asia and Europe. The

considerable power of the Russian state helped regulate the economy and limited foreign commercial influence.

GROWTH OF MODERN WORLD ECONOMY:

Wallerstien suggested four stages in the development of modern world economy i.e. the capitalist world system. These can be classified into two groups for the purpose of convenience of study. These are:

- 1). Stage 1 and 2 (A.D. 1450-1670),
- 2). Stage 3 and 4 (from 18th century and beyond).

In the first two stages (i.e. stage 1 and 2) when the Hapsburg Empire failed to convert the emerging world economy to a world empire, all the existing western European states attempted to strengthen their respective positions within the new world system. To ensure this, these states resorted to:

- the expansion of the state bureaucracy. Bureaucracy increased the power of the king. Helped effective tax collection. And at the end of this stage monarch turned out to be supreme and instituted what is called “absolute monarchy”.
- Expansion of the militia to support the centralized monarchy and to protect the new state from invasions.

- The concept of absolutism introduced at this time related to the relative independence of the monarch from previously established laws. This distinction freed the king from prior feudal laws.
- Diversification of economic activities to maximize profits and strengthen the position of the local bourgeoisie.

The second two stages (i.e. stage 3 and 4) witnessed a shift from agricultural to industrial capitalism.

- European states participated in active exploration for the exploitation of new markets
- Competitive world systems such as the Indian Ocean system were absorbed into the expanding European world system the Latin American countries, which were previously isolated zones entered as peripheral zones in the world economy. Asia and Africa entered the system in the nineteenth century as peripheral zones.
- The inclusion of Africa and the Asian continents as peripheral zones increased the available surplus which helped to enhance the core status of the United States and Germany.
- By the 1900s, with the shift toward manufacturing, core areas encouraged the rise of industries in peripheral and semi-peripheral zones so that they could sell machines to these regions.

Through this theory, Wallerstein attempts to explain why modernization had such wide-ranging and different effects on the world. He shows how political and economic conditions after the breakdown of feudalism transformed northwestern Europe into the predominant commercial and political power. Wallerstein asserts that an analysis of the history of the capitalist world system shows that it has brought about a skewed development in which economic and social disparities between sections of the world economy have increased rather than provided prosperity for all. Although the functioning of the world economy appears to create increasingly larger disparities between the various types of economies, the relationship between the core and its periphery and semi-periphery remains relative, not constant.

DEPENDENCY THEORY:

Dependency can be defined as an explanation of the economic development of a state in terms of the external influences — political, economic, and cultural — on national development policies ¹⁰. Theotonio Dos Santos emphasizes the historical dimension of the dependency relationships as he argues “[Dependency is]...an historical condition which shapes a certain structure of the world economy such that it favours some countries to the detriment of others and limits the development possibilities of the subordinate economics...a

¹⁰ Osvaldo Sunkel, "National Development Policy and External Dependence in Latin America," *The Journal of Development Studies*, Vol. 6, no. 1, October 1969, p. 23.

situation in which the economy of a certain group of countries is conditioned by the development and expansion of another economy, to which their own is subjected"¹¹.

There are three common features to the definitions which most dependency theorists share. First, dependency characterizes the international system as comprised of two sets of states, variously described as dominant/dependent, center/periphery or metropolitan/satellite. The dominant states are the advanced industrial nations in the Organization of Economic Cooperation and Development (OECD). The dependent states are those states of Latin America, Asia, and Africa which have low *per capita* GNPs and which rely heavily on the export of a single commodity for foreign exchange earnings.

Second, both definitions have in common the assumption that external forces are of singular importance to the economic activities within the dependent states. These external forces include multinational corporations, international commodity markets, foreign assistance, communications, and any other means by which the advanced industrialized countries can represent their economic interests abroad.

¹¹ Theotonio Dos Santos, "The Structure of Dependence," in K.T. Fann and Donald C. Hodges, eds., *Readings in U.S. Imperialism*. Boston: Porter Sargent, 1971, p. 226.

Third, the definitions of dependency all indicate that the relations between dominant and dependent states are dynamic because the interactions between the two sets of states tend to not only reinforce but also intensify the unequal patterns.

Dependency Theory developed in the late 1950s under the guidance of the Director of the United Nations Economic Commission for Latin America, Raul Prebisch. Prebisch and his colleagues were troubled by the fact that economic growth in the advanced industrialized countries did not necessarily lead to growth in the poorer countries. Indeed, their studies suggested that economic activity in the richer countries often led to serious economic problems in the poorer countries. Such a possibility was not predicted by neoclassical theory, which had assumed that economic growth was beneficial to all even if the benefits were not always equally shared.

Prebisch's initial explanation for the phenomenon was very straightforward: poor countries exported primary commodities to the rich countries who then manufactured products out of those commodities and sold them back to the poorer countries. The "Value Added" by manufacturing a usable product always cost more than the primary products used to create those products. Therefore, poorer countries would never be earning enough from their export earnings to pay for their imports.

Prebisch's solution was similarly straightforward: poorer countries should embark on programs of import substitution so that they need not purchase the manufactured products from the richer countries. The poorer countries would still sell their primary products on the world market, but their foreign exchange reserves would not be used to purchase their manufactures from abroad.

THE STRUCTURAL CONTEXT OF DEPENDENCY: IS IT CAPITALISM OR IS IT POWER?

Most dependency theorists regard international capitalism as the motive force behind dependency relationships. Andre Gunder Frank, one of the earliest dependency theorists, is quite clear on this point. He argues "...historical research demonstrates that contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries. Furthermore, these relations are an essential part of the capitalist system on a world scale as a whole"¹².

According to this view, the capitalist system has enforced a rigid international division of labour which is responsible for the underdevelopment

¹² Andre Gunder Frank, "The Development of Underdevelopment," in James D. Cockcroft, Andre Gunder Frank, and Dale Johnson, eds., *Dependence and Underdevelopment*. Garden City, New York: Anchor Books, 1972, p. 3.

of many areas of the world. The dependent states supply cheap minerals, agricultural commodities, and cheap labour, and also serve as the repositories of surplus capital, obsolescent technologies, and manufactured goods. These functions orient the economies of the dependent states toward the outside: money, goods, and services do flow into dependent states, but the allocation of these resources are determined by the economic interests of the dominant states, and not by the economic interests of the dependent state. Moreover, to a large extent the dependency models rest upon the assumption that economic and political power are heavily concentrated and centralized in the industrialized countries, an assumption shared with Marxist theories of imperialism. Not all dependency theorists, however, are Marxist and one should clearly distinguish between dependency and a theory of imperialism. The Marxist theory of imperialism explains dominant state *expansion* while the dependency theory explains *underdevelopment*. Stated another way, Marxist theories explain the reasons why imperialism occurs, while dependency theories explain the consequences of imperialism. The difference is significant. In many respects, imperialism is, for a Marxist, part of the process by which the world is transformed and is therefore a process which accelerates the communist revolution. Marx spoke approvingly of British colonialism in India that "England has to fulfil a double mission in India: one destructive, the other

regenerating--the annihilation of old Asiatic society, and the laying of the material foundations of Western society in Asia"¹³.

For the dependency theorists, underdevelopment is a wholly negative condition which offers no possibility of sustained and autonomous economic activity in a dependent state.

PRINCIPAL TENETS OF DEPENDENCY THEORY

- *Underdevelopment* is a condition fundamentally different from *undevelopment*.
- Poor countries are poor not because lack of scientific development or modernization values but they were coercively integrated into the European economic system only as producers of raw materials or to serve as repositories of cheap labor, and were denied the opportunity to market their resources in any way that competed with dominant states.
- The diversion of resources over time (and one must remember that dependent relationships have persisted since the European expansion

¹³ Karl Marx, "The Future Results of the British Rule in India," *New York Daily Tribune*. No. 3840. August 8. 1853.

beginning in the fifteenth century) is maintained not only by the power of dominant states, but also through the power of elites in the dependent states.

Dependency theorists argue that these elites maintain a dependent relationship because their own private interests coincide with the interests of the dominant states. These elites are typically trained in the dominant states and share similar values and culture with the elites in dominant states. Thus, in a very real sense, a dependency relationship is a "voluntary" relationship. One need not argue that the elites in a dependent state are consciously betraying the interests of their poor; the elites sincerely believe that the key to economic development lies in following the prescriptions of liberal economic doctrine.

MARXISM

There are two essential components to Marx's theoretical work. On the one hand there is his theory of history which is referred to as historical materialism. And secondly, there is his theory of society which is referred to as dialectical materialism. From general perspective, the materialist conception of history is a description of human society and social relations that emerge and evolve in association with prevalent forms of economic production. In his preface to, "A

Critique of Political Economy"¹⁴, Marx starts with a static description of the economic structure of society in which property ownership — the fundamental basis of material productive forces— designates social relationships and human interaction. Property ownership was a social relationship reinforcing class distinctions between the laboring serfs and the ruling nobility through the latter's monopolization of land and energy resources. The owners of means of production mould the relation in such a way that cooperation among all becomes indispensable for everybody. In such a relationship surplus goes to the "owners" and wages to the "labourers". However, these relationships exist "independent of their will". Marx revealed the insidious nature of private property and corresponding alienated labor in his "*Economic and Philosophical Manuscripts*"¹⁵. According to Marx, humans define themselves through work and productivity in doing so they perceive themselves as members of collective humanity. The work performed through coercion a relationship defined by power individual's personal needs and desires are sub-ordinated to coercing agent. Faced with such hostile reality, alienation overflows his personal being. Marx asserts "the social power, i.e. the multiplied productive force, which arises through the co-operation of different individuals as it is determined by

¹⁴ Marx, Karl. "Preface to A Critique of Political Economy." Karl Marx: Selected Writings. Ed. David McLellan. New York: Oxford University Press, 1977. pp. 388-391.

¹⁵ Marx, Karl. "Economic and Philosophical Manuscripts." Karl Marx: Selected Writings. Ed. David McLellan. New York: Oxford University Press, 1977. pp. 75-111.

the division of labour, appear to these individuals.....not as their own united power, but as an alien force existing outside of them,..... even being the prime governor of these(individuals).”¹⁶ These conditions of coercion and sub-ordination are the result of the relations of production and are assisted by the ownership of means of production. Marx further argues that “these actual relations [the economic structure of society] are in no way created by the State power, on the contrary they are the power creating it. The individuals who rule in these conditions.....have to give their will, which is determined by these definite conditions, a universal expression as the will of the State, as law.....”¹⁷

Marx did not directly write on globalisation as this would not be the dominant theme of his time but he aired his thoughts on capitalism and industrialism. And while writing on capitalism and industrialization Marx provided a causal explanation. For him, it was not industrialization per se that had brought about modern society. Industrialisation had itself come about as a result of a particular type of relationships of production. Marx named these new relations of production as ‘capitalist’. He gave them this name because these new relations of production were dominated by a specific relationship to the production process.

¹⁶ Marx, Karl. "The German Ideology." Karl Marx: Selected Writings. Ed. David McLellan. New York: Oxford University Press, 1977. p-170.

¹⁷ Marx, Karl. *op. cit.* p-184.

According to Marx, Capitalism is a very distinctive form of economic production and it differs from other forms of production in a fundamental way. Capitalism is so called because of the dominant use of capital in this type of society. Now capital is money but it is much more too. Capital is a type of social relationship involving investment. Investment in goods, services and people. But this investment has social and political implications far beyond economic life.

The goal of bourgeois in capitalist society is to “revolutionize the instruments of production” in an effort to continually increase productive capacities. This is managed at the expense of workers in the form of objectified labor— which neglects the distinction between human and mechanical production in the pursuit of profit— and demonstrates capitalism’s demise. With the invention of wage-labor under capitalism, machines and men become interchangeable forces of production. Human surplus labor, resulting from the increased use of machines, becomes a latent barrier to productive capacities. As the use of machines increases, the middle class merges with the lower class and wealth concentrates in the hands of a few. This lower class is forced into an existence below subsistence level and emerges as a new revolutionary force of society. It is a “...class with radical chains, a class in civil society that is not a class of civil society, of a social group that is the dissolution of all social groups, of a sphere that has a universal character because of its universal

sufferings...In a word, it is the complete loss of humanity and thus can only recover itself by a complete redemption of humanity. This dissolution of society, as a particular class, is the proletariat"¹⁸. Marx heavily criticized capitalism accusing it to be a primary cause of suffering to humanity.

He asserted, "Under capitalism people are subject to a squalid existence that is destined to become worse. In rural environments peasants are subject to high taxes and mortgage debt that plunge them into increased poverty"¹⁹. Wealth is transferred from rural economies to industrial cities. Through the advent of wage-labor, machines are pitted against men, life is impersonal and family unity no longer exists. Social wealth -- in the form of education, technological advance, and all associated products of education -- opposes the worker because it promotes knowledge in the service of industry²⁰. Even great works of art cannot be produced because all mystical qualities of nature and humanity have been removed by the domination of capital and its productive forces²¹. Revolution is not possible from within the social totality through education or other non-violent means. The most that legislative measures might

Marx, Karl. "Towards a Critique of Hegel's 'Philosophy of Right'." Karl Marx: Selected Writings. Ed. David McLellan. New York: Oxford University Press, 1977. pp.72-73.

Marx, Karl. "The Eighteenth Brumaire of Louis Bonaparte." Karl Marx: Selected Writings. Ed. David McLellan. New York: Oxford University Press, 1977.p-320.

Marx, Karl. "Grundrisse." Karl Marx: Selected Writings. Ed. David McLellan. New York: Oxford University Press, 1977. p-384.

Ibid. p-359.

provide is temporary relief for the lower classes, prolonging the agony of existence²². The fall of capitalism must ensue through a violent revolution of the masses. The resulting social order — communism — will be both quantitatively and qualitatively different from all other form of society, ending the cyclic nature of political economy and human history, as we know it. The goal of communism is the elimination of private property. Property will exist, but will be community owned. With the elimination of political economy, the division of labor will cease. People will perform a multitude of tasks on the basis of ability and will receive goods on the basis of need. In doing so, they will find themselves to be the part of collective humanity. Without the concentration of wealth and the hierarchy of production distinctions between town and country will be removed. Religion will no longer serve its purpose of justifying sub-human conditions of life and as such, will cease to exist. Intellectual endeavors will be free from "false consciousness", rendering knowledge valuable for its own sake rather than for its ability to increase productive capacities or provide ideological justifications of the state.

²² Marx, Karl. "The Communist Manifesto" Karl Marx: Selected Writings. Ed. David McLellan. New York: Oxford University Press, 1977. pp- 238-245.

Relationships will ensue on the basis of equality, devoid of the qualities of ownership evident in past forms while class distinctions will cease.²³

Later Karl Marx, in his vast enriched literature, pioneered the materialist interpretation of history and brought forward the concept of economic determinism. Marx's methodology was a *volte face* to that of Hegel's, as Herbert Marcuse puts it "where Hegel used political concepts, Marx used economic ones to explain history and social development"²⁴. According to *Encyclopaedia of Sociology*, economic determinism involves "economic condition X is most determining factor in causing behaviour Y"²⁵. Economic determinism is a philosophical and theoretical position vividly expatiated in Marxist literature asserts that social phenomenon are entrenched and influenced by the relations of production"²⁶. In the social production which men carry on, they enter into definite relations which are known relations of production. Marx continues, "the totality of these relations of production constitutes the economic structure of society, which is the real foundation on the top of which rises legal

²³ Ibid. pp- 232-235.

²⁴ Marcuse, H. " *Reason & Revolution ; Hegel & The Rise Of Social Theory*", New York Humanities Press 1954. p251-7.

²⁵ " *Encyclopaedia of Sociology*" 2nd Edition Mc Millan Retrieval 45A, 2000, p-721.

²⁶ Marx, K. " *The Contribution to The Critique of Political Economy*", 1859 (1970). p-20.

and political super- structure to which corresponds the definite forms of social consciousness."²⁷

In keeping with Marxist tradition, Louis Althusser in analysing the determinants of social formation asserted that innumerable factors influence such formations but "the economy is determinant in the last instance."²⁸ In an innovative usage of economic determinism, George Gilder marks where determining spirit surpasses its legitimate domain of action. Gilder argues "the man's earrings, unlike the women's a will determine not only his standard of living but also his probabilities for marriage and children— whether he can be a sexual man"²⁹. Though economy can produce a convincing causal explanation for social phenomenon, society is not a jigsaw, made up only of economic pieces. So reducing the society into economic determinant shall be highly fallacious . In "*Protestant Ethic*" Weber addressed Marx's unilinear causality theory as "one sided materialistic interpretation". Though economy, influences the structure of domination is majority of earns but not so all the time.

²⁷ Ibid. pp-20. This has remained a hall-mark statement of economic determinism from Second International Marxist Workers Congress in 1889 till date.

²⁸ Althusser. Louis 1970 "For Marx".

²⁹ Gilder, George. 1987. "*Wealth And Property*" New York; Bantam. p-109.

STRUCTURAL-FUNCTIONAL APPROACH

The analysis of the processes of structural differentiations in the social system as a result of consequent social and institutional reforms or alterations in the society is the central concern of the structural-functional approach. Structural-functional Talcott Parsons has treated a society as analytically divisible into four primary subsystems. This can be comprehended by the table showing classification of “four functional paradigm” of society. (See the table 1.1).

The society (more generally a social system)³⁰

Subsystems	Structural components	Aspects of developmental	Primary function
Societal community	Norms	Inclusion	Integration
Pattern maintenance or fiduciary	Values	Value generalisation	Pattern maintenance
Polity	Collectivity	Differentiation	Goal attainment
Economy	Roles	Adaptic upgrading	Adaptation

Table: 1.1

³⁰ Parsons T. 1971. *The System Of Modern Societies.* Prentice-Hall Inc. Englewood Cliffs. New Jersey. p-11.

According to Parsons, for the modern advancing societies these divisions are clearest and most important. After a careful study of the various phases of development of modern society, Parsons observes that "Our present concern is to establish sufficient doubt of the validity of such views so that reader will not jump to the facile conclusion that the main trend of modern development over the past several centuries has suddenly come to an end and that therefore the perspective expressed in...(my works).....is not relevant to the assessment of the coming phases. It is our personal conviction that, though major changes are in process, the sociologists of the twenty-first century will discern with the nineteenth century and of course those previous to it....."³¹. The changes originating at the present do not appear totally in vacuum but their roots can be traced in the past. The structure and functions of contemporary social realities are to a significant extent, if not completely, the corollary of the traces they had in ancient period.

Singh explains the structural-functional approaches as follows: ".....the units of observation in a structural study are not ideas, sentiments and values, but the order of roles and statuses which form a the basis of social relationships and are schematized into groups or categories. A major principle, which governs the form of ordering of social structure, is asymmetry of power in relation to command over resources or values. Structural changes may primarily be located into identifying the emerging principles that lay down new rules

³¹ Parsons T. op. cit. 1971. pp.142-43.

about this asymmetry. ” Structural-functionalists however do not expatiate directly on the process of globalisation but the application of their methodology in understanding this process can be of seminal importance. Because it is the structure only that gives any social-economic and political change its legitimacy and socializes its members into the newly emerged reality for effective role allocation and their performance. The tradition bound social structure like that of India’s is ordained with the immense possibility of obstructing any attempt to change. Though the structure in India has exhibited enough resilience in forbearing the external aggression and become the perfect example of peaceful coexistence with other cultural constructs.

Chapter 2

*Old wine in new
Bottles?*

Chapter-2

Globalisation: Old Wine in New Bottles?

The oft-repeated cliché goes " Globalization is nothing new." It is a phenomenon which has concentrated academic attention and huge economic importance in recent times. The novelty of this phenomenon has been contested by many thinkers. And truly, if this is not a new phenomenon then the questions which dent the mind of a layman are: 'what exact by we mean by the term "Globalisation"?' 'How old, if it has traces in past, is this process?' 'What are the areas it encompasses?' And 'if at all this continues what effects it may bring forth?' and many other questions alike.

While exploring an answer to the first query about what Globalization is, the response comes in the casual expatiation which telescopes it nothing more than a material homogeneity. As John Feffer states "(it is nothing but)... a Nike trainer on every foot, a golden arch, in every town, a Madonna on every magazine cover, a sweatshop in every alley, a coke on every table, a big dam on every river, a cloud of pollution on every landscape, and "structural adjustment" in the speech of every government leader"¹ (John Feffer, 2002). Feffer further explains "....globalization is an assembly line circling the world, generating ever more 3D jobs (dirty, dangerous, difficult) widening the gap between rich and the poor.

¹ Feffer J. (ed) 2002 *"Living in Hope: People challenging Globalisation"*. Zen Books, London and New York and AFSC. Philadelphia. p-1.

Globalisation is the same answer to a multitude of problems 'let the market decide'. Globalization is TINA (there is no alternative), which Margaret Thatcher declared victorious after the collapse of communism in Eastern Europe"².

HISTORICAL BACKGROUND OF GLOBAL INTEGRATION

Civilizations in Ancient World History and Their Interaction

By B.C. 2500, cities were established in three major centers: the Nile valley, Mesopotamia, and the Indus valley with scattering of other cities across intervening terrain. The culmination of the long process of settlement and expansion — some early cities has population of tens of thousand strong — the first urban civilization all relied on rich agricultural land to support their growth . In each case lack of most important natural resources — timber, metal and stone — forced these urban civilizations to establish trading link which ultimately extended from Hindu Kush to the Mediterranean. They imported a diverse range of goods: metal, precious, stone, such as lapis lazuli, gold, and turquoise met the demands of growing social elites of luxury goods: diorite, limestone and timber were needed for the monumental construction programmes which were an integral part of urban life. Where trading contacts led, cultural influences followed, and elite soon began to develop in the trading hinterlands of Iranian plateau and Anatolia. Somewhere around 3rd millennium B. C. the active trade between Mesopotamia, the Iranian plateau, and Indus valley can be traced through finds to

² *ibid.* (pp-1).

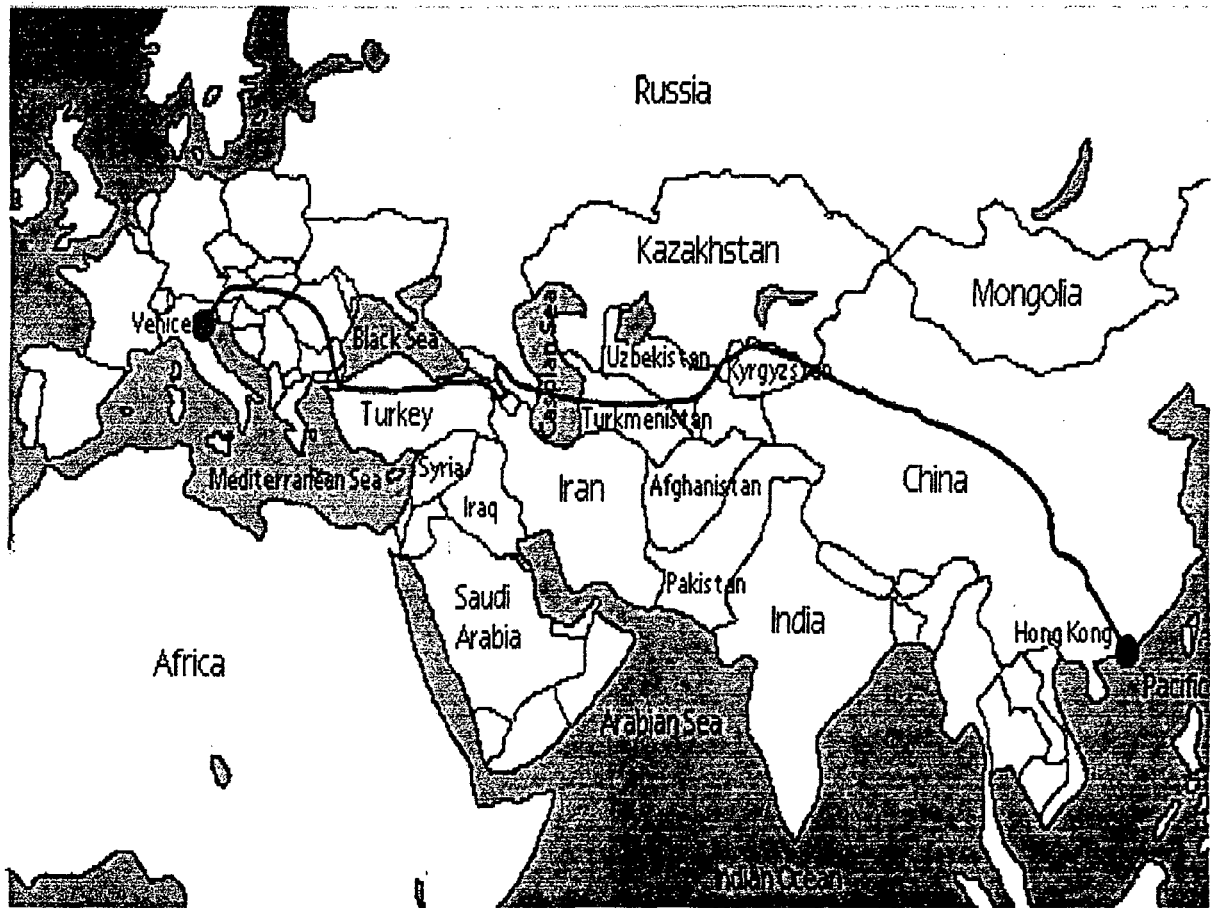
traded goods. Indus valley carnelian beads and inscribed seals, possibly recording names of merchants are found through out southern Mesopotamia. Vessels made of chlorite schist, a soft mineral rock from southern Persia, are also found through out the region. Dilmun (Baharain) was an important Gulf entrepot and trading post of copper form Oman; trading both the main Mesopotamia ports Ur, and Lagash and Indus valley. finds of Gulf stamp seals reflect the extent of gulf trading contacts.

Apart from this, the 'Silk Route', that is compared with "internet connection" of contemporary period, connected the world through trade links during the ancient world history (i.e. the period before 800 A. D.). It can be thought of comprising an East-West network of interconnecting routes linking various Central Asian Kingdoms such as those of Bukhara, Samarkand, Bishkek and Islamabad in the west with major China cities; most notably the Han and Tang dynasty capital, Changan (modern day Xi'an) in the east. This route could be divided into three major sections representing different geographical regions and also different aspects of the silk trade along the Silk Road. These three sections of the Silk Road trade routes are:

1. An eastern section beginning in Changan, China, and running along the northern and southern borders of the Taklimakan Desert to the Pamir Mountains;

2. A Central Asian section crossing the Pamirs and the Central Asian region of Samarkand; and
3. A western section that runs through Persia to the Mediterranean.

Figure. 2.1 The Silk Route in Ancient World History.



Along the eastern section of the Silk Road, the Chinese produced silk to trade or sell to the Central Asian traders and merchants. Merchants from Central Asia would go to the western borders of China and trade their herbal medicines and pieces of jade from Khotan for the luxurious Chinese silks. Then, these traders would transport the silk by caravan through the oasis towns of Central Asia. In the

oasis town markets, the traders would exchange the silk for other goods from traders from the other side of the Pamir Mountains, who would then transport the silk through the region of Samarkand. Other Persian, Armenian, and Jewish traders handled the silk trade through Persia to the Mediterranean regions, where the silks were finally purchased with gold from Rome. The greatest volume of goods was traded along the Silk Road during the Tang dynasty (618-907), particularly during the first half of this period. The Chinese predominantly imported gold, gems, ivory, glass, perfumes, dyes and textiles and they exported furs, ceramics, spices, jade, silk, bronze and lacquer objects and iron.

TRADE IN THE INDIAN OCEAN

Maritime trade routes in the Indian Ocean provided important links between the Roman Mediterranean, East Africa, the Persian Gulf, India, Taprobane (Sri Lanka) and beyond into the East Indies. The rich variety of goods they transported was described in Greek manual from the first century BC, *The Periplus of Erythraean Sea*: hoards of Roman coins have been found in southern India, southeast Asia, and East Africa, while silks and spices from South and East Asia were transported westwards. (see the figure 2.2). The figure shows the trade links spreading like cobweb through out Indian Ocean linking countries and the continents. The oceanic transportation routes adjoining coastal parts of Indian continent to that of the African and South-East Asia show it is an old narrative. These interlinkages

took the stride till Eastern Europe, Middle East through Arab world and the reach till Japan, Australia too was an achieved reality.

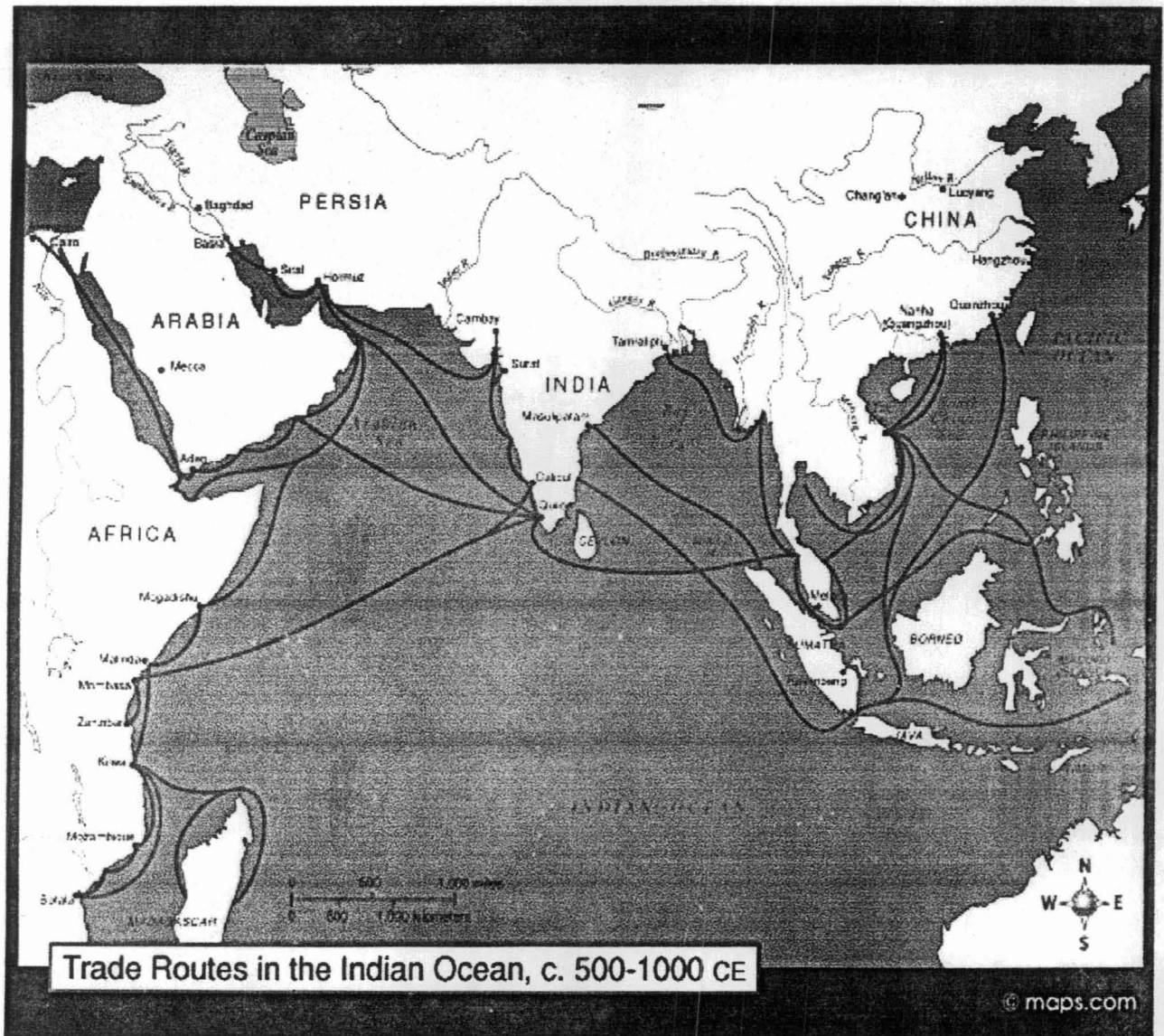


Figure: 2.2 Trade Routes in the Indian Ocean.

MEDIEVAL PERIOD AND GLOBAL SOCIO-COMMERCIAL RELATIONS

Every historical age characteristically represents some unique social, political and economic conditions. Almost all nation-states experienced such unique conditions some time or the other termed features of medieval period. For example, from the decline of Western Roman Empire (476 A. D.) till the disappearance of Constantinople (1453 A.D.) is considered to be the medieval period in European History. This prolonged history of 1000 years is considered serving as adjuncture between old classical age and the modern of medieval period made dent on Indian sub-continent also. From 600 A. D. to 1200 A. D. is believed by historians to be the medieval period of important social formation. This period happened to be the breeding ground of feudal mode of production which engendered distinct social and religious practices. According to R.S. Sharma feudal social formation state, reversion to closed economy, proliferation of caste, regionalisation of art, script and language and germination of *Bhakti* and *tantra*, all took place in medieval period. But traces to such social discourse existed way back in 6th and 7th century A. D. also. These two centuries were connecting link between the fall of ancient and the rise of medieval period.³

Sharma argues the decline of foreign trade, paucity of coins and evolution of closed economy further accelerate the pace of feudal tendencies. D.D.Koshambi,

³ The thoughts of Prof. R.S. Sharma have been expatiated in works of B.N.S.Yadav, R.K.Nandi, Devangana Desai, P.Niyogi, Keshwan Beluthat etc.

same as Sharma theorized the rise in feudal set up in India direct as a consequence of decline in foreign trade and commerce. "Since R.S.Sharma wrote his pioneering study, *Indian Feudalism*, it has been widely held that the early Middle Ages was a period of general economic decline in the North of the Indian sub-continent. There area striking parallels in India in this period to the phenomenon of social reorganization in the face of dwindling resources and decaying communication in Western Europe in the same centuries."⁴ The authors further explain the "global historical factors which appear to have contributed to the decline in prosperity of both areas (i.e. north of Indian sub-continent and western Europe) include invalsion by fresh waves of barbarian central Asian tribes; the closure of the silk route"..... "and the rise of Islam".

Though this period slandered the international commercial transactions in rest of India but coast of Gujrat and Coromandel remained within the network of maritime trade. The most important part of this exchange was tripartite transactions of Coromandel. The three centers of commerce involved were countries of Malaya Island, the Europe and Indian sub-continent. The import of spices in exchange for clothes from Malaya Island to India was on the top. And consequently, spices were exported to the Europe. Initially Arabs and Hindu traders regulated the transactions but later it shifted to the hands of Portuguese. During this period the basket of exports from Calicut coast included white fabric

⁴ Habib and Raychaudhary, 1982. "*The Cambridge Economic History of India.*" Cambridge University Press. Cambridge. p-45.

form Khambhat, greater galanga from Malabar, pepper, and silk from Golkunda. Whereas these exports were paid in the form of Persian horse, pearls, sulphure, musk, dry fruits and silver *tanka*. The trade flowed from ports at southern and western coast of Indian sub-continent (eg Masulipattam, Pulicat, Eli, Quilon. Calicut, Kayal, Malipattan, Nagapattan, and Cochin etc.) to different parts of the world as to south-east Asia . The African continent, central Asia, and even to parts of Europe after marathon voyaging around the African continent through islands like St. Helena and Cape Verde in the pacific ocean. "In the fourteenth century large quantities of luxury textile were imported from Islamic near east for the needs of the sultan of Delhi's court".⁵ ".....in fifteenth century".....Frankish clothes.....for Wazir of Deccan and "Chinese silk and porcelain" for the "use in the kitchen of the Delhi sultanate".

MODERN PERIOD AND THE RISE OF COLONIALISM AND INDUSTRIALISATION

The modern period in world history is back to the collapse of feudalism in 15th and 16th century when navigation had largely developed and trade overseas became an adventure economically lucrative and politically expeditious. Ships sailed across the oceans and human walked across the continent. The engines of world itinerary through the globe were located in erstwhile Europe, wherefrom adventurers and navigators dared to

Berni (140), 311; Massalik,27-28; E & D, III 383-5. As quoted in Raychaudhari, abib.1972.pp-56.

discover the alien lands. It was not completely for adventure purposes but economic and political motive were at the root of such risky and painstaking projects. The development of sea voyage for adventurism and merchandise shipping in the 15th and 16th centuries led to a rapid expansion of commerce. New ocean routes between Europe and the East allowed imports from Asia at lower prices and in greater volume than had been possible by overland caravan. The discovery of the America, in 1498 by Columbus, created trade in new commodities such as tobacco and logwood. Using technology and skills developed in transoceanic navigation, the Europeans captured the Asian shipping trade. European vessels transported Japanese copper to China and India, Indian cotton textiles to southern Asia, and Persian carpets to India. By 1750 the spice trade had been far surpassed in importance by trade in primary products. In the years that followed, commerce was transformed again, this time by the Industrial Revolution. Because the first Industrial Revolution occurred in Europe, that continent was at the center of the global commercial network for much of the 19th century. Between 1750 and 1914, world trade increased in value fivefold. During the 19th century alone, tonnage of international trade through sea routes grew from 4 million to roughly 30 million tons. European merchants carried the bulk of this trade. Industrial growth affected commerce in numerous ways. Initially, the increased production stimulated trade in raw materials. After 1850, trade in grain, meat, and wool also expanded. Europe became a steady importer of wheat from North America, Australia, Argentina, and India, paying for its imports with the products of industry. Both internal and external

commerce suffered setbacks during World War I. Trade taxes and quantitative restrictions were widely imposed, and it took a series of international conferences during the following decade to dismantle them. With the onset of the Great Depression in 1929, commerce was disrupted once more. National commercial policies remained basically unchanged through the end of 1929, but numerous import controls were imposed in 1930 and the following years. Within this framework, domestic and foreign commerce recovered slowly but steadily during the 1930s, only to be interrupted again by World War II. The reduction of trade barriers and the continued expansion of international commerce are two of the notable achievements of the postwar era. Tariff reductions have been accomplished through the General Agreement on Trade and Tariff (GATT)⁶. Although world exports more than doubled in volume and increased in value by a factor of eight between 1954 and 1974, not all countries shared equally in this growth. In contrast, after 1965 the exports of the developing nations grew most rapidly, in part because of the rising value of oil exports from petroleum-producing countries. For the world as a whole, the value of international commerce (exports plus imports) rose from \$643 billion in 1970 to more than \$11.4 trillion in 1999—despite the efforts of some countries to impose import quotas and negotiate voluntary export restraints. The outlook for commerce across national borders was improved in the early 1990s as member nations of GATT signed a major

⁶ The General Agreement on Tariffs and Trade (GATT) was first signed in 1947. The agreement was designed to provide an international forum that encouraged free trade between member states by regulating and reducing tariffs on traded goods and by providing a common mechanism for resolving trade disputes. GATT membership now includes more than 110 countries.

new treaty that struck down many barriers to free trade and established the World Trade Organization (WTO)⁷.

The historical background suggests the parts of the globe have never been in complete isolation from each other. Wars and trade always pushed the *homo sapiens* to venture out of their homes and visit distant lands and people. The watershed in the development of such movement came with the rise new technology in navigation and sophisticated means of information and communication. These provide the man much leeway to establish contact thousands miles away without being physically present there. Now world stands much more integrated and interconnected.

THEORETICAL DISCOURSE ON GLOBALISATION

The theoretical understanding of globalisation suggests it's a wide, loosely defined and casually empirical and evolutionary process. Though such processual depiction of the evolution forms a component of academic theorization, but an in-depth longitudinal study in need of the hour to comprehend this phenomenon through time and space. Ronald Robertson argues "globalisation as a concept refers both to the compression of the world and the intensification of

⁷ The World Trade Organization was founded in 1995 to replace the General Agreement on Tariffs and Trade (GATT). This multilateral organization aims to lower tariffs and non-tariff barriers so as to increase international trade. The 146 member states meet in ministerial sessions at least once every two years. Thus far WTO has organized five ministerial meets, in Singapore (Dec. 1996), Geneva (May, 1998), Seattle (Nov-Dec. 1999), Doha (Nov. 2001), and Cancun (Sept. 2003).

consciousness of the world as a whole."⁸ World bank gives purely an economics account of globalization while it defines the phenomenon as "the continued integration of world's economies through expanding flow of goods, services, capital, labour, and ideas and through collective action by countries to address global environmental problem".⁹

Conceptually, globalization encompasses shifts within the economy, polity, and culture, shifts that are closely connected to the increasing self-monitoring of social action by social actors (see Giddens¹⁰, 1984), the restructuring of time and space, and the systematic production of risk in advanced industrial societies (Beck¹¹, 1992). Waters' *Globalization* (1995) offers a detailed discussion of these terms, their origins, and their contentious employment in discourse. Specifically, his operational definition of globalization as "a social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding" (Waters¹², 1995) is a useful means of introducing the concept to a broad audience.

What is generally observed, "globalization" is a term lacking a shared definition in the academic community. It is used loosely to describe the proliferation of

⁸ Ronald Robertson. *Globalisation: Social Theory and Globalisation Culture*. 1992, pp-8.

⁹ "Entering the 21st century" World Development Problems 1999/2000, Oxford University Press, 1999, p-173.

¹⁰ Giddens, A. *The Constitution Of Society*. Berkeley: University Of California Press. 1984

¹¹ Beck, Ulrich *Risk Society: Towards A New Modernity*. London: Sage 1992.

¹² Waters, Malcolm *Globalisation*. London: Routledge. 1995. p-3.

transnational economic process and organizational structures, and the so-called global village of mass communications (Waters¹³, 1995; Sassen¹⁴, 1995). In its common sense interpretation “globalization” entails a series of generalizations about contemporary society such as the assertion that time and space are disappearing or the claims that there is a growing cultural homogeneity in the world and that Western-style democratic values are exported to non-Western cultures via the new international mass media. But in the opinion of Ferguson¹⁵ (1992), these generalizations are false and tend to produce a false picture of the actual process of globalisation.

The account, which Giddens offers of globalization, differs in content from the aforementioned descriptions the phenomenon. He produces an analysis of globalisation and modernity in which he tries to establish a causal relationship between modernity and globalisation. In his work “*Modernity And Self-Identity*”¹⁶ he posits the argument, that is, the globalisation is consequence of modernity. It should be understood as an interaction between distant global and adjacent local and their mutual mutability. Apart from this correlation his understanding of the phenomenon goes as following: “(I)n a general way, the concept of globalisation is best understood as expressing fundamental aspects of time-space distanciation

¹³ Ibid, pp.11-37.

¹⁴ Sassen, Saskia “*Losing Control? Sovereignty In An Age Of Globalisation*”. New York: Columbia University Press,1995.

¹⁵ Ferguson, Marjorie “*The Mythology About Globalization*”. European Journal Of Communication 7:69-93, 1992.

¹⁶ Giddens, A. “*Modernity And Self-Identity Self And Society In Late Modern Age*” Polity Press, Cambridge. 1991.

Globalisation concerns the intersecting of presence and absence, the interlacing of social events and social relations 'at distance' with local contextuality."¹⁷ The view of "Globalization" as a consequence of modernity, espoused by Anthony Giddens¹⁸ entails that modernity is "inherently globalizing" and, subsequently, the globalization of modernity means little more than the spread of modernity to non-modern societies. There is no agreement whether globalization constitutes an extension of modernity or a different social process, one conceptually distinct from modernity. Nevertheless, Giddens also argues "globalization has to be understood as a dialectical phenomenon, in which events at one pole of a distanced relation often produce divergent or even contrary occurrences at another."¹⁹

Away from the relational account of globalisation there exists another thinker who does not agree with Giddens *intoto*. That is Ronald Robertson. He is perhaps the key person responsible for the proliferation of the term "globalization" in social scientific discourse in the post-1980 period. In his work *Globalization*, Robertson²⁰ offers a summary of the major arguments he developed in the course of the 1980s. He develops a brief periodization of globalization²¹ and his main

¹⁷ *ibid.* p-22.

¹⁸ Giddens, A. "*The consequence of Modernity*". Oxford: Polity. 1990. pp.63-65.

¹⁹ Giddens, A. 1991. *op. cit.* pp. 22.

²⁰ Robertson, R. "*Globalization: Social Theory and Global Culture*". Sage Publication, London. 1992.

²¹ *ibid.* pp.49-60.

goal is to discuss the impact of globalization on institutions and individuals rather than to provide a historical analysis of the process of globalization or the causal factors responsible for it. Hence, Robertson addresses the recent cultural turn in sociology, the fundamentalist global resurgence²², and the manner in which social movements develop ideologies that increasingly have to address a worldwide audience²³. Central to Robertson's argument, as stated earlier, is the idea that globalization involves the "compression of the world". His argument proceeds from this premise to trace the social consequences of this compression to individuals, states and social groups into a organically unified whole.

In sharp contrast to Giddens, Robertson considers modernity to be a consequence of globalization²⁴ and not vice versa (to recollect Giddens argues globalisation to be the consequence of modernity). This interpretation of globalization has important ramifications. Obviously, globalization is either a consequence of modernity which had spreaded its wings in the second half of nineteenth century or a social process broader than modernity is open to larger intellectual discourse.

The other entirely different piece of thought emanates from the writings of Immanuel Wallerstein²⁵ (1991). He makes vividly the use of historical method in understanding the phenomenon. The relevance of time and space for social theory

²² *ibid.* pp.32-48.

²³ *ibid.* pp.61-84.

²⁴ *ibid.* pp138-145.

²⁵ Wallerstein, Immanuel. *"Unthinking Social Science: The Limits of Nineteenth-Century Paradigms"*. Polity Press in Association with Basil Blackwell, 1991.

has been discussed by him in his attempt to “deconstruct” conventional academic disciplines. Contrary to Giddens, Wallerstein has explicitly criticized the modernization paradigm over the last 25 years. The entire intellectual and institutional enterprise known as “world-systems theory” or “world-systems analysis” (Wallerstein, 1974²⁶, 1991) entails the critique of the modernization school and the development of an alternative viewpoint on (economic and social) “development”. In *“Unthinking Social Science”* the target is still the traditional modernization paradigm, especially as it pertains to the concept of development²⁷. In particular, Wallerstein²⁸ (1991) questions the conventional interpretation that modernity involved a radical break with the past in the post-1800 period for in his view, the origins of modernity have to be sought in the creation of a modern world-system back in the 16th century (Wallerstein, 1974).

ORIGIN OF GLOBALISATION

The present study doesn't telescope globalisation to be of recent and sudden origin. Though academically there are two divergent views on its origin. One which considers it to be the phenomenon acquired its present gigantic form just two to three decades back i.e. 1980s onwards and second traces its origin way back in late medieval period with the rise of imperial forces originated in erstwhile Europe. The historical background study suggests the existence of global interaction at

²⁶ Wallerstein, I. *“The Modern World System I”*. Academic Press, New York. 1974.

²⁷ Wallerstein, I. 1991. op. cit. pp.41-124.

²⁸ Wallerstein, I. 1991. op. cit. pp.5-21.

social, economic, cultural and political level during almost all epochs of history (except during the medieval period when rise of feudal tendencies after the decline of glorious ancient period diluted the degree of international intercourse). The present form of the process is only a more organically interrelated sophisticatedly interacting structure of different nation-states at the world level. This form has been arrived by the procession none other than the evolution through time and space. This evolution is the corollary of many factors. As outdoor venture of man discovered him alien lands falling in his neighborhood caused an expanded network of economic activities. Moreover, this also engendered close cultural interaction which exchanged myriad cultural traits and specialities. It was a sapling which is ultimately assuming intensive dimension leading to alleged “global cultural integration”. Apart from this, faced with natural calamities on the one hand and availability of natural resources on the other, knowledge accumulation and its application for general good came to be constituted a part of socialisation. This knowledge application through heuristic methods proliferated into technology which is on the march to further and further development. The technological dimension, which posits the origin of globalization in contemporary times, traces its preliminary origin in ancient past.

The other factor, which distinguishes present globalisation from the economic exchanges in past is rapid growth in the volume of international trade. The argument, which can be put here, is that the expansion of global transactions

during that cannot be held to be an independent variable. But it has many correlated pushes. For example, improvement in health care and medical facilities effected sharp decline in mortality whereas fertility stood almost at the same rate during the third quarter of nineteenth century. As a consequence, this period witnessed a steep rise in population. Such a change inflated the demands for material needs, and erstwhile technological developments helped complementing the existing supply of goods and services to quench these demands. Transportation developed rapidly aiding to reach the people in need. It assumed both national and international dimension to integrate the world through concrete transportation and its abstract form by the way of information technology. InfoTech has interlinked the world in much better and meaningful way. But instead looking at globalisation as a phenomenon of recent origin, it should be historically located through “need and supply” hypothesis. This hypothesis telescopes that mounting population pressure ballooned material needs for survival, the supply of which came through expanded transportation links nationally and internationally which at present is being pronounced as globalisation. This is a hypothesis which does not anticipate that in any epoch of history world integration did not exist. Away from such a theorizing some thinkers have posited globalization to be not more than one and a quarter century old. Deepak Nayyar is one among them. Here are some of his observations about the emergence of this phenomenon. He has addressed this historical event tracing its origin in the last quarter of eighteenth century.

Globalization: Old and New

Globalization is nothing new. In many ways, the world economy in the late 20th century resembles the world economy in the late 19th century. The fundamental attribute of globalization then and now, is the increasing degree of openness in most countries. The openness is not simply confined to trade flows, investment flows and financial flows. It also extends to flows of services, technology, information, ideas and persons across national boundaries. There can be no doubt, however, that trade investment and finance constitute the cutting edge of globalization. The past two decades have witnessed an explosive growth in international finance. So much so that in terms of magnitudes, trade and investment are now dwarfed by finance.

The four decades from 1870 to 1913 were the age of *laissez faire*. There were almost no restrictions on the movement of goods, capital and labour across national boundaries. Government intervention in economic activity was minimal. This first phase of globalization coincided with what Hobsbawm (1987) has described as 'the age of empire', when Britain more or less ruled the world. The second phase of globalization, beginning in the early 1970s, coincided with the political dominance of the United States as the superpower. This political dominance has grown stronger with the collapse of communism and the triumph of capitalism, which has been described by another contemporary historian

Fukuyama (1989) as 'the end of history'. It would seem that in both phases, globalization required a dominant economic power with a national currency that was and is acceptable as international money.

During the period from 1870 to 1913, an overwhelming proportion of international trade was constituted by inter-setoral trade, where primary commodities were exchanged for manufactured goods. During the period 1970-1990, intra-industry trade in manufactures, based on scale economies and product differentiation, constituted an increasing proportion of international trade. During the present phase of globalization, an increasing proportion of international trade is intra-firm trade, across national boundaries but between affiliates of the same firm.

The fundamental difference between the two phases of globalization is in the sphere of labour flows. In the late 19th century, there were no restrictions on the mobility of people across national boundaries. Immigrants were granted citizenship with ease. Between 1870 and 1914, international labour migration was enormous. Since then, however, international migration has been reduced to a trickle because of draconian immigration laws and restrictive consular practices.

The present phase of globalization has found substitutes for labour mobility in the form of trade flows and investment flows. For one industrialized countries now import manufactured goods that embody scarce labour. For another industrialized countries export capital which employs scarce labour abroad to provide such goods.

The advent of international capital has meant significant political adjustments in the contemporary world. It has induced a strategic withdrawal on the part of the nation-state in some important spheres. Thus, nation states are not the key players that they were in late 19th century during the first incarnation of globalization. They remain the main political players but are no longer the main economic players. The process of globalization has been uneven over time and across space. The inequalities and the asymmetries implicit in the process, which led to uneven development in the late 19th century, mostly for political reasons are bound to create uneven development in the late 20th century, mostly for economic reasons.

Deepak Nayyar

Excerpts from the author's Presidential speech at the 78th Annual Conference of the Indian Economic Association in Chandigarh in Dec. 1995.

GLOBALISATION: A CONTEMPORARY PHENOMENON?

The reason why recent times, past two or three decades, considered as age of Globalisation is because of "rapid rates" and couple of political change at international level. Here meaning by "rapid rates" is by the growth of international trade and commerce, production and consumption of goods and services, migration of labour and technology, transportation by air, water and land routes, multinational corporations, InfoTech, computers, mobiles, internet and blah-

blah.... Quintessentially, an excessive consumerism and vulture capitalism. Arguably, this cannot be claimed that all these factors were conspicuously absent in the past history. InfoTech and MNCs, though, are of contemporary origins but only these two don't solely constitute globalisation. Other things, which existed in past, have inflated only in their volume and any shift in sectoral transactions is the result of technological achievements of different countries and evolving comparative economic advantages in trade and commerce.

The political and economic changes at international level which, majorly, pushed the spate of globalisation, are (a) the collapse of the Soviet union; (b) the emergence of east European countries like Hungary, Poland, Czechoslovakia, Bulgaria, Romania, East Germany and so on, which were earlier the satellite of erstwhile USSR; and (c) China's shift towards market driven economy. All these development took place in last almost two decades which contributed ultimately to the alleged "repaid rates" hypothesis. Hence the present face of globalisation is nothing more than acceleration in "the rates" of economic transactions. So its roots deep in all epochs of history cannot be falsified and the present face it is little more than its evolution towards complexity and heterogeneity.

TYPES OF GLOBALISATIONS

The process of globalization (so called) is not happening in any particular sphere. According to Allen and Massey "...there appears to be a number of globalizations, a number of worlds taking shape. There is a globalization of telecommunications, the globalizations of finance, the globalization of culture.....the globalization of environmental concerns, and that of the indigenous people"²⁹. The dimensions of national development which are under influence of this monster, are legion. Starting from national political sovereignty, to technological, economic, cultural, environmental aspect of all nation-states are not completely secluded by this phenomenon. On the basis of its effects on different aspects of socio-cultural fabric it is classified into various types. A few of them are discussed under following expatiation.

Political Globalization

Political globalisation is as Mittleman (1994; 429) terms "emerging worldwide preference for democracy."³⁰ The decade of 1980s and 1990s witnessed emergence of democratic polity breaking the shackles of authoritarianism in many countries. The collapse of the USSR & many communist regimes is an example to it. These political changes did not often occur solely as a result of spontaneous, fragmented efforts by

²⁹ Allen, J. and Massey, A. (eds) "*Geographical Worlds*", OUP, Oxford, 1995. p-3.

³⁰ Mittleman, J. 1994. the globalisation challenge: surviving at the margins. *Third world quarterly*. pp.427-441.

individual civil societies and opposition political parties. In many cases they were also the result of the interaction of domestic and external factors.³¹

The demise of former Soviet Bloc and its regional communist allies, during from second half of 1980s, provided impetus to the people perishing under authoritarian polities to demand for democracy. Western capitalist governments, during the cold war era, gave a blind eye to the acts of countries with poor democratic record in the garb of scuffling the ghost of communism. But democracy and “good governance” accepted the central place as soon as the boat of communist bloc capsized. This helped capitalist countries spread their tentacles by compelling nascent economies through international financial institutions and their sophisticated technology to adopt democracy and have fundamental rights in their constitutions. Few call it a ‘hidden agenda’. Hence some comparative analysis of democratization outcomes now appear interested in the impact of external actors, in both county-specific and regional context. This reflects the fact that both, the western governments and various international organizations such as the European Union, not only proclaim general and theoretical commitment globally to encourage democracy, they have also increasingly “put their money where their mouth is”. It is also well documented that such external agents both government and non-state actors were important in recent moves to democracy else where. In sum, to understand recent democratisation processes in various countries we need

³¹ Haynes, J. 2001, *Democracy In Developing World*. Cambridge: Polity.

to take in to account external actors and their interactions with domestic agents. Hence it can be argued that democratization outcomes — the main manifestation of political globalization — can be significantly affected by globalization.

Another aspect of political globalization is gradual but constant withdrawal of the state (i.e. governments are on the way to dilute their public activities) globally, from its welfare and developmental activities. Not only MNCs are thirsting their way into state related action but also the trends have appeared non-governmental organization occupying the centre stage in near future. The public choice theory sprouted in early 1980s posits the supply of services to be provided by the one who can provide it best. The theory restricts the functional domain of governmental activities to little more than the maintenance of law and order. This theoretical preference is enjoying proliferation through the efforts of international economic agencies like World Bank and IMF. The national governments are compelled to withdraw under pressure and give way to liberalization and privatization. The trend is in vogue these years. Thirst for rapid economic development and faced with fierce global competition, surrenders the nascent economies to the diktats of these international financial agencies. This thread of globalization shows a black face of it and the avoidance of which has become global incapability.

Technological globalization

Technological globalization operates at two level firstly, at macro level where exists as marked shift towards "technological homogenization" i.e., one best way of doing a thing. Though this ideas is contested by post modernists emphasizing on contextuality i.e., regional specificity of technology. But majority of cases highlight (1) a movement towards the 'best way' that may be incorporated the through process of diffusion if it exists prior; and (2) universal spirit to strive for betterment in technology at hand. And secondly, as witnessed the technology spreads democracy. Democratisation has been often facilitated by the ability of both state and non-state actors to communicate, principally via electronic media, enabling ideas, programmes and capital to the speedily transmitted around the world. It is notable that various non-democracies, including China and most Middle Eastern and North African countries, did not democratized during mid-1970 to mid 1990 though this period witnessed cataclysmic global changes. The government of such countries kept a tight grip on their countries, political system by their ability to control communication technology, this was crucially important source of state domination over their citizens. In sum, communication technology way often — but not always — an important factor in recent political changes — especially democratization— where mass media keeps the people at grassroots informed about wider international currents.

Economic Globalisation

Conceptually, economic Globalisation consists of three principal components (1) the spatial reorganisation of production; (2) The interpretation of industries across the border; and (3) The world wide spread of financial markets.³² Like political globalisation, the economics globalisation also was pushed ahead by collapse of erstwhile USSR. Whereas the USSR had since the late 1940s developed a parallel non-capitalist economic system, its demise favoured the movement of capital, labors and goods across national boundaries while increasing international economic competition. Production system and labour markets also defected a degree of transformation as a result of economic change, and the power of organized labor union weakened to pressurise governments to enforce standards, such a minimum wage legislation's, medical and insurance to wage labors etc.

There exist two views about the effect of economic globalisation, the 'optimistic' and the other 'pessimistic'. Optimistic one suggests that the effects of economics globalisation around the world are clear and comprehensive: the mass of developing and post-communist countries is treading towards new liberal economic development (Schulz et al. 2001).

The pessimistic view as presented among others by Hirst and Thompson (1999)³³ contends sharply the optimistic perspective. They argue that economic Globalisation is not global but a triangular phenomenon, of most importance to

³² Mittleman, J. op.cit. 1994 p-429.

³³ Hirst, P. And Thompson, G. (1991) *Globalisation in Question*, Cambridge. Polity Press.

North American, Western Europe and Japan. They highlighted the exclusion of economically marginal regions (Such as sin Saharan. African parts of Asia and Latin America) form the global current of economic development.

Cultural globalization

The idea of cultural globalization reflects a concern that ‘Americanisation or ‘Westernization’ is significantly affecting many Third World and former communist countries’ existing cultures. This can extend to an argument that an important aspect of cultural globalization — western-style liberal democracy and its associated demands for individualistic political and civil rights — is a Western phenomenon with little relevance to many non-western societies. Another important aspect of cultural globalization as earlier traced is global dissemination of identical consumer goods and American style consumer culture. American style consumerism is said to erode particularistic cultures and values, replacing them with a culture of Disney, McDonald’s, Coca-Cola, Microsoft and Starbucks.

Spread by predominantly US-based transnational corporations, such ‘Americanisation’ is said to subvert many local cultures by encouraging people not only to buy American goods and services but also to adopt what are sometimes perceived as “American” political norms such as liberal democracy and to claim individualistic rights. Some East Asian and Muslim countries have sought to meet the perceived onslaught of various aspect of ‘Americanisation’ by articulating defiantly anti-individualistic worldviews, focusing respectively on ‘Asian values’

and Islamism. Taken together — as they sometimes are — both ‘Asian values’ and Islamism are seen by some as representing a significant challenge to Western hegemony. In short, some influential constituencies in many East Asian and Muslim countries dislike the presumption that their own collective orientated societies should supinely accept an imposed individualistic ‘Americanized’ culture that undermines or destroys pre-existing communal values.

Hence the journey of the unit under study ends exposing the points global intercourse that existed during ancient and medieval period of history. The present formulation stands in close boots to that of Chase-Dunn and Stuart Hall theorization of five thousand year world system. Indian society is and unique evidence which provides substantiation to the above formulated hypothesis. The parts of the world were connected and dependent on one another, is a proven hypothesis and population expansion and effectuated the process of migration also. Presently, this historical process, with grown intensity, is being referred to as globalisation.

Chapter 3

Globalisation:
Homogenizing

Or

Heterogenising?

CHAPTER-3

GLOBALISATION : HOMOGENISING OR HETEROGENISING?

Globalization, as according to a perspective, is identical to huge rising tide striking the shore, submerging the sand dunes and mounds near it and flattening all the rise and lows, to a smooth and even landscape. This metaphor is nothing but exposing a homogenizing effects of globalisation. The tide of globalisation would erase differences in style of life, food patterns, dressing tastes, entertainment preferences and what not. It will render this world a homogenous outlook. Whoever may be victorious in such process, but homogenizing effects of this phenomenon has aroused convincing interests among academic circles and socio-political foras to make empirical researches and heated discussions. But question arises, is this homogenization of the world, as after effects of globalisation, so easy? Won't traditional proclivities stymie its way? Won't the people with rich indigenous resources and knowledge cluster around what they call 'their own' protest such misadventures? Won't it be resisted tooth and nail causing radical transformation in local basic cultural fabric? These are the part of

enigma which is often found unresolved as soon as one confronts the flop-side of this growing monster. The protagonists espousing the cause of national concerns fight back the possible imposition of what is alleged as 'cultural imperialism' in post-modern globalising world.

The whole body of present chapter revolves around, among other things, the prospective impacts of globalisation on "way of life" people practice and experience they undergo in day-to-day interactions among their vicinity. While the usage of "way of life" is made, the attention rushes to a more generic term 'culture'. "Culture is way of life" remains a founded dictum in all cultural studies. This way of life incorporates both material and non-material aspects. Hence in order to dig deep into closeness of interaction between culture and globalisation, understanding the contours of culture is solicited both as a mechanism of 'basic need fulfillment' and as of a system of values, norms, sanctions and taboos. Culture is nothing but "an implicit feature of social life.....constituting the underlying assumptions and expectations on which social interaction depends."¹ However, in contemporary societies, the emphasis on implicit or non-material culture is incomplete. That means the material aspects have been dominant while studying the after effects of this phenomenon. In fact,

¹ Wuthnow, Robert and Witten, Marsha, "New Direction In The Study Of Culture". in *Annual Sociological Review*, 1988, 14, 49-67.

in today's world intermixing and amalgamation have been the principal processes in cultural interactions. The Culture today is expressed and negotiated almost entirely through culture as explicit social constructions or products, in other words, through *recorded culture*, culture that is recorded either in print, films artifacts or, most recently, electronic media. The emerging trends in sociology deal largely with various types of recorded culture such as information, entertainment, science, technology, law education and art.²

Without analyzing the contents and effects of recorded cultures as well as the factors that affect the content recorded cultures, it is difficult to understand the role and the aspects of culture that are witnessing a transformation in modern society.

Swidler's (1986) much cited theory that views culture as a "tool-kit" defines culture as "symbolic vehicles of meaning, including beliefs, ritual practices, art forms and ceremonies."³ Bennet (1980) argues culture consists in all of those things that make our lives and the world makes sense. For him, culture is every thing that makes the things speak. He defines culture as ".....the customs and rituals that govern or regulate our social relationship on an day-to-day basis as well as those texts – literary, musical, televisual, filmic – through which the

² For recent reviews of research in some of these fields, following are important studies: Blau (1988); Tuchman (1988); Mukerji (1991); Gamson et al. (1992); and Woolwine(1992)

³ Swidler, Ann. 1986. "Culture in Action : Symbols And Strategies" : *American Sociological Review*, 51, 273-86.

social and natural world is re-presented or signified – made meaning of – in particular ways in accordance with particular conventions.”⁴ Hence, culture encompasses mini- and micro- (day to day activities) to macro- social intercourse. However, the macro- social processes which include the question of values and morality, tend to experience a delayed impact of external cultural aggression because it has its roots in socialization process that has historical legacy. Any introduction of change in this aspect requires perpetual sustained effort on the part of agents of change to strike repeatedly on values and norms that are inherited. The micro- social acts that include the habits and propensities now at hand, tend to change faster as they are dilutely socially tabooed and weakly sanctioned. But the correlation between both the micro- and macro- processes unarguably intricate. The transformation in today’s micro- life patterns wears potential to introduce a change in tomorrow’s macro- social processes. Though the factor of rate of change in both types of intercourse bears importance. Because one changes faster than the other. But the inevitability of transformation can’t simply be denied. Further in this discourse it has been tried to explore what is the correlation between principal corollaries that the process of globalization can bring about.

⁴ Benett, Tony. 1980, *Popular Culture: A “Teaching Object”*, quoted in Tester, Keiteh. *Media Culture and Marality* 1994, London:Routledge. p-13.

GLOBALISATION AND MODERNITY

What constitutes modernity is a complex question. According to David Lyon (1994), this concept “is a phenomenon of great diversity and richness, (and) hard, if not impossible, to summarise”.⁵ Does a shift toward modern way of life stanches a homogenizing effect emanated in the West or it’s a phenomenon that relates to local contextual progress in terms of intellectual development and better resource exploitation. According to some, we have multiple modernities, that will be referred to, later in this chapter. In such a context, the important thing to know is “what is modernity at all?” Moreover, the important project here is to differentiate between the derivatives of the term modern i.e. modernity, modernism and modernisation. All these three concepts have very different provenances: each concept was developed in quite different context for quite different purposes. Their changing saliences for social science are illustrated by their historical appearances in standard works of references. Taking three examples at approximately thirty-years intervals the following sequence appears: in the 1933 edition of ‘*Encycloepadia of Social Sciences*’, there is only an entry for ‘modernity’, defined as an ‘attitude of mind’ in the art world.⁶ In the 1968 edition of ‘*Encycloepadia of Social Sciences*’, there is only

⁵ Lyon, D. 1994: *Postmodernity*, Bukingham: Modern University Press. p-27.

⁶ Kallen, H. M. 1933, *Modernism* : in E. R. A. Seligman and A. Johnson (eds) *Encycloepadia Of Social Sciences*, New York : Macmillan. p-564.

an entry of 'modernization', defined as social change for developing countries, their 'pictures of future'.⁷ And in 1996 edition of the *Social Science Encycalpaedia*, there is an entry for 'modernity' defined as cultural, social and economic change 'which is inherently globalising'.⁸ Despite this immensely wide range of applications— from and art movement to economic development planning to globalisation, these three concept constitute a single cluster of ideas: they have a common concern for newness and change, sometimes celebrating change other times trying to control it.

'What constitutes modern?' a prolific question was explored by A. Inkeles and D. H. Smith (1974) in a major study of modernization in six third world countries, the investigation of prevalent complex of ideas and attitudes linked to 'modernity' provided in further impetus to researches in this area. The conclusions of study suggested that relevant attitude and skills to be 'modern man'⁹ were found in social contexts with more characteristic of advanced industrial countries. They argued that more the time respondents had stayed in cities and working in factories, more their attitudes resembles those associated with the culture of advanced countries. The finding suggested and existence of global system structured largely by the process of diffusion. The underlying reality was gradual convergence around the similar set of modern values and

⁷ Lerner, D. Coleman, J. S. and Dore, R. P. 1968: "Modernisation". in D. Sills (ed.) *International Encyclopeadia Of Social Sciences*. pp-386-7.

⁸ Archetti, E. P. 1996 : 'Modernity'. In A. and J. Kuper (eds.) *The Social Sciences Encyclopaedia* (2nd edn.) London: Routledge. pp-546.

⁹ Inkeles. A. , Smith. D. H. 1974, "*Becoming Modern: Individual Change In Six Developing Countries*", Cambridge. Mass: Harvard University Press.

attitudes. The spread of modern institutions inculcate the values and attitudes and these values and attitudes help reinforce the institutions.

In fact, the state of globalization, which receives its impetus from the rise of capitalism and the ballooning of industrial forces, has been studied in relation to these two. The trace of modernity also has been linked to these two forces (i.e. the capitalism and industrialism) by many of the theorists. Giddens, in his study of globalisation, makes an analysis of interacting forces from distant locations. While he asserts “globalisation can be defined as intensification of world wide social relations which link distant localities on such a way that local happenings are shaped by the events occurring many miles away and vice-versa.....local transformation is as much part of globalisation as the lateral extension of social connection across time and space”.¹⁰ In his next work ‘*Modernity and Self Identity*’ (1991), he produces an argument purporting the modernity as a consequence of transformation at the local level. He argues, “we should grasp the global spread of modernity in terms of an ongoing relation between distancing and the chronic mutability of local circumstances and local engagements.”¹¹ In “*The Consequences of Modernity*”, Giddens puts social relations at the center of his analysis, which comprises four areas:

- (1) the world capitalist economy;
- (2) the nation-state system;

¹⁰ Giddens, A. 1990, “*The Consequences Of Modernity*”, Polity Press, Cambridge. pp-64.

¹¹ Giddens, A. 1991, “*Modernity And Self-Identity : Self And Society In Late Modern Age*”, Polity Press , Cambridge. pp-22-23.

- (3) the world military;
- (4) the international division of labour.

These, he argues, relate to four institutional dimensions of modernity within which the process of globalisation takes place:

- (1) capitalism;
- (2) surveillance;
- (3) military power;
- (4) industrialism.

Giddens turns on modernity contours and process as shaped by capitalism and industrialism, which have been the power engine in the growth of globalisation. But Stuart Hall (1992), Santos (1995), Woods (1997) stand in opposition to Giddens in their analysis of modernity and capitalism. Stuart Hall (1992) breaks from the 'tradition' of identifying modern societies "with the onset of industrialization in nineteenth century".¹² But he goes on to refuse to provide a 'precise date when modern societies began'.¹³ Four 'major social processes' are identified – political, economic, social and cultural – and the transition to modernity consists of their interactions.¹⁴ He was keen on to promoting

¹² Hall, S. 1992. Introduction. In S. Hall And B. Gibson (eds.) *"Formation Of Modernity"*. Cambridge. Polity Press. pp-1.

¹³ *ibid.* pp-8.

¹⁴ *ibid.* pp-5.

multicausal rather than mono-causal explanation of modernity. Hall (1992) admits “the link between capitalism and modernity”¹⁵ but argues that the diverse outcome of modern societies — France, for example is deferent from Japan — proves the economy is not determining, the other three processes being just as important.

The relationship between capitalism and modernity has also been of particular concern for Santos (1995) and Wood (1997) in their recent writings and they both arrive to similar conclusions as that of Hall’s. The first sentence of Santos’s book reads “modernity and capitalism are two different and autonomous historical processes”.¹⁶ Wood is even blunter, asserting that to identify modernity with capitalism “is a fundamental mistake”.¹⁷ Both sustain their arguments empirically in terms of the physical separation of the two processes. Wood equates modernity with the Enlightenment project which ‘belongs to a distinctively non-capitalist society, pre-revolutionary France. The latter is contrasted to England as the birthplace of capitalism. Santos said modernity emerged in the sixteenth century, whereas capitalism became dominant in the nineteenth century. For him, after A. D. 1800 “the two historical processes converged and interpenetrated each other, but in spite of that the conditions and dynamics of their development remained separate and

¹⁵ *ibid.* pp-10.

¹⁶ Santos, B. de S. 1995: *Toward a New Common Sense*. Routledge : London.

¹⁷ Woods, S. M. 1997, “Modernity, Postmodernity, Or Capitalism.” *Review of International Political Economy*, 4, 539-61.

relatively autonomous.”¹⁸ Hence Santos addressed the old theoretical conundrum of relative autonomy of modernity from any economic determinism and highlighted the importance of neo-Marxist formula for avoiding reductionism. Hence, it is still proposition how capitalism, industrialism (the prime movers of globalisation) and modernity are related and the views tend to converge both the ways suggesting their correlation and polarities. The contradictions have mainly centred around the debate what actually constitutes modernity. Why to address aliens way of life modern while turning blind eye to one’s own cultural set up.

Moreover, the oriental societies are experiencing this conundrum to preserve their cultural set up against the onslaught of neo-imperialist forces. The activities of centripetal forces (read ‘conservationists’), which are on the way to rule their mind of local people, have been addressed as indigenous response to agents of psuedo-globalisation. Be it *hindutva* forces or *jihadic* movement at macro-cultural level and anti-big dams mobilizations or demonstrations through the World Social Forum, all are classified as variegated responses, by the theorists, against the rising monster. Prof. C. P. Bhambri, in his work “*Bhartiya Janta Party: From Center to Periphery*” relates the rise of *hindutva* forces at democratic politics of India, only after 1990s, to the introduction of liberalization process in Indian economy. For him, liberalization infused among the people a sense of alienation, separatism and individualism, which disturbed

¹⁸ Santos, B. de S. 1995. op. cit. pp-1.

the feeling of collectivism and community. To regain the lost spirit of integration there was *en masse* march towards religion in order to secure psychological and emotional equilibrium. Hence, Ram Mandir, Mathura, Varansi, uproar that culminated into unfortunate Godhra, can't be viewed as completely delinked from globalization and its other offshoots.

The story differs in no way in case of engendering *jihad* in Arab world, challenging the *pseudo* march of democracy and liberalism in their countries, led by America and Britain. Though the critics have asserted *jihadic* force to be myopic in their outlook and fundamentalist in approach but the root cause of their emergence is agree upon by all, assigning it to the imposed economic, political and socio-cultural frameworks, that hitherto were alien to them. Young individuals are being pushed into what is called the 'clash of civilizations', sacrificing their everything, even lives, for none of their fault. Among many questions one basic denominator is that, can we sustain such a epistemological rupture that is widening, with the passes of time, between the two worlds centering around the opposing perspective by of reality, is yet to seen as time would provides even more inputs in this whole discourse.

GLOBALIZATION AND CONSUMERISM

Globalization involves global expansion of economies, cultures, lifestyles and what not. The success of globalization lies in capitalistic spirit of

market exploration, resource exploitation and profit making. The value system appropriate for the successful transition to capitalist modernizations, is the ideology of consumerism. Wells (1972) suggests the concept of modernization should be replaced by the concept of 'consumerism'¹⁹ and 'producerism'²⁰. But he is not of a good opinion about the consumerism. He denigrates consumerism while he argues that "development requires maximization of producerism"²¹ and consumerism is basically 'antithetical to development'.²² "It is through consumerism that (traditional society) partly becomes westernized and 'modernised'.....incursion of the capitalist system into the periphery entails into two processes: (1) growing intensification of market relations, accompanied by the (2) intensification of consumerism and the diffusion of mass culture, the concentration and differentiation of production"²³.

Peter Corrigan (1997) argues "where there is a subsistence production there will be subsistence consumption: all that is produced is consumed without remainder"²⁴. The waves of consumerism are engulfing the world population like nobody's business. Material life is domineering its non-material

¹⁹ 'Consumerism' involves heightened consumption of luxurious goods especially produced by multinationals.

²⁰ 'producerism' refers to increased mobilization of society's population to work, and to work more productively in non-consumerist sector of the economy.

²¹ Wells, A. 1972, "Picture-Tube Imperialism? The Impact Of U. S. Television On Latin America." Mary Knoll, New York : Orbis. pp-47.

²² Op. cit. pp-47.

²³ Zayed, A. 1987. "Popular Culture and Consumerism in Underdeveloped Urban Areas: A Study of the Cairene Quarter of Al-Sharrabiyya" pp-288. quoted in Leslie Sklair "Sociology of Global System". pp-129.

²⁴ Corrigan, Peter. 1997. "Sociology of Consumption". Sage: London . pp-1.

counterparts. An in the race of societies towards the stage of mass consumption, many questions are left dropped and unanswered. Studies in cultures and civilizations have always converged their focus on consumerism and its after effects (for example one of the founding texts in the area – Richard Hoggard’s (1958) “The Uses of Literacy” – is nothing other than an investigation of culture consequences of changing patterns of consumerism), both these objects came fully to the fore during the 1980s, this was the period when globalization occupied world’s attention by leaps an bounds. The concern with consumption and consumerism reached something like its apotheosis in the pages of the now defunct British magazine *Marxism Today* and, in particular, so called, *New Times* project.²⁵ There is little or no sign of and abatement of the concern with consumption and consumerism even though the consumer boom of 1980s has collapsed into the negative equity recession of the 1990s.

The spread of consumerism is not an accident which lacks the causal explanation behind its origin. Multinationals flood the nations, which appear them to be laden with the consumer starved of luxurious and conspicuous goods produced by world renowned manufacturers. In such a pace of events, the indigenous economic interests are put at stake in the name of ‘available alternatives’ (i.e. multiple choice making in luxurious showrooms), ‘better

²⁵ Hall, Stuart and Jacques, Martin. (eds.) 1989. ‘New Times’. London: Lawrence and Wishart.

quality standard', 'the imported' and what not. Indian markets are ballooning with the number of TNCs thrusting their way every other day and spreading their net onto the gullible minds of Indian consumer. In the area of suitings alone market has **Lee-Cooper, Pepe Jean, Park Avenue, Dash, Levi-strauss, Numero Uno, Denim, Tamarind, Graveira, Pantaloons, Van-Heusen, TNG, Monte Carlo, Live-In, Flying Machine, Raymond's** and many more that provide ranges of choice in tailor-made and ready-made garments. And as usual the Indian nouveaux rich have unquenchable appetite for foreign brands paying directly from their nose.

The automobile industry has provided consumerism yet another impetus. As Pierre Martineau states "the automobile tells who we are and what we think we want to be..... it is a portable symbol of our personality and our position.....The clearest way we have of telling people of our exact position. (In buying a car), you are saying in a sense, I am looking for the car that expresses who I am."²⁶ In fact, the cars have become important 'status markers'²⁷ There has been a phenomenal growth in the ownership of cars in last 15 to 20 years. The major players which have ventured in to Indian markets are **BMW, Mercedes, Chevrolet, General Motors, Mitsubishi, Opel, Ford, Hyundai, Suzuki, Fiat** and many other which have contributed to the significant growth of the automobile industry.

²⁶ In Packard, Vance (1957). *The Hidden Persuaders*. David Makay Col , Inc. New York, p-40.

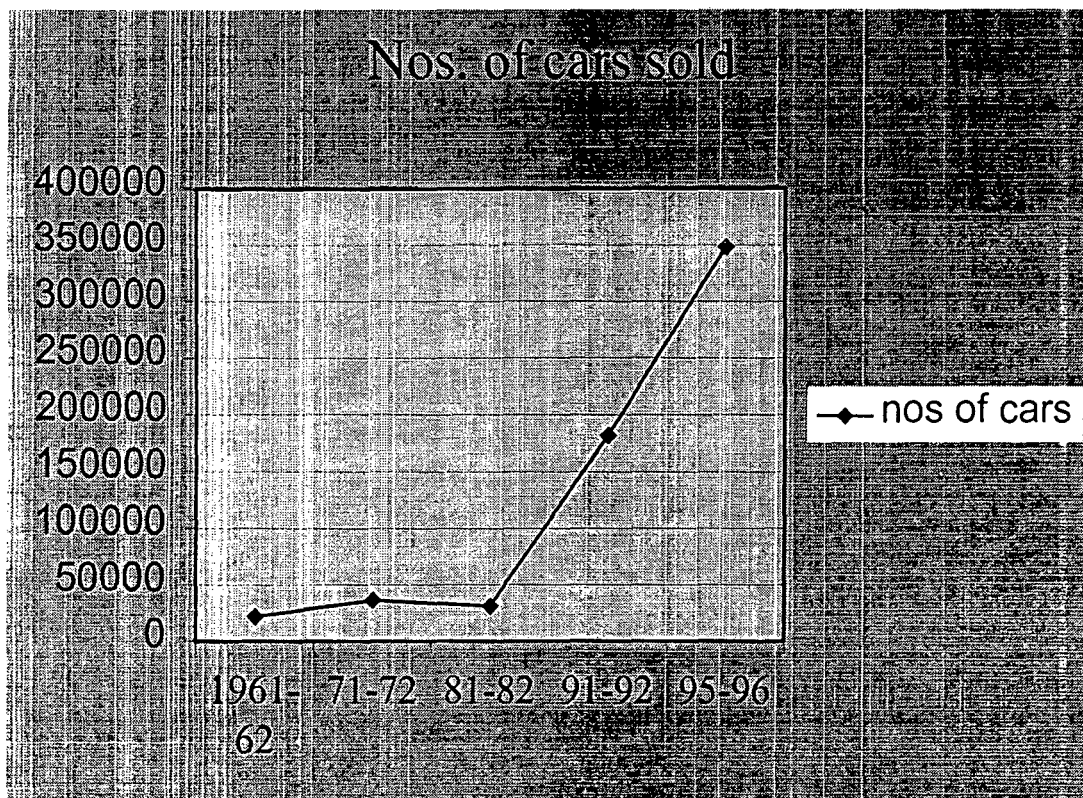
²⁷ Bourdieu, Pierre (1979), *Distinction- A Social Critique Of The Judgment Of Taste*, (Trans. By Richard Nice, 1984) Routledge: Britain. p-2.

The conveyance instead becoming a mean to an end has metamorphosed into end in itself. That means the possession of a luxury big four wheeler adorns the households from middle classes in India, like no other thing can. Maruti and its smaller version have been relegated to the status of 'poor man's car', which exposes typical middle class psychology. Some car manufacturers like Rolls Royce, in order to attach fetish to their product, have made company's policy to sell its cars only to the Heads of the nation-states, diplomatic dignitaries, ambassadors and highly placed industrial houses. The trend of automobile giants launching lucrative models of cars in India is not something that is surprising. The sale of cars also has witnessed a sudden rise during the decade after India adopted the policy of liberalization in early 1990s.

The graph shows that till 1993, Indian automobile manufactures sold a sad stream of 30,000 to 40,000 cars per year, for over a decade. These cars were basically sold to corporate bodies, as they were considered an elitist luxury. The year 1996 was the boom year with the sale²⁸ going up to 4,00,000 cars and 1,20,000 off roaders. (See the figure 3.1).

²⁸ Baig, M. A. & Mackey, M. (1996). "Finance Drives Auto Sales", in *Motoring Times*, Times Of India Oct. 6th 1996.

Fig. 3.1



Source: CMIE in Times of India, 15th Aug. 1997.

The inflating middle classes that effectively includes 'consumers' (32.88%) and 'climbers'(19.72) aggregate into almost 50% of total number of households with purchasing power in their hand(see the table 3.2) and the financing schemes have put wings to their consumeristic imagination. The obsession to secure place among higher classes or the elites over night has transformed them into a materialistic consumer being. Apart from it, the countrywide financing

that is spreading its wing with rapid speed has also contributed to the growth of consumerist spirit significantly, among the Indian masses. The use of plastic money i.e. the credits cards and all time monkey available has transformed the character of the market.

Table. 3.2

Types of Classes	Annual Income Distribution as per 1995-96 prices. (in Rupees.)	Nos. of Households	
		In Nos. (in millions)	%age of Household
Destitutes	< 16,000	33.00	20%
Aspirants	16,001-22,000	44.00	26.69%
Climbers	22,001-45,000	54.1	32.88%
Consumers	45,001-215,000	32.5	19.72%
The Rich	>215,000	1.2	.73%
Total Nos./ %age.		164.8	100.02

Source: Structure of Indian Consumer Market, 1995-96. NCAER.

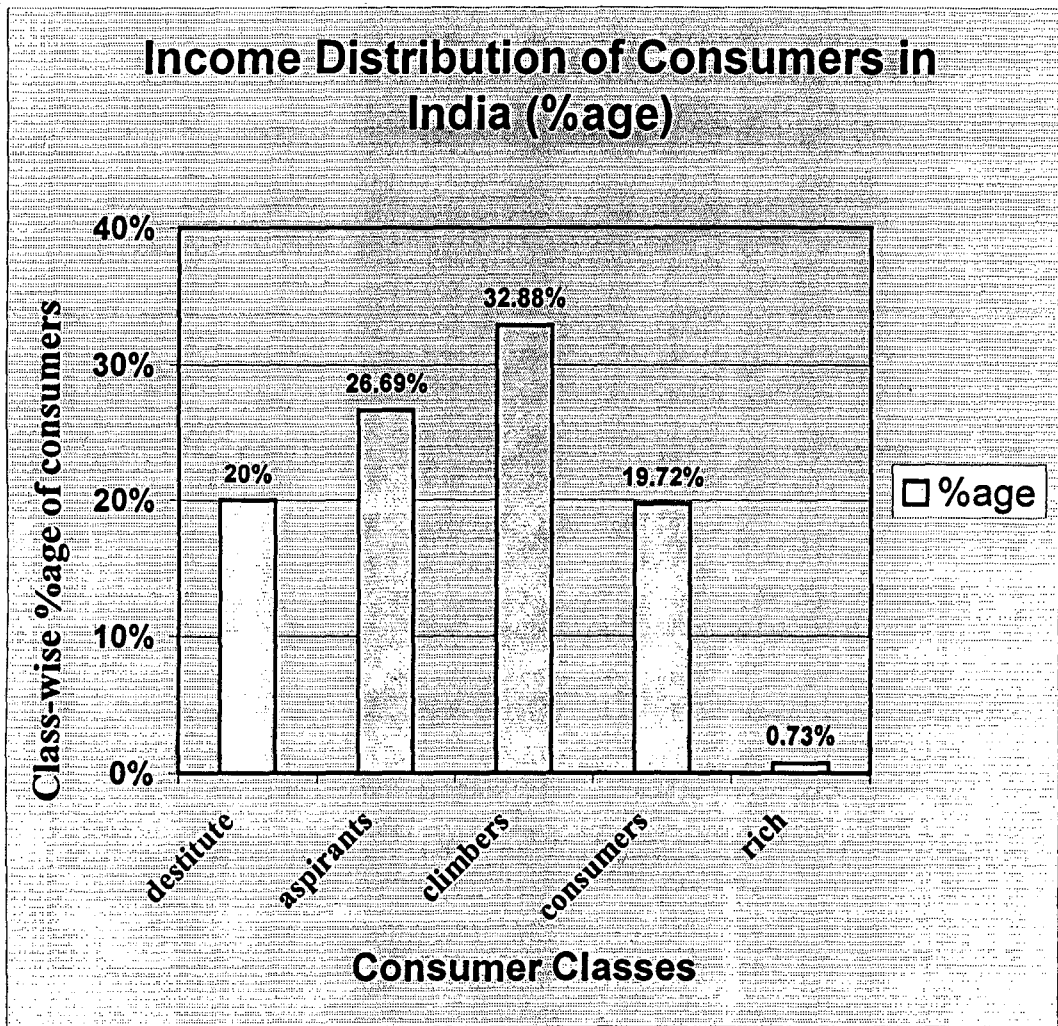


Fig. 3.3

Advertising and consumerism

Moreover, advertising has largely transformed the consumer practices all over the world. The mass consumption and luxurious shopping sprees have enveloped the populace into its fold. The functional importance of advertising is

its capability in engendering the consumer attitude. Consumer attitude involves two basic characteristics, (1) the life is turned into individual affair, individual preference making dominates the psychology and public issues also are individualized; and (2) the personal being of an individual is shaped by his consumption activity i.e. the tastes and choices he/she undertake as and individual. Stuart Ewen (1976) argues “the functional goal of....advertising (is) the creation of desires and habits, in tune with the needs of mass distribution that accompanied the development of mass production capabilities, advertising ...try(ies) to produce.....personal needs which would dependently fluctuate with the expanding market place.”²⁹

How advertising aids to engender consumerism:

- (1) advertising help in associating a product to social status by making it desired either by the society, culture or peer group or by the opposite sex which become movers for the individuals to rush for its buying spree;
- (2) generally national icons whether it be from sports movie or industry are picked to advertise the goods and services . The practice of icon worshipping and blind following provides impetus in sale of the products to a great extent;

²⁹ Ewen, stuart. 1976. *Captains Of Consciousness: Advertising And Social Roots Of Consumer Culture*. London: Routledge. p-38.

(3) it helps transforming 'class society' into 'mass society' which means the variable option available through mass production and dissemination of information about them through advertising, helps lower rungs to opt for goods and services which may not exactly be the same as that of upper strata, but and equivalent of it.

The recent spate of globalization has boosted the potential and opportunities for advertising. The media multinationals active in the global market depend heavily on advertising understandably; the revenue of the latter has also grown considerably. In 1995, forty of the largest advertising corporations, all of which were based in Western Europe, Japan or the United States "spent some \$47 billion on advertising worldwide, \$26 billion of which was outside the United States, an increase of nearly 20 per cent over their spending in 1994."³⁰ According to a forecast by McCann-Erickson, global advertising, \$ 335 billion in 1995, will increase to \$ 2 trillion in 2020.³¹ Advertising, media and the entertainment industry have now become a part of the capitalist substructure and not the superstructure, as they were considered to be by Marx. They no longer merely reflect and articulate the capitalist ideology in various ways but

³⁰ Herman, Edward S. and McChesney, Robert, W. *The Global Media: The New Missionaries Of Corporate Capitalism*, Madhyan Books, First Indian Edition. 1998. pp-58.

³¹ Coen, Robert J. "The Advertising Trends Up To 2020", paper presented at Marketing 2020 Conference, New York City, March 16, 1995.

have become independent proponents of that ideology. As a result, the ideology and culture of the market, where consumption takes place, have become the ideology and culture of capitalism itself. This lends to globalization a cultural dimension which international trade lacked in the period before it began.

GLOBALIZATION AND MEDIA

Media is an important agent of transfer of cultural traits and cultural complexes from place to place. Apart from other measures of cultural interaction at global level, media renders an inevitable service to mankind by updating their knowledge across the spaces. It informs, integrates, updates and props up the global socio-cultural interactions. Media plays an effective role in introducing uniform pattern of life-style. In the present age of globalization, media has occupied a sacrosanct place in the dynamics of intercourse among different societies. The media — except print which lags behind — has become globalised. According to a UNESCO study, world trade in goods with cultural content — such as printed matter, literature, music, visual arts, cinema, along with photographic and television equipment — nearly tripled in the period between 1980 and 1991, amounting to \$ 200 billion then. Since then, it has grown even faster because of satellite technology and other such vehicles.

Herman and McChesney (1998) further point out that “Media operations abroad are not new books, films and music production has been dominated by TNCs

for decades. The striking new arena for global commercial development is television.³² The importance of this can hardly be overemphasized because, as the authors point out, "Television is the defining medium of the age, and it provides the basis for an integrated global commercial media market."³³ The establishment of an integrated global media market began in earnest only in the 1980s and achieved its full potential only in the 1990s. They argue that in "the late 1990s the trend towards a global commercial television industry and the consolidation of a global media market" was "taking a quantum leap with the advance of digital television." Not only television revolution it was even more at that eleven of foreign films and movies, interestingly, Hollywood's European exports (including films, television programmes and videotapes) increased by 225 per cent between 1984 and 1988, to some \$561 million annually³⁴ and the value of its world wide exports increased from \$1.1 billion to \$ 2.2 billion between 1987 to 1991. The global market was becoming more important than the domestic market. In the second half of the 1980s, foreign sales increased from 30 to 40 per cent of US film and television industry revenues.³⁵

³² Herman, Edward S. and McChesney, Robert, W. 1998. op. cit. p-2.

³³ Herman, Edward S. and McChesney, Robert, W. 1998. op. cit. p-2.

³⁴ Tunstall, Jeremy and Palmer, Michael. "*Media Moguls*", London Routledge, 1991. p-26.

³⁵ Ibid. p-39.

THE T.V. AND RADIO RECEIVERS IN INDIA:

Year	Total Nos. of TVs And Radios (in '000s)		Nos. per 1000 Inhabitants	
	Televisions	Radios	Televisions	Radios
1996	60,000	1,13,500	63	119
1997	66,000	1,16,000	68	120
1998	70,000	-----	71	-----
1999	75,000	-----	75	-----

Source: UNESCO, Institute of Statistics, Montreal, The UNESCO Statistical Data Base,

2002. Table. 3.4

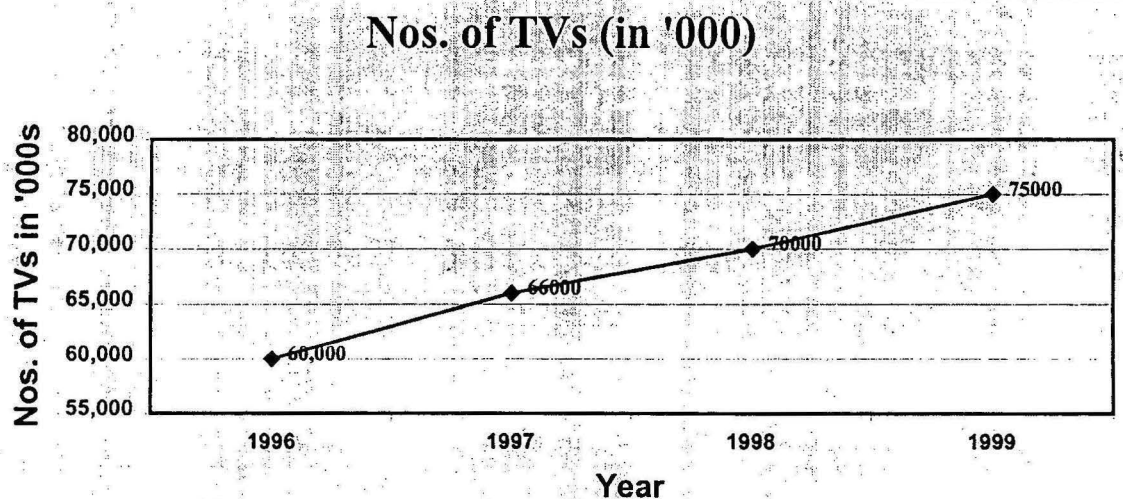


Fig. 3.5

The twentieth century saw the emergence of national-level radio broadcasting, national-level telecasting, national cultural products like cinema and music, all working towards a culture of the nation all over the world, including India. This fragmentation of the mediascape has modified the nature of sociality in our current global media situation. John B.A. Thompson (1997) argues that we now experience (as audience) a mediated sociality, that is: "Our sense of the groups and communities with which we share a common path through time and space, a common origin and a common fate, is altered. We feel ourselves to belong to groups and communities which are constituted in part through the media."³⁶

Television and radio in India also have played a very important role in socialization in accordance with the national interests and the integration of masses in to into the national mainstream. But past one decade and so has been the period of great transformation in terms of the arrival of the satellite channels and cable TV operation. The impact of MTV culture is an oft-repeated topic in socio-cultural discourses. Through a single cable operator service, an average Indian family entertains 65 to 110 TV channels. And interestingly, Indian national television channel shares a very meager amount of willing viewers'.³⁷ These TV channels have contributed to a significant extent the possibility of the

³⁶ Thompson, J.B. 1997. *Media and Modernity: A Social Theory of Media*. London: Polity Press. p-10.

³⁷ Here by 'willing viewer' we mean those persons who, despite having an access to other TV channels, are the constant viewers of DOORDARSHAN.

forays by foreign life style, which has been addressed as neo-imperialism by a bunch of thinkers.

The other agents of media include main telephone lines in operation, users of mobile phones, and Internet subscriber. The rise in volume of these services and the number of persons subscribing it exhibits the democratic and technological development of society. These agents help to connect the people worldwide and enables them to entertain first hand account of the global processes. The analytical study of the statistics represented of table and represent in graphical form suggests that though subscription in mobile and Internet have even been faster. The steep increase in the angle of graph shown (see the figures 3.8 and 3.9) explicate the propensity of the mass of population to rush to these more globalised and sophisticated means of communication.

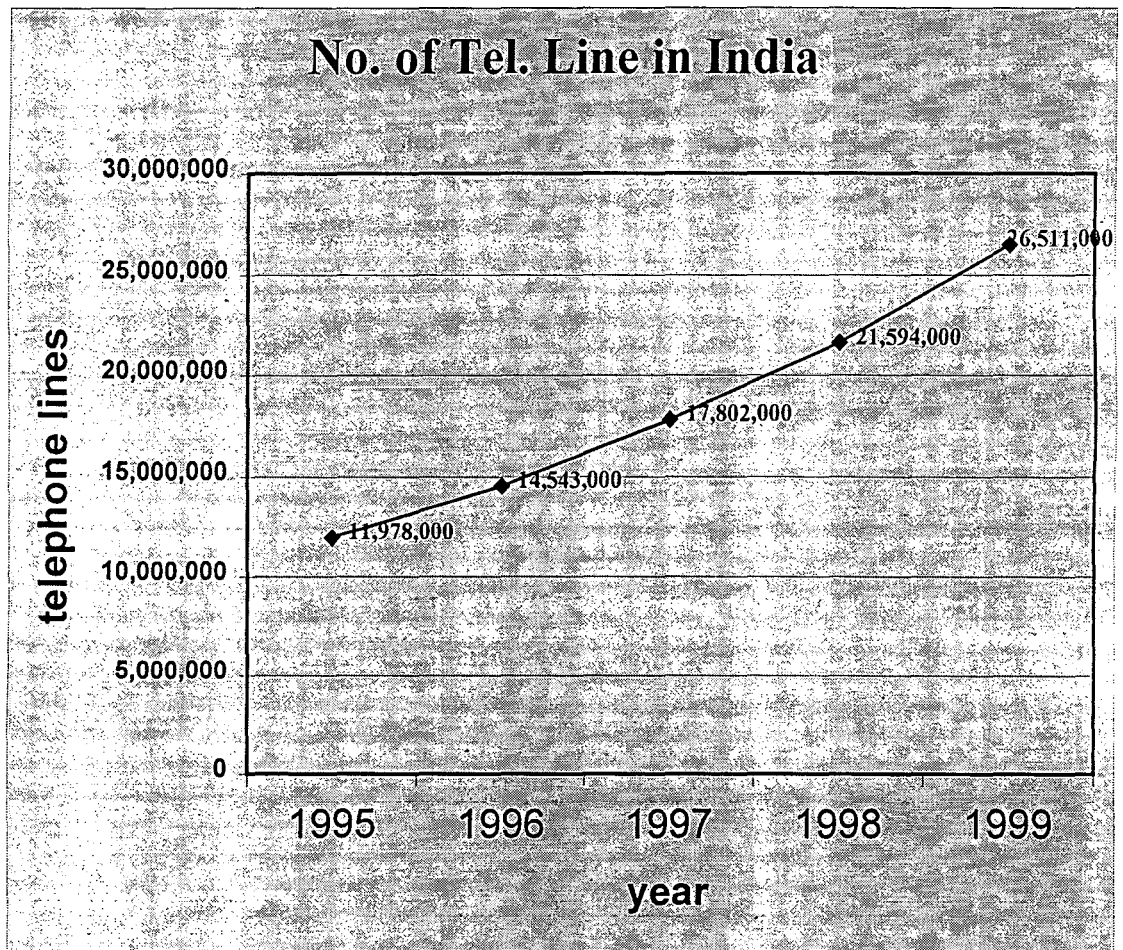
THE NUMBERS OF MOBILE PHONE, INTERNET USERS AND MAIN TELEPHONE LINE IN OPERATION (Table 3.6).

Year	Mobile phone users	Internet users	Main telephone line in operation	
			Total nos. in '000s)	per '000s Inhabitants
1995	76,680	2,50,000	11,978	13
1996	3,27,967	4,50,000	14,543	15

1997	8,81,839	7,00,000	17,802	19
1998	11,95,400	14,00,000	21,594	22
1999	18,84,311	28,00,000	26,511	27
2000	35,77,095	50,00,000	-----	

Source: UNESCO, Institute Of Statistics, Montreal, The UNESCO Statistical Data Base, 2002.

Fig. 3.7



Interestingly, the growth rate of mobile subscription, initially after mobiles' introduction in 1995, has jumped every year almost to the scale of two to three hundred per cent. With some nations players in mobile telephony every part of India has its regional service provider. Airtel, Hutch, Idea, Orange Indicom, Reliance, Oasis, Escotel, BSNL and other regional players have transformed every village into a global rendezvous. All are connected to all.

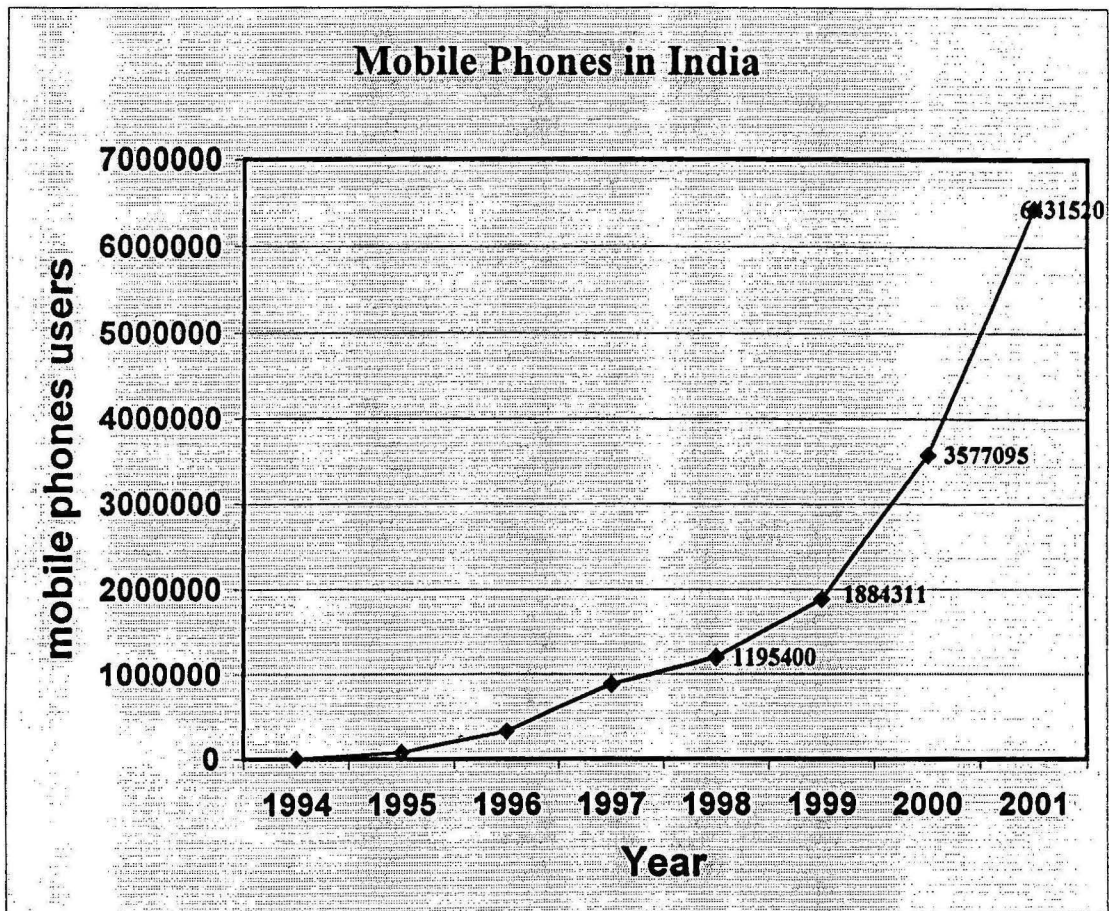


Fig. 3.8

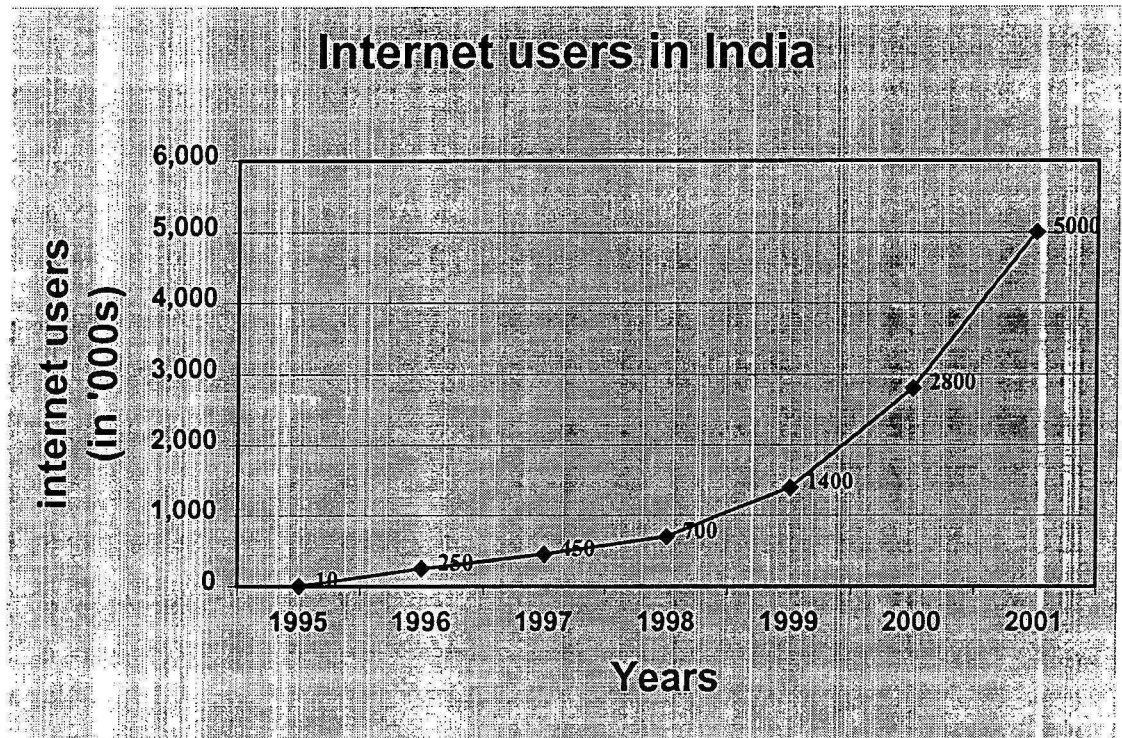


Fig. 3.9

In the end we find, British sociologists David Morley and Kevin Robbins write: “as an antidote to the internationalization of programming, and as compensation for the standardization and loss of identity that is associated with global networks. The kind of situated meaning and emotional belonging that appear to have been eroded by the logic of globalization”(1995, pp-35). This suggests that even economically more powerful nations than India are feeling culturally threatened by the impact of global media. However, all too often this is theorized within the discourse of identity politics or another position that Morley and Robbins argue, as a ‘reterritorialisation’ of the media to put these

issues into this kind of grid of identity politics depoliticises and deproblematizes the issues involved.

GLOBAL AND LOCAL DISCOURSE

The recent debate on the impact of globalization centers around how it can influence the 'local' cultural fabric. Importantly, here the terms which are made use of in academic discourse to address this debate need meaningful elaboration. These are the terms 'local', 'indigenous' and 'community'. They are used as a substitute to one another and tend to have a overlapping meaning with one another. In fact the most enigmatic of them is 'local' and there exists a mass of confusion on how to go about defining and demarcate local. Because the moment something is addressed as related to local geography or knowledge structure the controversies are created by the vested interests emanating from global capitalist structure. The examples include the controversies over *Neem*, *Darjeeling* tea, turmeric, *Basmati* rice and many more which still have to come to the fore. The present discussion does not go into the details of these controversies and tries to explore how theoretically local is differentiated from the global.

In this discourse the main queries are does 'local' totally stand apart from what is called 'global' in its agents, contents and institutions *intoto*? What should the area of jurisdiction of it be and methodology to

decide about this? Like this many questions which haunt an observer while one studies the intercourse between the two forces i.e. local and global. Many thinkers have expressed their views on these issues. Margaret Stacey (1969) argues for locality as an network of institutions : "... 'the locality' is a context in which one can explore for hypothesis about interrelations of institutions."³⁸ In fact, the definition of terms like local, localism, locality and localization, all refer to place and distinctiveness of that place³⁹ (O'Riordan, 2001). But this distinctiveness of is no more preserved because of the process of diffusion through time and space has hybridized the character of 'local'. On the other hand Meegan (1995) argues "social relations make places, make local worlds.....(that) are not confined to that place This complex geography of social relations is constructed. And it is the combination over time of local and wider social relations that give places their distinctiveness."⁴⁰ Allen and Massey (1995) present a more comprehensive perspective of local correlating it with broader 'global' context. They argue "if we wish to understand the local character of our lives, the changing nature of the place in which we are part and what it is that makes us distinctively local.....we are part of

³⁸ Stacey, M. 1969. pp. 138-139.

³⁹ O'Riordan, Tim. 2001, "*Globalism, Localism And Identity*". Earthscan Publication Ltd. London and Sterling , VA, PP-37.

⁴⁰ Meegan, R. 1995. "*Local Worlds*" in J. Allen and D. Massey (ed.) "*Geographical Worlds*"..... pp-55.

more than one world . We live local versions of world and in doing so we have to locate ourselves within the wider global context.”⁴¹ Extending the discussion a step ahead by incorporating few more derivatives of local, one comes across the terms localization and localism. Both differ from each other in terms of their processes and functions. Localization involves a flow, a movement converging to into certain direction. As Tim O’Riordan (2001) argues “globalization and localization are processes of change that impact on economies, cultural environments in a way that are both global and local. Such changes may take place at any level of local organization.”⁴² Whereas globalism and localism are socially and politically framed interpretations of these changes and area processes of responsiveness and adaptability mediated and defined by various institutional arrangements.

Though such processes (i.e. globalization and localization) the reality takes such a shape which largely is determined by the relative strength of their forces. Local cultural contents are globalized and global takes place through the process of adjustment, accommodation not exactly through co-operation among local and global forces. Locals incorporate as alien elements and traits many times for cultural convenience while some time they succumb to imperialistically imposed ways and means. On the other hand, profit making is

⁴¹ Quoted in Tim O’Riordan, 2001, pp-37.

⁴² Ibid. pp-3.

only *raison d'etre* behind the reshaping of global forces into local network. It is apparent through the market strategies of Trans National Corporations (here after TNCs) like *McDonalds*, *Coca colas*, *Pepsis*, and many other alike changing their colours during local cultural fests and celebrations like *Deepawali*, *Holi*, *Id*, *Christmas*, *Karvachauth*, *Durgapuja* and a lot others by offering myriad of choices and alternatives to consumers to cash on the mood of day . for example, *McDonalds*, *Pizza Hut*, *Nirula's* etc. offer special *navratra food* during the days before *Dusshera*. *Nestle* and *Mother Dairy* come up with special low rates packs of chocolates as a potential substitute to sweets on the eve of *Deepawali*, *Rakshabandhan*, *Id*, and *Christmas*. And very recent example of local incorporations from Chevrolet, the luxury car manufacturing TNC while husband escorts the wife to a sea shore on a pleasant evening of *Karva Chauth*, and as not normally found in typical cars the roof opens and grand beautiful lady peeps out of it to have a glimpse of moon through the sieve she holds. Both share the smiles to each other and push up for at hoe celebration. The making of fortunes by the global profiteers during when local psychological mercury is at it speaks, is nothing new among foods, fabrics, electronics and automobiles related TNCs. They hijack nations icons like *Tendulkars*, *Dravids*, *Bachchans*, *Khans*, *Paes*, *Bhupatis* and many more to exploit national sentiments placing them among their worshipped idols. The depiction of local culture to market their products, have become oft-repeated narrative among these TNCs.

J. C. Kapur argues after “(the historical) colonial conquests exploited other nations and cultures and now to bring other societies into its consumerist orbit through exploitative economic globalization, the system is systematically attempting to pulverize the religious, philosophic, aesthetic and scientific structures of other societies, this is disrupting the process of social evolution, sparked by the societies’ own psychic and cultural resources, economic needs and compulsions towards building more orderly and harmonious civilizations of their own . The ‘re-culturations’ of other societies into a consumerist cultural system has become a planned but unstated objective of globalisation with the ultimate objective of bringing people from diverse culture into a single civilisational model.”⁴³

GLOBALIASATION Vs. LOCALISATION

The primary characteristic of local is its distinctiveness in a given space. This distinctiveness is not only contemporary but traces its roots in ancient past. The whole discourse of biodiversity revolves around it, though bio-diversity has more to do with botanical and zoological specificity of and area .The spectre of globalisation does not spare biological distinctiveness also and ‘profitoxicated’ capitalists exert to grab hold of them to inflate their treasuries.

⁴³ Kapur, J. C. “*Towards A Philosophy For A New Humane Order*” World Affairs, Oct.- Dec. 2003, Vol., Pp.38-61.

The cultural distinctiveness of an area involves the cultural traits, specialties and complexes concentrated in a particular geographical surroundings, and associated to it exclusively through historical origin. The enigma crops up, after a high intensity global interaction how a local can remain intact and pristine. Different points of view exist on this discourse. Local transformation, for Giddens, is not counter-globalisation but a consequence of the global spread of institutions of national self determination and democratisation. To him, it is nothing but a spontaneous global exposure of spatial forces. But fragmentation of the world does not seem visualized by him. The crucial factor emphasized by Giddens (1993) as earlier cited is the implosion of the space and time dimensions. In this process the new media has come to play a crucial and determining role in the exchanges that characterize the processes of globalisation. The ICE (Information, Communication, and Entertainment) age has made global financial interaction a possibility and the world economy has come together in ways that are markedly different from preceding eras. Of greater interest to cultural critics like myself is the circulation of images that are instantaneously available at any point in the globe. This has led to much talk of the ubiquitous 'global' culture that has supposedly evolved and which is threatening the existence of the heterogeneity of local cultures and identities. Moreover, Mike Featherstone radically from this view of culture and sees no inscribed logic, which requires an inexorable movement towards 'cultural homogeneity' and 'integration'. Indeed he is skeptical to any approach to

culture that views it as either homogenizing or fragmenting, preferring, instead, to ask how such possibilities became 'frames of reference for comprehending culture'.⁴⁴ More recently, however, globalization has been described as a process of fragmentation (Friedman 2001) and a conduit for processing the death of 'originary', of constructing diversity and new identities (Bhabha 1994). The majority of the viewpoints expressed, espouse the possibility of non-occurrence of a socio-cultural homogenization as a after-effect of global actors dancing at the door of every nation-state. There would be intermixing of actors at methodological level, which would not potentially threaten the existence of the local. Though the termination of small and petty bourgeoisie with the advent of TNCs would sail the debate onto entirely different stream of thought. At cultural level local forces advocating for indigenous interests and the social instinct inbuilt among individuals through socialisation can be ignore by TNCs only at the stake of their own existence. Despite all this, the element of deviation from normal way life in marketing their products by TNCs would always be a part of advertising agencies. But at a broader level, social change to that degree of deviation displayed at TV screen or in some magazine would do little more than attracting the attention of consumers (or the voyeurs if such piece of act is arousing).

⁴⁴ Featherstone, M. (ed) 1990, *"Global Culture: Multiculturalism, Globalisation And Modernity"* Sage: London, pp.1-2.

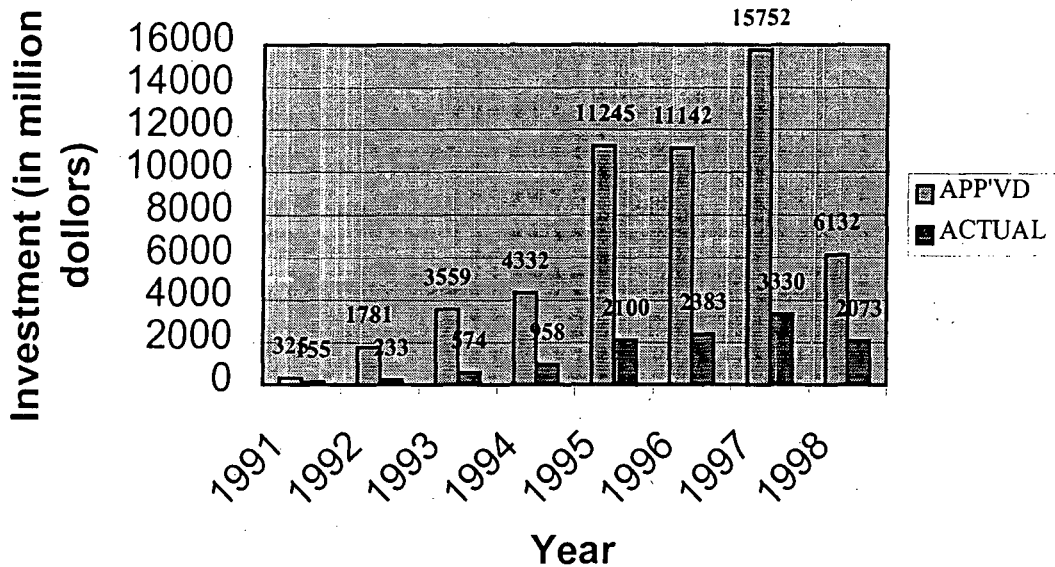
GLOBALISATION AND FOREIGN DIRECT INVESTMENT⁴⁵ IN INDIA

This was only after India ushered into an era of liberalization in early 1990s, that she started pursuing a proactive policy to attract FDI. The industrial policy of 1991 provides a fairly liberalized policy framework to make India a lucrative destination for the foreign investors. India has a number of advantages to offer to potential foreign investors. Among these are: political stability in democratic polity, a vast domestic market, an economy characterised by economic growth and a single digit inflation rate, a large growing pool of trained manpower, a strong entrepreneurial class, fairly well developed social and physical infrastructure, a vibrant financial system including a rapidly expanding capital market and diversified industrial base. According to A.T. Kearney's FDI Confidence Index Report, global investors upgraded India to sixth most attractive FDI destination worldwide in 2003, from 15th in 2002. Indian ranking was seventh in 2001, 11th in 2000, sixth in 1999, seventh in 1998 and fifth in 1998.⁴⁶

⁴⁵ The FDI can be defined as the purchase of land, equipment or buildings or the construction of new equipment or buildings by a foreign company. FDI also refers to the purchase of a controlling interest in existing operations and businesses (known as mergers and acquisitions). Foreign direct investment occurs when a corporation headquartered in one nation invests in a corporation located in another nation. Investment by firm based in one country in actual productive capacity or other real assets in another country. The World Bank defines FDI as 'net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor'

⁴⁶ <http://www.embassyofindia.com/IndiaNewsJanuary2004/page2.html>

FOREIGN DIRECT INVESTMENT: ACTUAL FLOWS vs APPROVALS



(Fig 3.10) Statistics from the website: <http://www.indiaonestop.com/economy-fdi.htm>

Despite this fact the trend of foreign investment in India have not been encouraging over the years. There exists a sharp difference between approvals made and the actually received FDI in this country (see the figure 3.10). The statistics shows that actual investment has not been even half of what was approved by authorities in a given year.

This discrepancy witnesses a jump during recent years, as initially just after the economic reforms of 1991 India pursued foreign investment cautiously. The years of 1995, 1996, 1997, (as shown in figure 3.10) the actual investment has not crosses even 30 per cent of what was approved. The figures of 1998 are till Sept. 1998 which would have increase by the end of the yea. The reason behind this are numerous, starting

from poor infrastructural facilities except in some states and metros, big mass of population below poverty line (BPL), political instability at centre, strong opposition to reforms etc. and many. Moreover, the other interesting aspect of investment form abroad as analysed while total foreign investment soars high; the FDI remains much below it. The gap between two lines (see the figure 3.11) representing total foreign investment and FDI shows that most of the investment here did not fall under the latter category by significant part came as portfolio investment. Portfolio investment⁴⁷ plays no part in country's infrastructure and assets building it remains confined within speculative arena and share markets which contributes naught to employment creation, physical construction or national development.

⁴⁷ portfolio investment refers to the purchase of foreign stocks, bonds or other securities. In contrast to FDI, it does not give the buyer a controlling interest in the institution issuing the assets. The relative ease with which portfolio investment can enter and exit countries has been a major contributing factor to the increasing volatility and instability of the global financial system.

and share markets which contributes naught to employment creation, physical construction or national development.

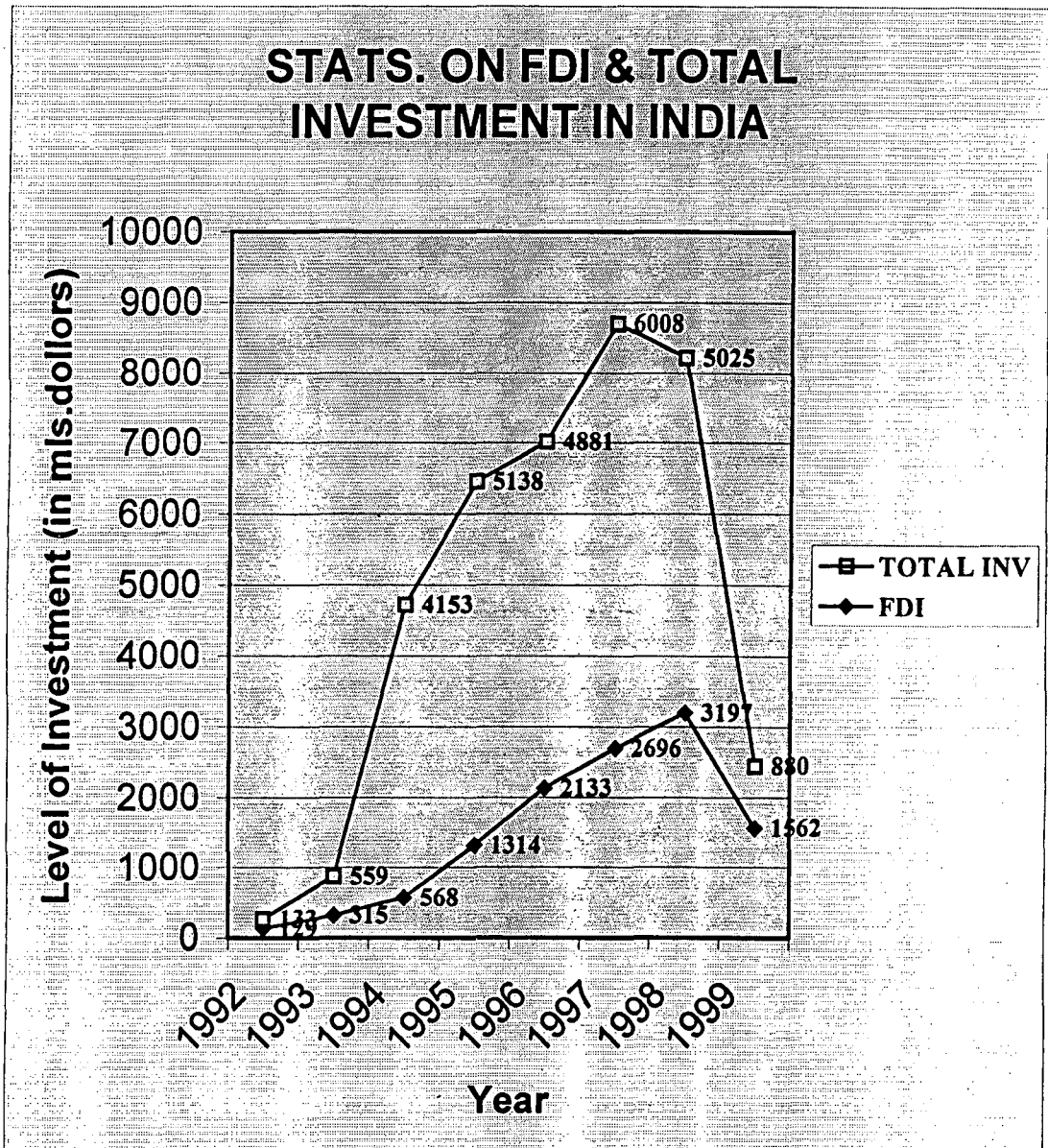


Fig. 3.12

(read MNCs) forcing their way into their households. No aspects of life is untouched by the wave is so huge in size that it may submerge even the political sovereignty of the nation-states. Individuals stand nowhere still this process of imposed integration into world economy lacks social legitimacy. Its bankruptcy is exposed by protests and demonstrations that are resorted to by anti-globalisationists every now and then. But be that as it may, this hurricane has grown so potent to sweep away everything into the direction it is progressing. In fact, here Marxian economic determinism seems re-emerging in its crude form. Emotions, happiness, health, status, comfort, recognition, interaction, relations, family, marriage, food, fashion and all, now, are largely determined through economic and materialist considerations.

.....and
the conclusion.

CONCLUSION

The much debated modernity, globality, locality, homogeneity, heterogeneity, integration and differentiation have, ultimately, to reach the destination of their lifetime and shape this world in some specific fashion. The countries from the Asia, Africa, and Latin America and that with the communist ideology term themselves as 'we' and address North America, Western Europe, and Japan as 'they', the conspicuous emergence of two world views on international socio-economic and political order. 'They' say 'globalization is a fact of life, it is a natural phenomenon'. 'We' retort back 'There Are Many Alternatives' (TAMA). 'They' propound 'There Is No Alternative' (TINA), 'we' quip 'Socialism Is The Alternative' (SITA). In the World Social Forum at Porto Alegre, Brazil, the slogan that was raised 'Another World Is Possible', hitherto reverberates among the voices up against the imposed forces of globalization all set to spread yet another imperialism.

Apart from this, Ismail Shariff, rightly, explains the present day world when he argues, "The year 2001 can be classified as a year in which globalization ceased to be an academic issue and took to the streets. The mass of 1999 and intensified at the meetings of the International Monetary Fund (IMF) and the World Bank in Washington and Prague, reflected a growing discontent over who was benefiting from the increasing integration of the world economy — the professed objectives of globalisation." Amongst this, we find that all the nation-states in this world, suffer from a common ailment i.e. 'the two divergent opinion about development', where one professes the advantages and positive effects of globalization, is led by big industrial houses and corporate lobbies and the other, which denigrates it as

imperialistic liquidation of national sovereignty in all the spheres. The biggest conundrum still remains unaddressed 'how to develop our nation'. Should we opt for reforms and openness or should it be all protectionists, closed economy? Prime Minister of India (2004) Mr. Manmohan Singh suggests a new medicine for such a dilemma-laden situation that 'reforms with human face'. The General Budget (2004) is claimed to have adopted a balanced approach towards both these counteracting forces. But it is still debated, 'globalization for whom, for what and when?'

The country like India, where the population below poverty line is more than the total populations of North America, all the nation-states Europe and Japan, (separately) should take time before blindly jumping into the global imperial market. The wide ranging economic disparities within her boundaries constitute a great cause of concern for her, as rightly said 'first bring your house in order'. Understandably, any opening up of economy would further widen gap among her states. It is not because foreign investors can not be directed towards the poor states, but the primary condition to attract such flying bees, is conducive atmosphere, socio-political and infrastructural adequacy, which most of the states in India abysmally lack. The state of affairs in BIMORU (Bihar, Madhya Pradesh, Orissa, Rajasthan , And Uttar Pradesh) do not create a lucrative offer for the investors abroad and in India. These states inhabit around 40% of India's total masses with very high population density. Their track record in terms of globalization is nothing much to talk home about. Ironically, apart from these, states the other parts which do not attract the attention of development experts are entire North Eastern India and Jammu & Kashmir that have entertained a modicum of fruits of development and growth, what to talk of globalization.

The global investors are myopic in their vision. The things, which inflate their profits, appeal them. Their unconcernedness about the socio-economic development of any nation-state is above board. The whole narrative of capitalism revolves around profit-making or surplus generation. Earn them the profit they will rush and develop you, but the moment you become unprofitable, they immediately stop and search for greener pastures. Accusing them of not favoring us, would be a gruesome fallacy on our part, as every rational human being tends, invariably, to focus on his own interests. In fact, their moves meet all assumptions of economically rational behavior. Here the question is, while investors are for their own profits, governments that they owe their allegiance to, are there or protecting them. Then, for what our government is? It seems the governments of underdeveloped and developing nation-states have accustomed to the diktats from World Bank and International Monetary Funds (IMF) and have learnt to succumb to the mounting pressures from the corporate and industrialists lobbies. Things are clearly against the weaker sections.

Moreover, yet another cause of deep concern for the members of lower rungs of society, who are severely under the impact, is the much-professed issues of efficiency. The spate of privatization, disinvestment and selling out is on the top agenda of the governments, and Indian rulers also are a party to that. The positive effects of protective discrimination are nullified with immediate effects as soon as a government enterprise shifts to the private hands. Because the Fundamental Rights in matters the employment reservation under article 15 and 16 of the Constitution of India loses its force in private sector. It is affecting

the fate of millions of the people in India. Here two important issues, which often gather the heated discussions, are:

- (1) Disinvestments, privatization or selling out in the pretext of what Government claims 'the mounting losses of public sector units (PSUs)' are eroding its revenues to a significant extent. Hence selling them to private hand or disinvesting the governmental share would shift management of these units to more efficient hands than now any further losses would not burden the government any more; and
- (2) The voices that have been raised demanding the same amount of reservation in private sector as it applied to the government sector is also a controversial issue which is rooted in the acts of divestment of public sector enterprises. Obviously, these demands emanate from the pressure group pro-SCs/ STs / OBCs.

Here the common denominator of both the issues is '*efficiency*'. In the first case, government sells out because it lacks efficiency in managing the affairs at PSUs. And in the second case, argument that because 'reservation hijacks efficiency', hence no provision of such thing in private sector run economic enterprises. But the bottomline statement is 'who decides the efficiency and how?' In India, efficiency is decided on two grounds:

- (1) on the basis of caste and religion; and
- (2) on the basis of education acquired from privately run English medium school and government run school.

The efficiency based on caste and religion involves the historical ethnocentrism practiced by upper castes against the lower castes (not only against the castes with constitutional reservation but any one lower in the caste hierarchy) and discrimination by the majority against the minorities relegating them to the status of 'second category citizens'. Both these sections in India have been historically deprived from tasting the fruits of development as the upper castes i.e. *swarnas* were quick to take the advantages of progress made during colonial and post-colonial period. And because of the low socio-economic status, their education upliftment is still taking time to gain momentum. Moreover, due to their low educational achievements, they are underrepresented occupation in high administrative and bureaucratic posts. Some information related to the occupational achievements of the members from these sections can be studied as following. "The backward classes commission set by the government of India (GOI) — popularly known after its chairman as the Mandal Commission — in its report published in 1980 estimates that of the 1,571,638 persons employed in the central government services and public sector undertakings, 18.72 per cent belong to SCs and STs and 12.55 per cent belong to the Other Backward Classes (OBCs) category. It is important to note that the representation of SC/ST and OBCs declines as one moves up from class III and IV services to Class I services. In the lower Class III and Class IV services their representation is 24.4 and 18.98 per cent respectively. These figures decline to 18.18 percent and 10.63 per cent for Class II and to a mere 5.68 per cent and 4.69 in the higher reaches of Class I services (GOI 1980:92)"..... "A recent compilation of data by J. P. Singh (1993) confirms the trend. In 1990, Brahmins formed more than 50 per cent of

Class I category in almost all Central government offices, except for the Ministry of Petroleum and Natural Gas and the Ministry of Finance where the representation was 46.3 per cent and 13.9 per cent respectively .it is a well-known fact that till recently there was not a single SC/ST officer among the 40 Secretaries at the top of the bureaucratic hierarchy of the Central government: in its three topmost layers there were only a handful of them (Das 1994)”..... “J. P. Singh (1993) confirms that at the all-India level this trend can still be noticed as late as 1989. He finds that Brahmins continue to dominate at the highest offices such as president, prime minister, governors, Union cabinet ministers, chief secretaries of states, vice-chancellors, ambassadors and the like”..... “Navlakha’s (1989) study highlights the concentration of upper and middle castes in the modern professions as evidence of continuing high concentration of upper castes and dominant castes is available from sociological studies of students in higher education, including engineering and medical colleges (Jayaram 1977)”. (excerpts from M. N. Panini, “The Political Economy of Caste”, in Srinivas, M. N. (ed) “CASTE”, 1996 pp 32-34).

Analyzing the above statistics, the failure of Public Sector due to bureaucratic inefficiency and high degree of corruption lacks few linkages to alleged ‘inefficiency’ caused by protective discrimination. Instead the upper echelons have largely been occupied by the *swarnas*, in general both in colonial and post- colonial India. The justification behind the process of disinvestments is the mounting losses due to bureaucratic inefficiency and managerial ineptness. Abovementioned data exhibit the concentration of members from the non-reserved sections and in a way even their presence on the scene could not stop the

public sector arrive at such a critical juncture needing a shut down. Hence the claim that the reservation has caused inefficiency in government sector is little more than an article of misbelief. It only exposes the unwillingness of or a conspiracy on the part of those responsible for societal development against those pleading protection and saviour in order to eschew extinction. Moreover, it is a social obligation address the need to improvement among deprived sections and minorities. Instead crying for efficiency, which involves subjective interpretation, the government and business leader ought to realize comprehensive economic equality that has bleak prospects if economic reforms succumb to vulture capitalism.

The second issue of efficiency that involves discrimination made between alumni from governmental and private schools, has its socio-economic and political ramifications .the debate here, can be classified, as hovering around two main issues

- (1) what does a globalized, privatized , liberal economy require from the individuals it employs? And
- (2) what do we have, to offer them and in what quality?

The eligibility requirements of TNCs, as one gets impression about the efforts to re-evolve the mentality that lord Macaulay once professed as the objective of English education to create the individuals “Indian by blood and British by tastes and preferences”. Though the objective is slight changed now. But the methodology is almost the same in the new order of the world. Because during that period the forces from abroad were involved in empire building and protecting colonial interests. But now it has more of economic ramifications than the political expansion. The principal requirement of today’s market economy is

English spoken, convent educated, computer literate, money minded, imaginative, unrevolutionary youth, who can be exploited for the capitalistic ends. And what is found in India that these efficiency parameters are left, largely, unaddressed by a mass educational system run by the government. The majority of young minds are nurtured in these school-institutions and, on completing the education, they find themselves stuck in psychological trauma caused by unemployment emanating from retrenching state employment and high flown requirements of private sector. Moreover, very few Indians households (as discussed in chapter 3) entertain the economic conditions to educate their younger ones on fleeing private run education institutions. And majority of educated youth, then, confronts the uphill task to fulfilling the TNCs job requirements. Situation compounds with governmental unwillingness to create jobs and on the top to truncate even the sources, which have potential to generate work hours, by divesting them. Globalization, to such a grim situation, may actually problematise the affairs.

Conclusively, any move towards global economic integration needs a second thought as its latent dysfunctions overweight its manifest functions. The people with a few pence in their pockets find 'variety', 'quality' and 'standard' ensured by TNCs, meaningless. Employment, food and shelter are their globe and globalisation for the underprivileged. Any exhibition of affluence by the way of exorbitantly price consumer foods or lavish marriage and birthday bash reminds them of penury and destitute, which in no possible way, can be reverted. This distorts them psychologically. Still hope exists there when annual economic statements are not totally full of growth doses to commercial and entrepreneurial bulls and give an ear to some of their serious concerns, if not all. Their

emancipation is not a short-term process. Only time will unfold the real effects of such developments, how the world in penury will be accommodated, what way the dream of unemployed youth be filled, when the equality, in distribution of rewards of development, be returned? But the homogenizing effects of this global hurricane are quite distant from the vision.

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