
UNIT 6 CIVIL SOCIETY IN GLOBALISED MARKET

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6.1 INTRODUCTION

Civil society is one of the most complicated and problematic concepts in the history of social and political thought. Scholars argue that what Montesquieu and Locke, thinkers representing two different traditions, have to say about civil society needs to be given primary consideration when studying the issue. These two thinkers have shown due diligence not to overlook the concept of state when defining civil society. In this context, the cooperation existent in the society started to be defined by the public opinion as the presence of continuous and deep running cultural codes and different organisations. The attempt by political scientists to reconceptualise civil society has been perceived to be politically motivated. Thus, the concepts of civil society and economic society were put forward against the market and the state.

Civil society is also defined as the social interaction between the economy and the state. Its own constitution and novel forms created modern civil society. As these subjective rights, institutionalised and generalised by the laws, trigger social differentiation, theories of civil society started to be defined by the state-society dichotomy to make their many variations visible.

Globalisation is not an entirely 'new' concept. Indeed, it stretches back to centuries if we recall the vast trading empires built around the world. But the present day globalisation is distinct enough. Aided by new markets, new tools, new actors, new rules, shrinking space, shrinking time and disappearing borders, this process is integrating, at an accelerated

pace, markets and economies worldwide. Further, it is linking people's lives more deeply, intensively, immediately, and as we witness today, more disturbingly than ever before. Today's globalisation, driven by market expansion, is outpacing governance of these markets and their repercussions on people. While globalisation has several positive, innovative, dynamic aspects, the overall achievements remain far below the expectations and promises of globalisation. It has proceeded with extremely uneven distribution of benefits and costs across nations resulting in marginalisation in some cases. The exclusion of countries and people from the benefits of globalisation is further compounded by the emerging rules of the game for international economic transactions, which remain asymmetrical in terms of construct and inequitable in terms of outcome. Globalisation is good for both developed and developing countries only if it lives up to its promise of economic efficiency and international division of labour. In order to achieve the desired results, it will be imperative to look beyond mere capital mobility. Labour mobility is integral to the attainment of efficient international division of labour. Undoubtedly, global markets, global technology, global ideas and global solidarity have the potential of enriching the lives of people everywhere. In practice, however, projections of gains from globalisation in terms of faster growth, greater employment opportunities and poverty alleviation have proved overly optimistic. It is clear that the difficulties of harnessing liberalisation and globalisation for the benefit of all have been underestimated.

Aims and Objectives

After reading this Unit, you would be able to understand

- Globalisation as a multifaceted process
- The interrelationship of civil society, governance and digital divide
- The changing relations among the market, state and civil society

6.2 GLOBALISATION AS A MULTIFACETED PROCESS

Globalisation has intensified with changes in the international political system, in the international market economy, and in transportation and information technologies. The collapse of the Soviet Union and the end of the Cold War has spawned an international movement towards democracy. Formerly totalitarian regimes that had sustained themselves at least in part by acting as allies to either the United States or the Soviet bloc were suddenly exposed by the collapse of the Soviet Union, and the end of the Cold War. They were suddenly vulnerable to their own citizens and their long suppressed demands for democratic regimes, and could find no help from the powers that had once competed for their favour to secure Cold War advantages. The internationalisation of the market spurred by the free movement of capital and technology in pursuit of both labour and customers created new wealth and optimism throughout the world, but also left those at the bottom of the economic and social ladder vulnerable to exploitation even when things were going well, and to dashed hopes when business cycles or economic mismanagement undercut economic growth. The rapid movement of people and information across the globe accentuated the grossly unequal political and material conditions in which the world's diverse populations were living, and stimulated a widespread demand for greater political and economic equality as well as a broader sense of our economic, political, and moral interdependence.

These changes have contributed to a shifting balance in the roles of the state, the market, and the civil society, both in individual countries and in the international political economy. In the past, looking at the international political economy, one would have conventionally said that the dominant actors were sovereign states. They seemed to be in charge of what happened within their borders; what happened across their borders—in the international commons—emerged from interaction among individual states. In the last decade, however, the power of the market has expanded and the role of the state has been reduced in many countries, in the West and North as well as the East and South. The shift to “open macro-economies” has reduced the power of individual states to manage their own economic destinies. And since economic destinies were often important in influencing the stability of political regimes, the vulnerability of political regimes to the international economy has been accentuated. In the face of the increased vulnerability to powerful economic forces that were shaping the world, and the inability of states to offer much protection, movements have arisen to provide some kind of collective response to the changing circumstances. Sometimes these have been grass roots movements in particular parts of particular developing countries. Other times, local grass roots movements have spread to become national movements. Still other times, local movements have made alliances with international organisations to help them achieve national purposes, or to lend their weight to international efforts. The emergence of international NGOs, networks, coalitions, and social movement organisations as potentially important political actors at both national and international levels has been stimulated by the need to create collective responses to threatening circumstances, by the generally favoring influence of democratic ideals, and by the collapse of national capacity to repress these efforts.

Globalisation provides information and perspectives never before available to many people, transporting them to new possibilities of international and cosmopolitan consciousness. The increased flows of information and people contribute to a global homogenisation (“Americanisation?”) of tastes, norms, and concerns. McDonald’s hamburgers are available in Beijing and Buenos Aires, and language and music imports raise the hackles of cultural guardians in Paris and Singapore. At the same time, the assault of external ideas and values can inspire fierce defence of traditional values and styles of life. NGOs may express and help to create cosmopolitan and international perspectives and they may also express and defend the values and concerns of citizens alienated from globalised perspectives and cultural “imports.” Thus NGOs may express or enable globalisation, and they may also ardently resist globalisation in a kind of sectarianism within and across national boundaries.

6.3 CHANGING RELATIONS AMONG MARKET, STATE AND CIVIL SOCIETY

Neo-liberal government policies created in the mid-1980s reduced barriers to the international flow of capital, goods and services worldwide. Value-chain coordination and integration increased. Distribution gained importance over production in the process of accumulation and increasingly controlled the food value. In order to increase capital accumulation, firms negotiated, tested, redesigned, renegotiated, retested and implemented different mechanisms for control of value chains. The new patterns of accumulation disadvantage producers of raw commodities, particularly in the food-based value chains. In the process of becoming more demand-oriented, the conventions around certain commodities changed from the market convention to the industrial convention.

The inability of the producers' organisations to institute a civic convention for coordination of the value chains, despite mobilisation of civil society in response to consolidation of production, further disadvantaged them in setting the norms, regulations, and enforcement that might have enabled them to offer another demand-driven convention, the civic convention.

6.3.1 Conventions Theory

The Conventions theory was developed by French economists in order to better understand coordination in economic, political and social life through chains and networks. Conventions are shared norms and values, standards of uniformity, and the rules and institutions to apply and enforce those standards. Most of the research around conventions theory in agriculture has been around the formation of alternative value chains, built on either the civic convention (particularly looking at organic agriculture and fair trade and the domestic convention or the regard convention).

For much of agriculture, the shift from the market convention, where the value the lowest price per unit, and producers were rewarded for volume with minimum quality standards, to the industrial convention, where multiple values related to specific end users, had dramatic impacts in terms of loss of control of the production process. Incorporation in the new, more integrated value chains based on product characteristics required producers to adopt new mechanisms of production, including more sophisticated record keeping and attention to multiple quality standards in order to participate in the market. While the state may determine and enforce the minimum quality standards around food safety, the environment, and labour, market actors set and enforce the quality standards concerning characteristics of the production process and the product in the industrial convention. The current climate of neo-Liberalism encourages free trade while deregulating land, labour and capital. The market has been the driver, and the state the facilitator. Civil society is often the intermediary, determining how conventions are established and enforced. The struggle is around who sets what standards for which agricultural products and which externalities of the agricultural production process.

6.4 GLOBALISATION, COLD WAR AND POLITICAL REGIMES

The initial decades of globalisation after 1945 were characterised by a conjuncture between production systems and security concerns that reflected three discernible and interrelated patterns: (i) the harmonisation of multiple national development strategies with the internationalisation of capital; (ii) the tolerance and even promotion by Western government of authoritarian political regimes to protect and advance capitalism; and (iii) an unambiguous leadership role by the US in the establishment and promotion of multilateral institutions conducive to the general spread of market systems and international trade. In effect, economic and political regime diversity – so long as it was not hostile to capitalism – was consistent both with the global spread of capital and US economic and political dominance.

Immediately after the war, capitalist consolidation in the West occurred predominantly via protectionist economic policies and the refinement of Fordism. The latter was as much a political and ideological strategy as a production strategy, linking large-scale mechanised production with mass consumption. In part, Fordism relied on rising living standards in Western economies in order to foster expanded consumption and continued growth. But

this rested on a form of social contract that limited industrial conflict and fostered expanded consumption and continued growth. But this rested on a form of social contract that limited industrial conflict and fostered an embrace of consumerism ahead of political demands. Thus, in the West liberal democratic institutions and social democratic movements, including trade unions, accompanied Fordist production systems and were integral to the struggles over the precise content of varied social contracts. Here political regimes were avenues through which conflict was both expressed and contained.

It was in this context that pent-up demand for consumer and capital goods following the war led to investment in industry (and the Marshall Plan assisted this in Western Europe). These developments resulted in a “Golden Age” for capitalism through the 1950s and 1960s, where low unemployment and rising incomes created the increased demand that fuelled production. However, when capitalism expanded to developing economies, the political context differed. In part, this reflected the fact that much investment continued to be driven by a search for the raw materials that fuelled industrial development in the West. In Asia, the fear of communism helped facilitate a range of political regimes with few in the Western liberal democratic mould. In fact, authoritarian regimes, some of them quite brutal – as in Indonesia and South Korea – were encouraged, so long as they promoted political stability, were anti-communist, and protected the development of economic systems that were broadly capitalist. Contrary to the then prevailing Western modernisation rhetoric, it was the threat to capitalism – not democracy – that was the principal driver of foreign policy. Samuel Huntington’s political order theory was, in time, to provide a neat theoretical justification for such a direction, arguing that the building of institutions capable of establishing social and political order and control was paramount in the early stages of development.

So important was the security consideration in the process of safeguarding capitalism that, with significant US facilitation, some exceptional economic models emerged in Japan, South Korea, Taiwan and Singapore. In these cases, massive injections of aid and foreign investment helped to establish the export-oriented industrialisation models that drove growth, well before these became more generalised as a capitalist investment strategy in response to cost pressures in the developed West. In each case, the state took a critical economic role and except in Singapore, this also involved the strengthening of domestic capitalist classes. Initially, it was East and Southeast Asia that gained the greatest economic benefit from this restructuring. In fact, with sluggish growth in the West, an Asian Capitalism model – characterised by a so-called ‘developmental state’ shaping the costs of different factors of production in an attempt to create comparative trade advantage – was recognised as a viable alternative economic model. Alongside such developmental states – most evident in Northeast Asia – the region saw other departures from the liberal economic model. These departures still involved market intervention, but these were less guided by national strategic considerations than the developmental states, and saw considerable cronyism and corruption, as in Thailand, Malaysia, and Indonesia. Yet, as investment poured into these economies, even these regimes appeared viable.

6.5 NEO-LIBERALISM’S ADVANCESS AFTER THE COLD WAR

The end of the Cold War left the US as the sole superpower. This meant that much of the foreign policy security pre-occupation gave way to a more aggressive and focused expansion of international capitalism that was less tolerant of obstacles to capital mobility.

US dominance within multilateral organisations such as the International Monetary Fund (IMF) and World Bank, as well as through the General Agreement on Tariffs and Trade/World Trade Organisation (WTO) and other institutions was used to exert pressure on the domestic policy of individual states to limit those obstacles.

The attempt to forge new institutions to facilitate the deeper incorporation of national economies into the structures and values of neo-liberal globalisation engendered conflicts in the region, although these were by far not uniform across East and Southeast Asia. These conflicts were, at times, in opposition to political and economic elite, while on other occasions they amounted to intra-elite struggles. Where elite embraced the neo-liberal reform agenda, they often did so selectively, and this set in train dynamics with unanticipated consequences for domestic political and economic regimes that often indicated the contradictions between neo-liberal reform and the kinds of institutional arrangements – summarised in the term “Asian Capitalism” – that had characterised economic and political development in the region.

The ideological and policy underpinning of this more mobile phase of global capitalist development was to be set of ideas and policies usually referred to as neo-liberalism. Neo-liberal policies were pursued especially strongly by the international financial institutions, drawing on the experience of neo-liberal reform in the West and, later, in Latin America and Eastern Europe. Neo-liberalism’s core policies emphasise the market, fiscal discipline, trade, investment and financial liberalisation, reduced public expenditure, reduced taxation, deregulation, decentralisation, privatisation, and a reduced role for the state. These were buttressed by laws protecting property and enhancing foreign investment.

Indeed, throughout the Cold War period and beyond, there developed a coherent alternative economic model that challenged the logic of neo-liberalism; this was so called Asian Capitalism, characterised by a high degree of state initiatives to shape the cost of the different factors of production (land, labour and capital) to try and favour particular economic – especially industry – outcomes, rather than leave these to the mercy of the market.

Ironically, this Asian model was made possible through trade access, aid and/or investment from the West during the Cold War period. This support was tied neither to a preferred economic nor political regime. Thus, while Japan was a democracy, South Korea, Singapore and Taiwan were firmly authoritarian. So successful was this economic model that it not only generated rapid industrialisation, but also by the 1980s it had created powerful conglomerates capable of competing with those of the West and generated strong outward flows of Asian investment.

However, the brief economic downturn in the early/mid-1980s presented an opportunity for international financial institutions to promote enhanced economic liberalisation reforms in Asia. Recovery was swift, but persistent efforts were made by various interests attached to the neo-liberal agenda to consolidate and extend on such reforms, but it was in Latin America and Eastern Europe, where economic crisis were deeper and prolonged, that neo-liberal policy was entrenched.

For political liberals, the arguments against authoritarian rule were rooted in a philosophical belief in justice, liberty, equity and representation. The promotion of democracy on the part of some Western governments coincided with the heightened political activism in the region that was associated with expanding working and middle classes. However, for

economic liberals, it remained Asian capitalism rather than authoritarianism that was problematic. There is an element of neo-liberal theory that has been emptied of liberal political values, and not all economic liberals ascribe to liberal political values. And, as we have noted, this is even clearer for capitalists who, often welcome the order of authoritarianism and profits over liberal political ideals such as democracy. This is why it was possible for sophisticated and technocratic authoritarian regimes to continually excel in economic freedom league tables and transparency indices and receive the fulsome praise of economic liberals.

The Cold War's end had thus been a critical juncture in the global expansion of capitalism, freeing up resources and energy on the part of the US to lead and support an accelerated neo-liberals push, especially vis-à-vis finance capital. In this context, economic regimes in East and Southeast that stood in the way of the neo-liberal ideals came under increased scrutiny and Western support for authoritarian political regimes was more difficult to rationalise. The advent of another critical juncture, the Asian financial and economic crisis in 1997, intensified pressure on economic and political regimes, introducing new conflicts in neo-liberal globalisation.

6.6 THE WAR ON TERRORISM, POLITICAL REGIMES AND NEO-LIBERAL GLOBALISATION

Following the end of the Cold War, the lack of an obvious security imperative had directed US foreign policy in ways that had emphasised economic policy and placed a limited but important emphasis on liberal political values. This was especially evident during the Clinton presidency. After September 11, however, the 'war on terrorism' raised questions about the continued prospects for the development of economic and political liberalism in Asia and the contexts within which the respective struggles to advance them across the region are likely to take place.

The elevation of security concerns within US foreign policy in the 'war on terror' heralds new challenges for the development of neo-liberal globalisation, which may see political concerns return to centre stage. Whereas the post-Cold War period witnessed an unprecedented privileging of the neo-liberal economic reform agenda, now this is to be balanced by considerations of how to contain terrorism.

It is apparent that the 'war on terrorism' changes the context of neo-liberal globalisation because the interests of US capital in having markets opened are moderated by security concerns. This changed context has empowered neo-conservatives within the US administration, whose perspectives about markets has long been tempered by more traditional foreign policy emphasis – or at least a different appreciation of the nexus between US economic and political power – than had been reflected in the earlier reliance on multilateral arrangements. The point here is that this new arrangement is necessarily hostile to the global neo-liberal economic agenda, but that it has the potential to moderate the momentum for reform and for permitting differential responses in certain countries to pressures for economic reform. In the Asian region, an excellent example of this changed perspectives are recent moves towards bilateral Free Trade Agreements (FTAs), some of which have been specifically negotiated in the security context.

6.7 CIVIL SOCIETY, GLOBAL GOVERNANCE AND INTERNET

The conjuncture of two major trends has vastly expanded the role of non-state actors in the global decision-making processes. First, the proliferation of economic, social, and political trans-border interdependencies has significantly diminished the autonomy of the nation state and made international co-operation a prerequisite for effective policy-making in many areas. This has given rise to a proliferation of international fora and negotiations which, although primarily state-centred, also serve as focal points and lobby/networking infrastructure for non-state actors.

Second, civil society organisations have gained significant weight in the political process for various reasons including historical ones (their acclaimed role in toppling communist regimes across East and Central Europe in the 1980s), functional ones (growing appreciation as partners for implementing policies, information providers and generators of social cohesion and trust) or normative ones (shifting conception of political legitimacy, which accords a greater role to alternative forms of participation, devolved collective decision-making and self-governance beyond the conventional political process). In other words, both global decision-making and the involvement of non-state actors are on the rise and inspire academic scholarship across various disciplines. Both growing interdependence and the ascent of non-state actors are interlinked with the emergence of a global information and communication infrastructure. Coordinating economic activities on a global scale is predicated upon fast and cheap global communication as is of course the globalisation of the media and the working of international political regimes itself. By the same token, plummeting costs of computing power, the emergence of the Internet as global information space and medium for one-to-many modes of communication have lowered the organisation costs for civil society organisations and boosted their mobilising and lobbying capacities. It is this grass-roots democratisation of communication and information flows, which holds the promise to free civil society from the straightjacket of overzealous state censorship or corporately controlled mass media and equip them to successfully enter the fray of negotiations in international governance regimes.

6.8 THE DIGITAL DIVIDE AND INTERNATIONAL GOVERNANCE

What does this mean for developing countries and the global digital divide? For a start, it appears quite straightforward to argue that the lack of access to these novel communication and information technologies diminishes the possibilities to get heard and participate *relative* to stakeholders that have the resources to quickly adopt these novel technologies. One would argue that, while civil society in rich industrialised countries is able to catch-up somewhat with governments and transnational business in terms of information competence, civil society in developing countries is falling even further behind.

At closer inspection, this argument needs some qualifications, since it appears to lean precariously towards an overly simplistic conception of communication and information flows. In particular it fails to consider the multiplicity of technical tools and social arrangements that process and move information, the interlocked nature of these arrangements and hence the various organisational possibilities for consolidating and articulating political claims. True, from an idealist democratic point of view the target of

one voice—one computer might maximise democratic participation in electronic communication networks for global governance. It is needless to say that this is not feasible nor would it be a sufficient condition for a substantive democratic process, given other inequities in information access, processing capacities, time resources etc.

6.8.1 Digital Divide to Digital Opportunity?

So far it has been argued that the digital inequities as referred to by the concept of the digital divide do not in themselves significantly alter the existing asymmetric patterns of representation in global governance processes and that it is the domestic conditions for civil society activity that are important in the first place. While this establishes the primary responsibility of domestic policy-making, it also raises the question as to what extent a closing of the digital divide could compensate for an adverse domestic political environment and other constraints. Three interrelated effects, each discussed in more depth below, might be possible. Enhanced endowment with ICT could:

- Help to outmanoeuvre domestic political control mechanisms on the flow of information;
- Stimulate political engagement and civil society activity in general; and,
- Substitute for a possible weak link to international advocacy channels and disintermediate the information flows to the public and other participants in the governance regime.

6.9 SUMMARY

Summing up, policy-makers who are serious about maximising the opportunities from ICT towards a new culture of democratic legitimacy in global decision-making process should be aware of their responsibilities:

- Domestic ones, in order to enable a thriving civil society;
- International ones, in order to increase the plurality and visibility in the global information space; and,
- Global regime ones for the case of global governance reform towards greater public deliberation, transparency and accountability.

Taken together this is the critical political dimension of the digital divide when it comes to delivering on the democratic promise of ICT in global governance regimes. The emergence of global civil society as an idea has also meant the emergence of an accompanying empirical reality. As a result, the transnational nature of the meaning of technological changes, social developments, communication, interaction, and institutional ties started to publicise global civil society. Global civil society can be said to have emerged between international civil society organisations and the state, with the use of the international or global power. In other words, as a collective entity, the global civil society manifests itself through global society and international civil society organisations. The most important manifestation of this is the important role played by international civil society organisations in the making of global policies.

6.10 TERMINAL QUESTIONS

1. What do you understand by globalisation? How far has it been successful as a multifaceted process?

2. What are changing equations among markets, state and civil society in the context of globalisation?
3. What is the impact of the 'war on terrorism' on neo-liberal market economies and political regimes? Analyse it in your own words.

SUGGESTED READINGS

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