

Deconstructing globalization

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In her latest book, Saskia Sassen undertakes a ruthless demystification of economic globalization. She argues that globalization is embedded in institutions and places and reveals the nature of contemporary social conditions while indicating there are future options open for individual and collective action.

Reviewed: Saskia Sassen, *A Sociology of Globalization*, Norton, New York, 2007.

‘Those who live by the sword die by it’, is a saying that applies to any all-consuming passion. Globalization in the last twenty years has certainly been all consuming, not just for financiers, but also for analysts, journalists and professors. They have all been swallowed up in one gulp of a financial crisis.

The test of anything written on globalization before October 2008 is whether it said anything that has not been subsequently invalidated by the so-called ‘credit crunch’ or ‘sub-prime crisis’, the most comprehensive and catastrophic economic collapse of the global age. Before that time the arch advocates of economic globalization had seen it sweeping all before it, not just technologically, not simply in making national boundaries obsolete, but also in consigning theories of a social market economy, even of a just society to the dustbin of history.

Those who imposed neo-liberal market theory on global institutions suppressed any of the darker predictions of economics so long as it suited the current interests of Wall Street and the City of London. The many assertions by the British Chancellor, now Prime Minister, Gordon Brown that he now must surely regret, ‘we will never return to the old boom and

bust', ignored both centuries of experience and established theory supporting the view that the business cycle is intrinsic to capitalism. But he was only providing the economic chorus line for the refrains of his friend and rival, Prime Minister Tony Blair and in turn for his patron, composer in chief of the globalization theme, American President, Bill Clinton, for whom globalization was a single line track into the future. You could get off the train to be sure, but you would be wandering in the wilderness with nowhere else to go.

As an account of the direction of the world we live in, globalization became overwhelmingly a story of Anglo-American economic domination. It wasn't always that way. Its origins lie in the dreams of a future of world co-operation at the end of the second World War. But when the history of ideas for the recent period is written it will consider the nineteen years from the Octobers of 1989 to 2008, from the end of the Cold War, the fall of the Berlin Wall to the credit crunch, as the period when the American quest for global hegemony promoted the grand narrative of economic globalization.

The vocabulary of the global, including occasionally the term globalization, was relatively inconspicuous in international relations and business studies in the Cold War period. What promoted its use to become the leitmotiv of recent times was a sudden apparent realisation of a dream of one world that would replace the three worlds of the capitalist West, the socialist state system and the Third, developing and teetering between the other two. The shockwaves emanating from the collapse of the Soviet empire and the abrupt termination of a balance between two superpowers with the resulting apparent triumph of capitalism, not only transformed politics but challenged deeply held academic assumptions too.

I recall the impact of these events on sociologists planning for the world congress of the International Sociological Association in 1990. We debated over many meetings how to craft a Congress theme that would capture that moment, and came up with "Sociology for One World, Unity and Diversity." And we put together a volume that was distributed to all 4000 participants who travelled to Madrid for the occasion. Entitled *Globalization, Knowledge and Society*, I believe it was the first book to carry 'globalization' in its title and one with a circulation in the many countries to which those conference delegates returned.

We thought globally, but how unworldly we were! We were updating the one world dream of 1945. We were attempting to seal a relation between the reality of a world of fluid boundaries and challenges that were common to the human species, adumbrating the

possibility of seeing global society as a negotiated field of relations between people world wide. We considered globalization brought with it intimations of a possible global society, and sociology itself as the convergent outcome of the differing perspectives of a multicultural world. That is not how globalization came to be seen in the next twenty years.

We failed to sustain the story in the face of events. We underestimated the extent to which the new world order would rapidly become an American imperial terrain, how far the collapse of the Soviet system would be regarded by both Left and Right as the final triumph of capitalism, and the extent to which the former communist countries would be subjected to ruthless capitalistic expropriation. In the battleground of American electoral politics the story of globalization was rewritten as the triumph of Western technology and free markets, as a story of economic advance.

That this was a narrative crafted in American interests was entirely clear to Washington insiders. I recall when working there at the turn of the millennium, asking a senior American official what he understood by ‘globalization’ and he looked me squarely in the eye and spoke slowly ‘It doesn’t mean anything’.

Of course it did mean something, namely the way American interests could be equated with the necessary direction of history and for the benefit of humankind, and at the time it was terribly easy for the politicians and their speechwriters to craft a grand narrative for public consumption and be ignored by academics and students still bewitched by a French meta-narrative, namely that grand narratives no longer existed.

Post modernism left us intellectually defenceless against globalization, an argument I advanced in my book *The Global Age* (1996), asserting that we have to write in a frame of reference that encodes the threats to human existence on this planet with global terminology. But a narrative of our time that registers the significance of the spread of ‘global’ terminology since 1945 must still reject unhistorical and deterministic accounts of globalization. As intellectuals we are obliged to write the history of the present, but we need to challenge the globalization metaphysics of the servants of power, by offering an alternative grand narrative, not by denying its possibility.

A demystification of economic globalization

Academic sociology can however claim with some pride that it did in the main manage throughout the period to keep its distance both from neo-liberal orthodoxy and postmodern retreat. It has always had a strong intellectual programme that, like philosophy or history, cannot easily be turned to quick profits, even if the consequence is a poverty of resources that can tempt its practitioners sometimes to claim the impossible pure disinterestedness of prophets.

A rigorous sociology will not be for or against globalization, rather it will explore and explain the social foundations of the policies advocated by the neo-liberals, examine their power bases and the new social formations that have rendered their ideology so influential. It will show just how far and in what ways economic activity depends on specific structures of social relations and institutional practices that are by no means immutable and outside human control, dictated either by pure rationality or by force of circumstances. It will both deconstruct the hierarchies and durable inequalities of class, gender or ethnicities and at the same time intimate how they might be otherwise.

In these respects Saskia Sassen is an outstanding leader of sociology's programme, taking forward a ruthless demystification of economic globalization. In her insistence that globalization is embedded in institutions and places she deletes the economists' *ceteris paribus* clause, the token nod they make to the real world when starting their love affair with rationality. Her latest book *The Sociology of Globalization* is a stock take of her work over the last twenty years that includes the classic *The Global City* (1991) and *Cities in a World Economy* (1994). Not individuals, not even firms, become in her account the main focus for an institutional analysis of globalization, but the state, and this in turn has to be considered rigorously, locationally, as particular states, the United States or the United Kingdom, and in their materiality, in digitized financial practices and in physical places, especially cities.

Of those places the most significant for Sassen because they are the sites for the interweaving of the national with the global are the global cities. New York, London, Tokyo, Paris, Frankfurt as well as Bangkok, Sao Paulo and Mexico City, among many others, are strategic sites for a globally networked subeconomy of financial service firms and hence for new forms of global corporate capital. Yet they are also a destination for migrants and a magnet for the largest concentrations of dispossessed and disadvantaged people in the world. This makes them too the epicentre for the emergence of potential global classes and the seedbed for the new forms of political contestation that transcend the boundaries of nation

states, for the alter-global movement and indeed for all the value led movements of today that Mary Kaldor and her colleagues at the London School of Economics group under the label of global civil society.

The street theatre that accompanied the stage performances of the leaders of the April 2nd 2009 G20 meeting in London was an enactment for television and website videos of the conflict for which Sassen had therefore already provided the theoretical commentary. The statistics tell nothing: one street death and one smashed window. They only assume meaning and occupy an extraordinary narrative centrality because of the concentration of power, the agenda, the mobilization of opposition and global media attention that combined on that particular day. The orchestration that made it all possible depended on networks, fields of forces and co-ordinated projects that transcend national boundaries and force us to recognise the globality of human action as well of the threats that condition it and threaten its very possibility.

It all happened in a global city; the crisis of the global economy was the agenda; global civil society came out on the streets; the images were transmitted worldwide: all of this Sassen's analysis written *before* the events effectively anticipates. Rather than being invalidated by events, as most of the economists' accounts of globalization have been (with notable exceptions like Paul Krugman, Joseph Stiglitz and George Soros), the abiding worth of sociological analysis is triumphantly demonstrated in Sassen's written work. This is the account that sees globalization as a human product, impersonal certainly yet not through market rationality, but because of the previously unimaginable large collective scale, the sheer numbers of people, size of resources and complexity of operations involved. The implications are not that there is no alternative to globalization, but that the consequences we draw, the agencies we construct and the practices we institute, have to be scaled correspondingly.

So how has she done it, what are the requirements for effective sociological analysis of globalization? The first is to achieve a conceptual grasp and to provide a cogent account of a central feature of society, its changing configurations in real time and space, imprinted by environmental conditions, resources, biology and cultural traditions but never determined by them. Social relations are not wholly explained by nature or culture. They have their own reality exhibited in friendships, communities, classes, networks and collective entities of all kinds and their abstract qualities like degrees of equality, hierarchy, integration, differentiation, role and status ordering are just that, abstracted elements that help to explain a

whole variety of social outcomes like individual life chances, organizational survival and the fate of nations.

Sociological concepts have an explanatory scope that extends beyond the social to what are often thought to be purely economic processes and even as far as the environment. Structures of trust between people, following on from Pierre Bourdieu's work have come to be known as social capital because of their importance in both community and economic activity. Meeting the challenge of global warming will include new technologies but also new mobilizations and forms of co-operation, between states, civil society and indeed even business.

The nation-state and globalization

Sassen's work is a worthy continuation of the sociological tradition of work taking forward Henri Lefebvre, the Chicago school, Georg Simmel and Karl Marx. They in turn had adopted many tenets of older established analysis, challenged and discarded dated formulations and added new elements to account for the emergent features of social relations in their own time. Being inspired by them she cannot stay with them. Retaining the best of the old while developing novel theory for the present is arduous and demanding work. We may still, indeed should admire early theorists of industrialization and modernization, but such is the pace of social transformation we can't expect their accounts to deliver the same kind of illumination for us as they did for the conditions of their own day. Sassen takes up the challenge of the present in just that spirit, respectful of forbears but never limited by them.

She sets the baseline for her contribution by developing connections between two main concepts, *denationalization*, distancing herself from the national frame of reference, and *embeddedness*, stressing that global processes are located in particular times, places and social conditions. The purpose of this conceptual strategy is to escape the intellectual *cul-de-sac* that equated the nation-state with society tout court and inferred that globalization, in challenging nation-state control, also meant the disembedding of society from any kind of material foundations. Taking her cue from Charles Tilly's emphasis that the modern nation-state is only a passing form that the state can take, she is consequently able to engage in an extended account of the way new communication technologies and the globalization of production find their sites in localities that are global in their connections and effectively non-national in politics and lifestyles. She is able also to identify ways in which global classes are beginning

to form and to find intimations of a global state in the development of global rather than simply international law.

In sum Sassen demonstrates that a strong sociology programme can provide a theoretical account of the emergence of new social formations with empirically documented locations and practices that challenge nation-state control without adopting a deterministic view that a single process of globalization is driving the world in one direction. She achieves what all good sociology does, reveals the nature of contemporary social conditions while indicating there are future options open for individual and collective action. She effectively deconstructs globalization to disclose the possibility of global society for those who have the power and the will to that end.

The language of globalization

‘The power and the will’, perhaps that is only important qualification I might make to Sassen’s thesis. For let us suppose that the will to create a global society is not there, among national leaders, corporate bosses, anti-capitalist activists, or even among the dispossessed of the world. Let us imagine that their power struggles consume their attention and energies, and, when the rhetorics of ‘axes of evil’ and ‘crucibles of terrorism’ prevail, who would be confident enough to exclude this possibility? Small chance only remains for the creation of global society. Faith in a hidden hand of history is a last desperate resort.

The neglected aspect in Sassen’s account of globalization is actually rhetoric, or in more general terms, discourse. She acknowledges in passing the existence of a dominant account of globalization, talks of master images and recognizes the hegemonic role of the United States (and to a lesser extent the United Kingdom) in imposing, for instance, national standards on financial regulation. But the whole narrative of globalization as developed particularly in the Clinton/Blair years was a conscious effort by the New Democrats and New Labour to tell a story of the necessary superiority of free economies and liberal democracies and to legitimize principles built into the policies of the global economic institutions as well as into law. Sassen calls this the nationalization of the global, but then we are obliged to ask what for her is global.

As I have argued a main reason for the durable value of her analysis is that it stands the test of time. Understanding of the features of social structures in general, in different times and places, facilitates the identification the novel formations of the present. Is that novelty

best conveyed with the term global and the sum of their effects as globalization? Sassen's account of globalization invites comparison with Manuel Castells' immense three volumes on the Information Age where network society and information flows, rather than globalization, become the signature themes for our time. Most of what Sassen calls 'global' gains that description by association with the global economy, but the global crisis demonstrates a point Castells made, that the global market is unevenly integrated, in other words, in some sense is not wholly global!

The French language beautifully reveals the ambiguity of the Anglo-Saxon globalization by distinguishing *globalisation* and *mondialisation*. The former term employs the image of the globe as a metaphor for total or complete, the latter more literally conveys expansion over the territorial surface of the planet. The English language encourages the fusion of the two ideas. The mingling of peoples in the United States encouraged the American national poet Walt Whitman (Clinton's favourite poet, not coincidentally) to call America global, and the past is evidence of how that easily promotes the equation of Americanization and globalisation, ultimately to no one's advantage.

The intellectual value of Sassen's account arises from her identification of potential new class formations, of new sites of political conflict and new localities that transcend national boundaries. She could equally call them translocal, transnational, even just non-national, without any implication that they necessarily bond into a single field of global interaction. If they do, it will be in large part because there has been a collective will and power to make it so, by telling it that way. The imposition of the language of the globe on the community of nations was a wilful act, documented in the memoirs of speechwriters and politicians.

Sassen shows just how much sociology can contribute to understanding the changes in the world around us, but in the end it is the rigorous intellectual focus of her disciplinary commitment that is also its limitation for understanding the rise and fall of globalization. To understand how neo-liberal ideology gained such a hold we also need to understand the processes and methods by which the corporations turned the global village themes of the sixties to commercial use, and how the emerging baby boomer political leaders found it in their interests to talk the same language. Social structure does not determine culture, ideas can float free.

One of the ways in which Sassen excludes cultural considerations is in denying the importance of cosmopolitanism in shaping contemporary change. The recent work of Ulrich Beck is a good example of an account of globalization that finds in cosmopolitan values a motivational force for creating a global political order. Ultimately if we are to deal with the threats to the human species that were encoded in the language of the globe we need to find a way of expressing a collective common purpose and avoiding the ideological distortion that has damaged the idea of globalization beyond repair.

The ideology of globalization regarded issues of equality, justice and liberty as incidental byproducts, externalities to the real business of running the world. We need to understand the hold that ideology achieved, not simply in its terms of its social and material bases, but also through analysis of meaning, of imaginaries that rule out options on alternative futures.

For that we also need the kind of analysis of the literary imagination such as Martha Nussbaum employed so effectively in her lectures on poetic justice. Globalization has been a literature, a public relations exercise, a fashion, even a craze as well as a business strategy. As a field for research field it needs Sassen's outstanding sociology, but many other disciplines too.

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