

## GLOBALISATION: 'POLITICS' VERSUS 'ECONOMICS'

Reviewed by Gregory Melleuish

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### ***Global Nation? Australia and the Politics of Globalisation***

by John Wiseman

Cambridge University Press, 1998, 202 pp, \$24.95,

ISBN 0 521 59755 2.

### ***Globalisation, Human Rights & Civil Society***

by Melinda Jones & Peter Kriesler (eds)

Prospect Media, St Leonards, 1998, 191 pp, \$35.00,

ISBN 1 86316 137 6.

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Globalisation has become the buzz word of the late 1990s, much in the same way that economic rationalism did five years ago. Whenever one is looking for a word to explain those things that are wrong with the world all one needs to do is say 'globalisation' and people will nod their heads sagely. As its power rests more on its qualities as an incantation than its capacity to explain rationally, it is difficult to discover a precise meaning for globalisation. This has not prevented academics from turning 'globalisation' into a growth industry as ever more books appear addressing the globalisation issue or with globalisation in the title.

*Global Nation* claims that it will 'demystify' the idea of globalisation and 'provide an accessible, informative and provocative starting point for debates about the implications of globalisation for Australia'. At the same time it states that it is written with 'an unashamedly partisan political objective' and that it hopes to 'recreate a sense of the possibility of emancipation, cooperation and solidarity in globalised localities and nations'. What this means in practice is that John Wiseman does not really like economic globalisation and sees it as something to be resisted in the name of 'emancipation, cooperation and solidarity'. The same is true of his attitude to the globalisation of telecommunications and the media which he tends to see in terms of greater foreign ownership of Australia's media and cultural industries.

Wiseman's political stance is made clear in the introductory section which consists of a story that overflows with cliches and didactic moralising, that pits the suffering of the Third World and the hardships of

ordinary Australian workers against the evils of modern commercial society as symbolised by Barbie and Crown Casino. After reading this somewhat pointless piece I must admit that I was very tempted not to read the rest of the book, which is also disfigured by a moralising tone. This tone made the book much more difficult to read as it was clear that Wiseman is pushing a particular political and social agenda that views attempts to make Australia more internationally competitive as brutal, fanatical and fierce, particularly when they are pursued by a Coalition government.

Despite an attempt to be evenhanded, Wiseman does not really like globalisation and views it as a force that obstructs himself and like-minded people from achieving their political goals. In this sense Wiseman, like many opponents of first economic rationalism and now globalisation, sees the battle very much in terms of politics versus economics. This dichotomy can also be found in the recently published *Australian Politics in a Global Era* by Capling, Considine and Crozier. They assert the need to re-establish the hegemony of politics over economics, whereas the advocates of economic rationalism attacked politics because of its tendency to disrupt efficiency and good management by favouring particular economic players. In many ways, this conflict between economics and politics can be seen as part of an ongoing battle for the soul of humanity in the secular age. Are

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human beings to be understood primarily as political or economic creatures and what is the nature of the good that they seek? Economics offers improvement, material benefits and self-advancement whereas politics promises the possibility of control and security.

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Politics, in the shape of the state, and economics, as the expression of a growing international commercial order, emerged in tandem in Europe from about the sixteenth century. The state initially attempted to control commerce through policies such as mercantilism but it was apparent from an early stage that the capacity of any state to exert such control was limited. Michael Mann has distinguished four types of power: political, military, economic and ideological. The state has the capacity to monopolise both military and political power but has always had problems controlling merchants and intellectuals. It tried in the sixteenth and seventeenth centuries, but in a multi-state system there were always places for persecuted minorities to run to.

Hence from the beginning of the development of the state system, the international forces of commerce and ideas have stood apart from the national ones of politics and the military. Until the end of the eighteenth century European states grew in size, primarily as a result of militarism and attempted to control commerce for political and military reasons. State growth slowed in the early nineteenth century as the first real spurt of globalisation occurred. A liberal theorist such as Constant could argue that the age of commerce was replacing the age of war. Two rival visions of globalisation emerged in the nineteenth century: the socialist and the liberal. Both assumed that a new world based on principles of peace and cooperation would eventually be the outcome of the age of commerce.

World War I was a rude awakening from that illusion. National passions proved to be much more powerful than international sentiments, and economic power was forced to submit to military and political power. The globalisation of the nineteenth century gave way to

the autarchy and protectionism of the first half of the twentieth century. This is the message of Samuel Huntington's *Clash of Civilizations*: the bonds forged by culture are much more powerful than those created by commerce, and in the final analysis people will line up with those with whom they have a fellow-feeling. The current resurgence of economic nationalism in Australia and the demonising of globalisation would tend to confirm this view.

It would also be true to say that internationalism has never been particularly strong in Australia; free trade liberals were absorbed by their protectionist rivals while international socialism never really had much of a chance against the national socialism of the Australian Labor Party. There has always been a fear and resentment of the international market in this country as W.K. Hancock recognised in his 1930 classic *Australia*. (Hancock also argued that Australians did not like economists very much). For Hancock the crucial battle in Australia was between politics and economics; and it was, he argued, the primacy of politics that was actively undermining the prosperity of the country.

Of course now Wiseman, like many critics of globalisation, argues the opposite: economics is creating an Australia riven by social divisions and inequalities. And the basic argument is still that identified by Hancock, that the economic realm is at best amoral and at worst governed by the law of the jungle. Morality is only to be found in the political realm. Therefore economics must be directed by a political vision if moral community is to be preserved. Globalisation is viewed as either evil or as something driven by the brute forces of nature. In either case it is in need of being controlled by the forces of morality.

For the opponents of globalisation it is very much a question of re-asserting the primacy of the political over the economic, in terms of both ideology and power. What this means is a rejection of the economic model of human nature in favour of human beings as 'political animals', or, in Constant's terms, the victory of ancient liberty over modern liberty. But it should be noted that this victory of the political has more to do with the power of the collective community than with the assertion of individual freedom and choice. Wiseman is in favour of certain sorts of internationalism, those forms that favour the use of collective political power, as for example, in attaining environmental objectives. In this sense the political is preferred because it is believed that it alone can enable individuals and states to be in control of their destinies. To submit to economic dictates is viewed as surrendering control. Yet as Hancock demonstrated back in 1930,

politics can give the illusion rather than the reality of control if the policies it pursues run against economic good sense. Such has been the lesson of Australian history for much of the twentieth century; it was the failure of politics that led to the adoption of economic rationalism in the 1980s.

But such is the residual strength of the belief in the capacity of 'politics' to deliver in Australia that economic rationalism and globalisation have been attacked from all quarters. From the Left to moderate conservatives such as Robert Manne to Hanson there has been a huge chorus condemning globalisation and singing the praises of economic nationalism. This chorus fears the dark predatory forces of 'international capital' and believes that the 'moral nation' can control it. In many ways this is an expression of what might be termed 'the politics of impotence'. Australians must cling together if they are not to become the victims of the rest of the world. The whole point of opening up the economy in the 1980's was to encourage a more positive outlook and break free of the victim mentality that had underpinned protectionism. But, alas, the movement has been glacial.

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Two questions must be asked. Firstly is the political more moral than the economic? The political can be corrupt, nepotistic and sectional just as the forces of commerce can have a positive moral impact; there is still a lot to be said for the idea of the level playing field. What is often viewed as a moral act such as protecting industries can turn out to be profoundly immoral when its impact is viewed on those outside the moral community, i.e. other countries. Secondly, how much power does capital have? After all, states still have the capacity for violence through their military machines and retain massive amounts of political power. World War I remains a major example of how state power can override financial power. The case for the ultimate victory of

international financial power remains unproved.

*Globalisation, Human Rights and Civil Society* is a collection of essays that are more concerned with human rights than globalisation. Nevertheless these essays raise the paradox of rights in an international context. Many of the authors would wish to ensure that as many people as possible achieve the maximum number of rights. But rights are primarily political in nature and dependent on particular states to uphold them. In the absence of a universally recognised set of values it is difficult to see how it is possible to define what human rights are. The usual practice is to refer back to the 1947 UN Declaration of Human Rights but why should this document possess any special status?

In this context rights are invoked primarily to use the political as a defence against the economic, again on the assumption that the political is by definition more moral than the economic. Hence universal human rights can be invoked to defend such things as employee rights, the right to a certain standard of living and even the right to hold a job. Such rights, however, are surely dependent on the policies enacted by individual states. The plea for universality is largely rhetorical in nature; for most states in history the notion of the right to employment would be incomprehensible although generally states have recognised the need to provide welfare for their citizens e.g. Rome and bread and circuses. Such rights are not so much universal but come with membership of a particular entity; they are rights in the older sense of privilege. They are political in nature. There are limits to the capacity of any state to provide such rights for its members, the primary one being economic. A state can pursue policies that satisfy the moral expectations of politics and enshrine certain rights while simultaneously undermining the health of its economy and the well-being of its citizens.

The reform process begun in the 1980s in Australia was driven both by economic necessity and a moral vision that emphasised values of individuality and internationalism. Such values had been largely neglected during much of the twentieth century as another set of values based on politics and the power of the state held sway in Australia. It was to be expected that such a radical move would create a backlash and the creation of the bogeymen of economic rationalism and globalisation. But those who condemn globalisation offer in its place a vision of politics as that which will restore moral order. We must remind everyone that it was the dubious values of politics and its victim mentality that got us into this mess in the first place.

*Policy*