

**GLOBALIZATION OR GLOCALIZATION: A POLITICAL ECONOMY PERSPECTIVE**Noor Fatima<sup>1</sup> & Imran Ashraf<sup>2</sup>**Abstract**

Globalization as an economic phenomenon brings not only unfair economic integrations but incompatibility to the diverse culture of the world. All the same, the transformation from globalization to localization brings compatibility to the multi-cultural world by managing the negative consequences of economic globalization. This paper examines the evolution and transformation of the concept of globalization to glocalization. The paper also delineates the history and the development of the concept of glocalization. The paper examines in broad terms concepts, theories, and principles of glocalization. The paper focuses on the epistemological analysis of the globalization and glocalization themes.

**INTRODUCTION**

In the last many decades, we are known to a new economic, political and cultural process, called globalization. In the context of this paper, the globalization is defined as an economic phenomenon that brings economic integrations and at the same time it stays incompatible with its relations with human beings in different cultures of the world. In this way globalization in terms of increased movement of commodities, services, technology, borders, ideas, and people has real social and economic consequences (Manners, 2000). The word Globalization itself is a melding of "global" and "local." This condition is applied in social sciences to challenge a simplistic notion of the globalization process. The term was modeled on Japanese word *dochakuka*, which originally meant adapting the farming technique to one's own local condition. In the business world, the idea was adopted to refer to global localization. The word, as well as the idea, came from Japan (Raimi, 2003). Glocalization requires a managed meeting of the growing global arena with localized, everyday life, locking global and local together. Therefore the Glocalization's aim is to ensure a globalized world as an integrated place while protecting the local culture and values called globalization.

**POLITICAL ECONOMY APPROACH**

It appears ironic that we continue discussing neoliberal globalization through such papers and other debates of postmodernism as a reaction to the tendency of accepting the contemporary culture to accept as a global cultural narrative when no one has even officially acknowledged the problem yet at the international level. We are coerced to learn the definition and its apparent aim of development due to interlinked economies, but the question is how these interrelated economies work, its economic, cultural and political power of globalization is a veil behind their recognized goals of the expansion of the hegemonic powers. This narrative has taken us to the level where the correlation of globalization of culture or the civilization of globalization is confused and we have seen

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already that culture has been globalized. For skeptics, maybe globalization is very substantial, it is happening, but they cannot measure the results. The powerful world of today is not as powerful as the consequences itself, as they cannot see beyond the global marketplace. The globalization has become the source of Americanization of the developing world through a ruthless capitalist society.

The Globalization forces have formed public opinion a strong political power in its own right through all political institutions—ranging from nation-states and political parties to international organizations, in particular, the United Nations, the Breton Woods institutions and the World Trade Organization (WTO). Since people recognize the reality of globalization and are given some of the economic opportunities, hardly one wants to reverse it, but what the locals seek is respect for their economic dignity and ethnic individuality. They ask for opportunities to make a nice livelihood. They expect globalization to bring tangible benefits to their livelihood while having the integration. There is no durable alternative that can react to the demands and dreams of people in an interdependent world.

The main propositions of glocalization are also not different from the main arguments of a sophisticated variant of globalization. It stressed that diversity is the core of social life; globalization does not wipe out all differences. The history of human beings gave all the societies a uniqueness of their identity of the groups of people, that is defined as cultures, societies or nations and the notion of that globalization that takes away the fear of erasing all the conflicts of culture by the globalization. As a result, developing countries are fearful of cultural imperialism. This in no way implies that this imperialism can in any way brings homogenized culture today, then maybe many hundred years early because we are homogenized today neither economically nor politically we are. It all comes towards the realization of the distinctive individuality of a community or the society, as a group they cannot become universal unless its own distinctiveness and its own values are maintained. It is not even to say that we want to continue the way we are, a statuesque is not the solution also. Rather it is about the grandness of the culture which should allow evolving according to the intrinsic logic of our own traditions which of course get them to think beyond themselves when they come into the contacts of the outer world. Though, this does not bring a claim of the globalization for the cultural homogenization. Globalization is not a steam roller that beats out everything in its path (Toussaint 2004, p.58). Though, Globalization also includes the transformation of state and society, if not the case then how the world could have witnessed these transformed societies we are in now. Cultures have never remained static or set apart, even in ancient times, war, trade, and migration had their impact on them. At present, rapid transportation and global communication and commerce are underway (Jenkins, 2001).

### **MAKING GLOBALIZATION WORK THROUGH GLOCALIZATION**

A society has to decide which characteristics of the culture are worthy to consume over time and which to be benefited tremendously from the foreign culture throughout the history of the world. Though, this is not so simple phenomena, the cultural, social, political and economic system is characterized by exploiting the difference of what economic theory

says of trade and investment and its dissimilarities. The swap and investment gap can be either minimized by specializing through comparative advantage which is most of the gains one country have but the countries who are constrained by international trade cannot correspond on an equal level as the capitalist regimes like the US, Japan, Singapore, China, Sweden, Germany, Canada, and the US can capitalize more. The financial flows are moving from the fringe to the centre and not the other way around as the leaders of the international financial institution (IFIs) would want us to believe (Jenkins, 2001). Thus, domestic protection is also a crucial topic in economic opening up. It is yet far from clear is national government protection through trade restrictions "better" for culture than exposure to free markets and open economic exchange. There is an argument that "the capitalist market economy" is vital for the globalization process, but it is also underappreciated by the non-supportive institutional framework which is expected to grow as incomes increase (Cowen, 1998, p.06).

Above all if one has to avoid cosmopolitanism, it is not only trade barrier which can stop it, but there will a need for strict censorship laws, controlled media, limits on visas and immigration and also the cultural variety. Which is of course not possible in the 21<sup>st</sup> century, so it is to be given to the people of the country that what to choose freely which traditional cultural values and practices to preserve, which to modify, and which is to be given up. This is also a freedom of choice which the history of civilization has brought to human beings.

Whether we call it McDonaldization or Westernization, developed countries have wider choices for trade and investment in the developing world whereas the developing world is constrained by local economic and socio-economic structures. The international policies are also often carried out without regard to national specifications. There are many international companies who have invested in developing world with their localization flavor. It has different local favorites around the world, and has own local adjustment, like in Italy it is famous as McItaly burger, Maharaja Mac in India, BacLobster in Canada and Ebi-Filit-O in Japan. The same is for Starbucks, which is likewise attempting to be locally designed through franchises in stores that will render a speck to the local culture and economic input also. The local coffee shops can give themselves a touch of Starbucks, otherwise, these small coffee shops would be threatened by the Starbucks in the same vicinity. There are some local designs to the KFC on the foundation for the look and feel of the area in the collaboration with the local market developers such as vegetarian flavor in Thailand and India. The Ford in the early twentieth century was one of the first automotive corporations to go international with the opening of Ford Motor Co. of Canada. Even Henry Ford II had opined that in a guild to promote the growth of its worldwide operations. When Ford had set up its first plant outside the U.S., in Canada, it gained considerably from the geographic and cultural proximity of the US. The same is the case we can look with different communication channels like MTV localized strategy with localized programming now. It is not only an English based media and then now we can determine it has local taste in East Asia in South Korea, China, India, and Japan. The same way the Dell company did not use its commercials in Japan and other East Asian countries after its Global Brand Management team used localized focus groups to guess the TV character's cultural acceptance by the

locals. The attitude of the American character did not gel well with Japanese social etiquette.

If the transnational companies do not adapt to the local needs, then they are for the profit maximization and they operate in three spheres: the economic, the political and the cultural-ideological and this whole makes a global system. All such forums like the World Social Forum, 50 years are enough and the anti-globalization protests in Seattle, Washington, Melbourne, Prague, Quebec, and Genoa against the IMF, World Bank, WTO, G8 and other summits like the World Economic Forum at Devos where the world corporate powers meet, are the reflections of such consequences and catastrophe.

On the one side, it seems as if there is nothing stopping globalization, that “reform politics” are the solution and not the problem, and the global neoliberals describe this procedure as an unavoidable piece of history to have policy intrusion of nation-state through participation in the bodies of the UN, the WTO, and IFIs.

Political economy approaches explain that such policy reforms can bring issues and structural changes along the basis of interaction of the domestic economic interest groups and their interrelation at the worldwide level. This interrelation is very much contained by the political and economic forces of the national governments in their reforms to access to the international markets. Whether it is a political economy approach, institutional economy or the rational choice perspective, along which the neoliberals and most debated “Washington Consensus” economic paradigm lies its foundations, reports that it is only institutions and the systems of the national government which constrain the domestic economic actors when pursued by the international non-state economic actors in their economic goals. Thus, the institutional economic approach has challenged the contradictory distinctions between state and market. The political economist view needs to be more developed, more not only the separation of these two but on the authority of the state and their power of relations of the market. The stress in the context of the political economy approach is to make the government more powerful economically and making it accountable to the structural system of the public establishments of those states.

The institutions have fundamental effects on the economic and cultural institutions and remain a major area of the political economy (PE) approach as the imposition of the strict economic conditionality for economic reforms has the direct impingement on the civil society groups as well formal social, cultural and economic institutions. Therefore, PE perspective becomes particularly relevant in the analysis of the reforms of the state institutions viz-a-viz globalized forces. They have a direct strong impact on the state institutions and one can speculate this impact out of proportion when state institutions become silent to the international financial powers.

One can speculate that the IFIs are promoting policies for rolling back the state without addressing the subject of restructuring with the local ownership. This all has become an essential recipe for the economic growth of the evolving world. Will there be any alternatives for it or not is still a question, but one thing is clear this does not bring the suffering of those politicians who make us suffer from all these miseries of reforms with the

justification they give us every day. They work like the rent-seekers and get the political business. Since the 1980s, it is mainly the Structural Adjustment Programmes (SAPs), of the World Bank and the IMF that act to reinforce the neoliberals. The SAPs are planned against the countries of the South which can be extorted due to their debts. Again in early 1989 the so-called “Washington Consensus” was formulated claiming global freedom, prosperity, and economic development through “deregulation, liberalization, and privatization.” This has become the credo and the hope of all neoliberals. Today it holds the promises which have become true for the corporations only – not for the poor nations.

The public entities are sold and now probably rivers are left to be traded in the name of foreign investment, which in these days are defined as services and fiscal services. The degree of concern occurs when actually there will be no public entity left for sale and the life will become without value, as in social Praxis a human capital is defined as a trade good. If no value capital, then nothing could be turned into commodities anymore and the commoditized developing world would collapse, including human beings. This totally sounds like a nightmare, but nevertheless it is a reality. The puzzle will be more when there will be no more public companies and natural resources to sell to the globalized forces and the national government will be unable to generate either the quality of the investment or to promote the economy aside from the further dependence on these international forces.

Though it is difficult to comprehend what is happening already and the economic pundits in WTO and World Economic Forum keep on passing out the miraculous effects of the technological advancement on the outgrowth and development, but it can never prove right for our prospects till we come out of free trade myths. And the WTO’s Agreement on Agriculture is a core example of how “free trade” is being practiced for everyone. This also opens the underlying adjustment manta as on the one side, it is approved for the North to force its agricultural surplus onto the South by way of highly subsidized dumping prices, thereby ruining the international markets and sale opportunities for local farmers; on the other hand, products from the South are kept from Northern markets by tax barriers and non-tax barriers. One can equate it with that of colonial gains, the present damage done is worse since subsistence production itself falls victim to neo-colonial destruction. Their objectives to maintain the *macroeconomic stability* and prevention of the high inflation and mounting thoughtout the integrating them more to the international world becomes obvious when one looks at the growing economies like China, Vietnam, India, and others who have high-level protection against imports, and often have remained outside the formal rules of the world trade regime (i.e., the GATT/WTO system), they have also found ways to spur exports and attract direct foreign investment (Rodrik, 2004).

The subsistence production of agriculture is not for the profit-making of poorer countries as such, but since they remain incompatible at the national and international level, therefore, more farmers are being pushed towards other commodity production to actually provide the backup support to the multinational corporations (MNCs) so that they could make profits than the farmers. In this manner, one can call the WTO agreements malicious. They are all entirely based on corporate interests. They hold the corporate interest and not the poor's of the nation-state. For them the life lives only for exploitation and annihilation as

they are concerned merely with the corporate interests i.e. investment, financial services, and proper rights. They are branding the individuals who use the corporation as expropriators which is naturally cynical. In the end its companies who take care of their own interests and national governments are forced through WTO agreement not to protect the local manufacturers.

The nation-state is, therefore, not able to protect the rights of the citizens but the corporations. Human rights are better applied to the companies rather than the people of the nations. Such economic systems, then, of course, are not acceptable to the masses, but neoliberals also do not bother with ideology as it is a conscious betrayal to the interest of the 99 percent on this earth for the one percent rights protection. Which is very much relevant to today's Occupy Wall Street Movement. If the situation maintained then the world conflict cannot be avoided and the WTO might turn into World War Orders neoliberals and militarism appear as twins where economic system is seen as a kind of war (both internally and externally), and military "defense" as part of the economy (Lechthaler, 2005). Thus the basic mandate of these organizations that these are made to avoid any other world war at once these institutions are becoming foundations for the war itself. The activists from all over the world are coming regularly to the meetings of these institutions, whether WTO, G-8 or G-10 or the World Economic Forum.

We will be euphoric just if we believe that the poor will be protected by the neoliberal forces till the time the globalization is not turning into the localization and as an alternative to the neoliberals is not made. And all this will not occur through the protest, but it has to be done. Nowadays matters are obvious and people are aware that these companies are not harmless and no one is fooled anymore. To make a meaningful glocalization, take some prerequisites as key components that address the the economic system and local culture and i.e. reform of traditional diplomacy, peace and development, the centrality of cultural issues, local governance, resource management, civil society and democratization and investment of public funds (Penny Stock Forum, 2003).

Though the economic logic of as well the globalization itself is more illusion than reality and the reason globalization has failed to spread its benefits, critics further argue, that "it has been promoted and carried forward at the behest of MNCs and their political supporters with an overriding interest in maximizing profits. Unlike the U.S. economy which is regulated by labor, health and environmental laws, the global economy is relatively free of such regulated standards" (Petrella, 2000, p.03). However, the fact remains that it is unclear so far that, is it a fear of cultural decline, that we oppose globalization and want to keep a certain set of cultural characteristics and want to keep it unchanged? Is there some differentiation; protection of culture is mostly from the heritage and proliferation of artistic expression. Hence in these cultural limitations still society has to be exposed to different cultural goods, manners, behaviors, and modes of consumption. So either we should just believe in freezing the culture, muting the further movement to feel fearless or we should have total acceptance of the new practices or we should have something intertwined, a hybrid thing. Though this is also the fact that in this way we will have to lose certain elements of "uniqueness" in cases where individuals exposed to new things change their



behaviours, simply there is no damaging reason that we should not tolerate this kind of change also if people are ready to change.

## CONCLUSION

The main objective of this paper was to describe the concept of cultural differences between social groups and states exist and the globalization process have an impact on the cultural identity. The transformation has shown cultural diversity and will remain even stronger if the understanding of the glocalization is not developed. Glocalization process demands the integration of local markets into world capitalism, which requires the restructuring of the economy for a reorganization of production and consumption processes where the globalization as interpreted by Roudomet of that glocalization is solidifying its roles within and relationship to transnationalism and cosmopolitanism as the conditions of glocalization provides the preconditions necessary for transformation and that this process of glocalization may lead ultimately to a cosmopolitan society. Nevertheless, the Globalization will still benefit from the cultural differences to increase its scope and power, depending on the state's role of taking benefit through the globalization model and orientate the globalization effects for its own growth objectives.

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