

ARTICLES	VIEWS/REVIEWS	BLOG	INDEX	AUTHORS	ABOUT	SUBSCRIBE	SEARCH
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GSJ View

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## **Three Factors of Globalization: Multinational Corporations, Non-Governmental Organizations, and Global Consciousness**

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- 1 It is now widely agreed that something called globalization has been taking place over the last half-century or so; and almost as widely accepted that it is best understood as a “rupture” of sorts (see my “Ruptures in History,” *Historically Speaking*, June 2011). As to what are the elements or “factors” of the process, and how they relate to one another, there is less agreement or understanding. It is worthwhile, therefore, to look into the subject. I will attempt to do so in terms of three factors: multinational corporations, non-governmental organizations, and global consciousness.
- 2 The first subject of the three that I wish to consider is the role of the multinational corporations (MNCs). They are both a cause and a result of the globalization process. One can view the seventeenth-century Dutch and English India companies as a preview of what was to come. In fact, defining the MNC as a company with headquarters in one country and major investments in one or more other countries might just allow the India companies to fit in. Unilever is closer to being a true predecessor. It is only after WW II, however, that MNCs really begin to take off. John Stopford offers a succinct explanation of the reasons why: “Recent advances in information technology, coupled with deregulation and market liberalization worldwide, have fueled an unprecedented surge in the growth of multinational corporations” (“Multinational Corporations,” *Foreign Policy*, Winter 1998, 1).
- 3 Their growth takes the shape of a J curve. Whereas at the War’s end they number about 7,000, by the end of the century they mount to over 63,000. Some of them are enormously wealthy. Exxon Mobile is at the top, its worth greater than the GDP of the lowest 70 or so countries (out of about 192). One sign of the information revolution is that the next wealthiest is Apple, and climbing fast. In fact, by February 2012, Apple was number one.
- 4 In addition to economic power (including lobbying in its own country), Exxon Mobile, as an example, exercises extraordinary political influence, especially in the Middle East. How great the influence is, is unknown, but it is probably as great or greater than the ability of the U.S. Congress in setting policy. Diplomatic history usually shortchanges this topic. With sites in 53 countries, and exercising influence in all of them, funding anti-environmental groups, and paying scientists for research claiming that there is no need to be concerned about global warming; Exxon Mobile plays an outsize role in international affairs with little accountability (shareholders are pushed aside). It clearly is not only wealthier than 70 or so nation-states, but also more powerful. Moreover, it stands outside the United Nations and its efforts to bring justice and peace to the increasingly globalized world.
- 5 I suspect that there is a department in the oil company devoted to foreign affairs. If not, or in addition, resort may be had to advisory organizations such as Kissinger Associates. In any case, one can be sure that Exxon Mobile plays a strong role in shaping foreign policy as well as pursuing ever-more petroleum resources. Exxon Mobile is a striking example of the political power exercised by the MNCs, even over big and powerful countries. They put crucial amounts of money into political campaigns and lobbying. John Boehner, head of the Republicans in the House of Representatives, is currently their most prominent skill man in the U.S.

- 6 Still, we must not lose sight of the economic power of the MNCs while looking at their political might. Their impact on employment in the U.S., for example, is awesome. A decision to outsource manufacturing is immediately reflected in unemployment figures. This is not altogether bad in a light broader than the purely nationalistic one. We must remember that, say, in the U.S., the textile industry shifted from the high-cost East to the low-wage and un-unionized South. This was followed by many other industries. In outsourcing to other countries elsewhere, the MNCs are not doing anything new. Only now, it is fostering globalization.
- 7 The next major factor in globalization that I want to consider is that of the non-governmental organizations (NGOs). It is a messy topic. Whereas the number of MNCs is large, it is identifiable and restricted. NGOs are like the proverbial mushrooms in the rain: they spring up constantly.
- 8 In a comprehensive and well-informed article, "What is a Non-Governmental Organization?" Peter Willetts, Emeritus Professor of Global Politics at City University, London, tells us, "The term non-governmental organization or NGO was not in general currency before the UN was formed. When 132 international NGOs decided to cooperate with each other in 1910, they did so under the label, the Union of International Associations." It was only with the United Nations and its reference to organizations not forming part of a government and not working for profit that the term came into widespread usage. Thus, the explosive growth of NGOs is a post-WW II phenomenon. It is estimated that there were, as of 2009, about 40,000 international NGOs, as many as 277,000 local ones in Russia, and an astonishing 3.3 million in India.
- 9 What exactly is a NGO? According to Willetts, "There is no generally accepted definition of an NGO and the term carries different connotations in different circumstances." Nevertheless, there are defining traits: an NGO is not a political party, nor is it profit making, and it will not engage in violence. As Willetts concludes, "an NGO is...an independent voluntary association of people acting together on a continuous basis, for some common purpose, other than achieving government office, making money or illegal activities."
- 10 Before the Computer Revolution, communication was mostly slow and one-directional. Thus, the telegraph facilitated authoritarian orders, and was instrumental in calling up troop mobilizations. Steamships allowed for more regular ocean travel than sailing ships, but usually took days to reach their destination. Only with the establishment in the 1960s of direct transnational telephone hook-ups and the provision of relatively inexpensive air travel was it possible for people to either talk or meet conveniently. The lofting of artificial satellites and the advent of cheap computers supported the explosive take-off of NGOs. Originally, I had thought that their growth was in the shape of a J curve, similar to that of the MNCs; now I believe that the line is much steeper.
- 11 Globalization has been defined as increasing interconnection and interdependency. It is only after WW II that one can speak of a rupture. As often said, the awful truth is that "war is the mother of invention." During WW II, research into the launching of missiles took on renewed vigor, especially in the form of German V-2s. The head of the German, and Nazi, program, Werner von Braun, subsequently was put in charge of the American program to match the Soviet Union in the period of the Cold War. In 1957, the Russians lofted the first artificial satellite into orbit around the earth, Sputnik I. These artificial satellites, now numbering into the thousands, make almost instantaneous communication possible in real time.
- 12 Along with the transnational institutional developments, a new consciousness can be said to have arisen: a global consciousness. From space, the astronauts could see the "blue planet" as a single entity, national boundaries simply not showing up. Yet that "space age" seems to have come to an end, at least momentarily. NASA planned its last lunch for July 8, 2011. The economic impact of this ending will be great, in terms of both expenditure and employment. *The Economist* has nicely summarized some of the accomplishments of the space program (2 July 2011, 7): "Telecommunications, weather forecasting, agriculture. Forestry and even the search for minerals have all been revolutionized. So has warfare. No power can any longer mobilize its armed forces in secret. The exact location of every building on the planet can be known. And satellite-based global-positioning systems will guide a smart bomb to that location on demand."
- 13 Given our new consciousness, we can no longer act as if we were not on the edge of a global identity, or that problems such as climate change and ecological exhaustion are not occurring on a global scale. Clearly, much of what is going on is economic in nature. This aspect of globalization can most readily be criticized. Powered by neo-liberal ideology, much of economic globalization has the effect of increasing the divide between rich and poor, with the rich getting richer and the poor getting poorer. There are arguments on both sides, some embracing what I have just said, and others claiming that while this may be true relatively, nevertheless the poor are also getting

richer. China is offered as the shining example.

- 14 If globalization were simply a question of economics, I, would be on the side of claiming that its downside outweighs its positive side. However, there is another level, where I see much gain. It is in the sense of a growing global consciousness that promotes what I call the “concept of humanity.” This concept has its origin in the Nuremberg trials after WW II (though there are premonitions earlier, especially related to the Armenian question concerning the Turkish “massacre” – or “genocide”? – of millions of their Armenian subjects). At Nuremberg, two extraordinary charges were made: first, that aggressive war was a crime, thus changing thousands of years of its acceptance as a legitimate action; and second, that the Nazis had committed “crimes against humanity.”
- 15 At this point, the question pushes itself forward: what is this humanity? For centuries, the answer was to be found in philosophers, such as Immanuel Kant, placing its future in some distant time and place, marked by cosmopolitanism. Now the answer is manifesting itself on the ground, in real time. It is this idea that is incorporated in the concept of humanity. It is a concept coming into being. A “Judicial Revolution,” culminating for the moment in the International Criminal Court, has aided it (see my *The Idea of Humanity in a Global Era*, 2009). Here we have humanity becoming a sovereign force, asserting itself as such and not, as before, as simply a victim. We are living at the moment of its creation, the beginning of what promises to be a long, slow, and uncertain process.
- 16 As we can now see, globalization is taking place on many levels. It is helping the growth of MNCs and NGOs, which, in turn, make for increased globalization. It is also fostering the development of global consciousness and, perhaps, global identity. To condemn or approve of globalization as if it were a monolith is to indulge in simplicities. As our challenges are taking place more and more on a global scale, our judgments must be nuanced and informed by increased global empirical research and analytical theory.

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