

## **The Director's Lectures**

### **Runaway World: The Reith Lectures revisited**

#### **Lecture 1: 10 November 1999**

In this lecture I propose to expand and look again at the themes I discussed in the BBC Reith Lectures in April of this year. The theme of the Reith Lectures, like the theme of these lectures, was globalisation and the unbelievable changes happening to the world in which we live. The starting point of these lectures is what I define as a world which has taken us by surprise. It seems to me that the world in which we live, the world at the end of the twentieth century, doesn't look like the one anticipated by the founders of the Enlightenment. The founders of the Enlightenment were the principal founders of the intellectual traditions which made Western culture and which have increasingly shaped global culture. They had a pretty simple but very powerful precept about the relationship between human knowledge, science, technology and the external world. They thought the more we can get to understand about the world of nature and our own lives and history, the more we can control nature and the more we can direct our own history. It's a simple and, I think, persuasive idea.

Previously the world has been subject to the whims of irrational forces, of dogma, of tradition. Why don't we try and rationally understand the world? If we rationally understand what the world is like, the external world and our own world, our own history, surely we'll be able to subordinate history to our own purposes. Marx put it in probably the most effective way: we have to know our history in order to make history. History had been made in an unconscious way previously, we should look to make history consciously, rationally, and through an understanding of the dynamics which move our lives and determine the world of nature around us. The idea that we could subject the world to greater and greater control is a dominant idea in the last two hundred years and the driving idea which has pushed Western civilisation to become a global civilisation. The idea that tradition and dogma are essentially irrational, and that science and rational knowledge can and should, in most spheres of life replace these.

As we stand at our vantage point at the end of the twentieth century I suggest to you the world doesn't seem or feel like that. If they were right it would follow that the world would seem to be a tightly controlled, highly organised, predictable world. Even the people who didn't like the Enlightenment vision thought that the world would become more tightly controlled, and we would all be little cogs in a large machine. At the turn of the century Max Weber argued that the world would increasingly become a gigantic machine in which we would all be little cogs knowing our own part. A highly predictable, rational world. The novelist George Orwell drew this up as anti-utopia. He thought that if the dreams of Enlightenment produced a rational world it might be a repressive one. Franz Kafka also looked on the world as a bureaucratic nightmare, as a rigidly controlled world, a kind of dystopia, the opposite of a Marxist utopia. Well, Marxism has collapsed, one of the remarkable events of the twentieth century. Marxism was the dominant force of the twentieth century until the 1980s. Now it's more or less evaporated into thin air with the collapse of the Soviet Union and the transformation of China. The world doesn't feel as though these things were anticipated, almost to the contrary. Rather than a world tightly within our control, a world of high organisation and predictability, it feels almost, although, of course, not completely, like the opposite. A world marked by great uncertainties where we don't

even know what tomorrow holds. If you look at, for example, the impact of information technology, who can really tell where the technological breakthrough will take us? Nobody can, because technological change is not all that predictable. Rather than being a world within our control it seems to be an erratic, dislocated world. If you like a runaway world.

A runaway world is not a world which we give up hope of controlling. It is a world which has introduced new kinds of unpredictability, new kinds of risk, new kinds of uncertainty. Interestingly, some of these uncertainties come from the very sources that were supposed to make the world predictable. If you look, for example, at the role of science and technology from our vantage point, this far on in the development of modernity, no one would argue that science and technology simply make the world in a linear sense more predictable. Science and technology introduce uncertainties which no one has had to face before, often unintended ones. If you consider the debate over global warming, for example, it is a debate precisely about the impact of science and technology on the natural world. The global warming debate is riven with uncertainties: is global warming a reality, what will it do to the world, how should we respond? Once you penetrate this phenomenon you find that even science itself is much closer to uncertainty than we used to imagine. In these lectures I'll be looking into the nature of the runaway world, but I will also be suggesting that the runaway world needs to be brought back under our dominion, that we can't realise the dreams that Marx and the Enlightenment philosophers had, and that there is no way that the accumulation of knowledge will allow us simply to colonise the future, to carve out the future as a space which we can just invade and occupy. The very development of knowledge actually makes the future often more rather than less opaque. One of the great findings of the late twentieth century, I would say. But this doesn't mean that we should renounce the aim of trying to introduce more regulation and government into a world which needs it and our world, as I'll be suggesting later on, certainly does need it. It needs more regulation, more control, more human conscious direction.

We have to renounce the dream of the Enlightenment philosophers but we don't have to renounce the idea that we can influence the world. We can shape it, but it's not just a world of forces that will move us at whim. Now when you look into the origins of this runaway world of an uncertain series of possible futures there's one great set of changes which lies behind these transformations in recent times, and that is the impact of the phenomenon I mentioned earlier, the phenomenon of globalisation. You cannot, in my view, even be a practising social scientist of any sophistication if you do not grasp or master the debate about globalisation. It is probably the most significant debate now going on in the social sciences and in politics too, because it has a strong impact on the world of political theory, as well as the social sciences.

If you trace the history of the term globalisation it's interesting because only about ten or twelve years ago hardly anyone used the word. If you look back to the academic literature of the late 1980s or the popular press or the writings of politicians and business leaders, not many people used the term globalisation. If they talked about the phenomenon they usually spoke about the international community, international relations, sometimes internationalisation. The term globalisation has come from nowhere to be everywhere in a period of just a decade. You can't really open a newspaper without seeing the term globalisation referred to. You can't hear a speech by a certain Mr Tony Blair without the term globalisation being mentioned, and you can't open the book of any business guru without that term being central. In the course of my travels in recent months I haven't been to a single country where the notion of globalisation is not being intensively debated. This is one of the big

changes in one's experience of academic life that reflects the transformations these lectures are about. Only a few years ago, as an academic, if I went around the world I sometimes felt I had something to say that people hadn't heard about, but now whether you live in Beijing or Seoul or Africa many people can get the same sources almost immediately, usually using electronic technologies.

So, these things express what the term globalisation describes. However, when a word comes from nowhere to be everywhere it is not surprising that it's the subject of intense debate. The position one takes on the debate about globalisation settles a good deal, not only about one's academic views of the world, but also about one's political views as well, for reasons I'll go on to mention. There is a split between two views of what's going on in the world today. The best writer on these issues is a political scientist called David Held. David Held and his colleagues have written a book called 'Global Transformations' and it is the best source of material on the globalisation debates. Held and his colleagues divide the controversy into two opposed positions. On the one hand, there are the people they call the 'globalisation sceptics'. The globalisation sceptics are, if you like, people who think there's nothing new under the sun. They are sceptical of the idea that there are big changes going on in the world and that the world is becoming more integrated than it used to be. They hold this idea to be largely false. The globalisation sceptics argue that all the talk about globalisation is a myth and that the term globalisation has been put into currency, they say, largely by politically motivated authors, especially right wing authors, who want to use the idea of globalisation as a way of saying that we must reduce welfare systems and the protection we offer to workers because everyone has to compete in a global market-place now. The globalisation sceptics argue that at the end of the nineteenth century there was already a global market place and trade in currencies. There were already open borders, many countries didn't even have passports at that time, for example, and there was immigration and emigration. So the globalisation sceptics say, 'Well, what's new? If you look back to this period it's more or less the same as now. At most what's happened is a reversion to the late nineteenth century.' By and large the globalisation sceptics see continuity. They don't really think there have been big changes in the world over the past 30 or 40 years worth calling by the new and special term, 'globalisation'. The best discussion of this is a book by Paul Hirst and Grahame Thompson that's called "Globalisation in question". If anyone's interested in looking at that book see the second edition, which has updated statistics in it.

The globalisation sceptics tend to be on the old Left with a traditional Leftist view of the world, or, to put it the other way round, many people on the more traditional Left are globalisation sceptics. The reason for this is that if you believe there is continuity in the world and not much has changed the welfare state can carry on as it used to do. Nation states still have a lot of power and we can do a lot more in the economy than many other people believe.

On the other side there are those David Held calls the hyper-globalisers. They take almost the contrary view. The best example of them is the Japanese business writer Kenichi Ohmae who has written a number of books, including the 'The Borderless World' and 'The End of the Nation State'. The hyper-globalisers argue that not only is globalisation real, it is here and it is changing everything. It is transforming the structure of states, the nature of economies, and most of our basic institutions. Ohmae argues that the era of the nation state is drawing to a close in the face of the intensification of the global market place. The dominant feature of our time is the intensified economic interdependence and intensified competition that all economies must now enter into on a global level. As the global market-place and the knowledge economy expands so does the information economy. You simply get a

transformation of traditional systems. The nation state is not only about to disappear, it's already some way through the process of disappearing. Ohmae argues that in no more than about 30 or so years time there may be 100, 200, 300 city states, which will be largely replacing nation states. City states and regional states will become more important, he thinks, because they enter directly into the global economy. Consider, for example, Hong Kong, London, New York, Frankfurt, Barcelona, Bombay. A great deal of their production is for the global market place, their orientation is towards the global market. It doesn't really matter to them so much, he argues, what country they are a part of, because what defines their identity is their involvement in a new global electronic economy. The best example is the City of London. The City of London, the financial centre of London, is part of a globalised economy. There is no real connection, it could be argued, with the rest of the UK economy and, Ohmae says, as this happens you get massive inequalities sitting alongside one another. We have this in East London: high rise, glitzy areas that have a distinct edge and outside this edge poverty. There are people living with 30-40 per cent unemployment in areas adjacent to the city, in some of the most dilapidated buildings in London. Ohmae would say, well, that's because you are dealing with two economies here, one is a local economy struggling along, the other is a globalised economy integrated into the world system.

So, for writers like Ohmae, the most significant feature of our age is a break with the past. Ohmae argues that it is only in the last 30 or so years that this enormous intensification of globalising processes has taken place.

Well, who is right in this debate? In my view the answer is closer to the second group than the first, that is the hyper globalisers, those who argue that there are really radical changes going on in the world and they are somehow involved with that phenomenon we call globalisation. This is much nearer to the truth than the idea that not much is changing and all is continuity. You'll never resolve these issues because there will always be people who feel more continuity than change, but I think it is demonstrable that there are fundamental changes going on in the global economy.

How do you demonstrate it? Well, most easily with reference to world financial markets. If you start with trade in commodities or material goods, Held and his colleagues show the level of world trade in physical commodities is much higher than it was a hundred years ago and much higher than it was 30 or 40 years ago. So, there is a globalisation in the trade in physical commodities. If you look at the trading of services, that trade is even more intense with massive growth. But if you look at the financial economy that's where developments are most intense. That's why, to me, it's impossible to resist the conclusion that there are new economic forces abroad in the world. Even over the last 10-15 years there's been a massive acceleration in the scale of currency and financial dealings across the world – and these dealings take place more or less on a 24 hour basis. The volume of money circulating around the world is something like 100 times higher now than it was 15 years ago, which is quite an extraordinary statistic. I think it's very difficult to deny the idea that there are radical changes going on in the global economy. These are also bound up with the advent of a knowledge economy. As the world economy expands it's becoming what Danny Quah, an economist at LSE, calls the weightless economy.

The weightless economy means that increasingly economic value on a global level depends upon the trading of information rather than the trading of material goods. The whole of the financial economy is a weightless economy, but many other aspects of production and especially the trading of services are now weightless, depending upon information which you trade and exchange, not upon the manufacture of

material goods. He calls it the weightless economy because if you were able to physically weigh the volume of goods traded across the world 30 years ago and compared it with that of today the total weight of goods traded would be about the same. But the actual value of the world economy over that period has gone up by a factor of about five times and nearly all that added value has come from the trading of information, not from the trading of material goods. So, you're dealing with an information economy, what another writer calls, living on thin air. The weightless economy, the electronic economy - there are many terms for it, but it itself has become globalised, and currency markets, especially, are the purest form of the new weightless economy.

So I side with the radicals or hyper globalisers, but they're wrong in some of the conclusions they draw and some of the ways in which both sides, both the sceptics and the hyper globalisers or radicals, portray the arguments. I would like to propose to you that it's a basic mistake to treat globalisation as solely or even primarily economic. The economic marketplace is certainly one of the driving agencies of intensifying globalisation, but globalisation is not primarily economic in and of itself. Globalisation refers to a set of changes, not a single dimensional change. Many of these changes are social, cultural and political, rather than purely economic, and one of the main drivers in addition to the global marketplace is something partly separable from it, which is the communications revolution. I think the late 1960s is the time at which the revolution in electronic communications started to transform both the ways in which we're able to relate to one another across the world and also the inner content of economic systems. I say the late 1960s because that was the first time at which a satellite system was sent up above the Earth. Originally it was a non-commercial satellite system - commercial satellite systems date from the early 1970s.

Once you have a network of communications satellites in place it means you can communicate from any part of the Earth to another and, at least in principle, instantaneous global communication is possible. To me this has changed an enormous amount about world society, and it has also changed a great deal about our personal lives too. It's changed a lot in world society because when you have instantaneous communication in which television and other electronic media are the leading agencies it invades the texture of our experience. It changes aspects of sovereignty and politics and these are very visible. It's not too much to say that the decline and the fall of the Soviet Union was bound up with these transformations. The Soviet Union was able to survive pretty well in the old industrial world and it built itself on hard industry: factories with big chimneys and heavy industry was its core. It kept up with the West pretty well in terms of growth rates until the early 1970s. The Soviet Union started to fall behind after that period because it couldn't compete in the new global electronic economy and because its system of authoritarian top down power was not compatible with the softer forms of power which function more effectively in a globalised communications system.

I don't think it's surprising that television played a major role in the revolutions in Eastern Europe which we commemorated yesterday. This is a very apposite time to give this lecture because it's only a day after the tenth anniversary of the fall of the Berlin Wall. I don't think the fall of the Berlin Wall would have happened or had the kind of domino effect it had without the influence of television. I don't think the ending of apartheid in South Africa, which also happened largely without violence, would have happened without the prior occurrence of these events in Eastern Europe. The same thing almost happened in China, in Tiananmen Square, except there the authorities reacted differently. I think in a globally mediated world the structures of our experience are different from the past. When I gave the last Reith Lecture in

London, I told this story about when the Berlin Wall came down. No one knew it was going to happen. I happened to be in Berlin at a conference, very close to the wall, and a few people at the conference came from the east side of Berlin. They disappeared from the conference in the afternoon and when they came back they told us the Berlin Wall was going to be opened. So we went down there and we were among the first people to get to the wall. We started to climb up ladders that people had put up against the wall and TV crews appeared and pushed us down and they said, 'We've got to be on top first because we've got to film you making history!' To me this showed something about the power and significance of media in these events. I don't know if anyone here has been involved in major historical events, and it's also true of major events in your own life, but there's an odd thing about it because they have a kind of unreality to them. We were standing at Check Point Charlie and all these little Trabant cars were coming through from Eastern Europe and people were pouring champagne over them. People were coming through with maps and the maps had a hole where West Berlin was, because if you were in East Germany you weren't even allowed to have a map of the West. But, you had this feeling, is this really happening? Standing on top of the Berlin Wall where you would have been shot off a day ago. It was an odd feeling and maybe this is what television does to us, because in a world increasingly dominated by televisual means, real experiences like when someone dies and you go to a funeral often have this sense of unreality which is hard to cope with.

Another thing happened that stayed in my consciousness a long time. The day before the Berlin Wall opened I went through in the normal way, which is a pretty horrendous procedure if you are a Westerner. The East German guards were so brutal looking and you knew these were the people who had shot those trying to get from the East to the West. Well, we went back through the Wall a couple of days after it had been opened and those same guards were there, but now they were all smiling and normal, just like ordinary people, and ever since then I've wondered which was the true person. It was as if a complete change of personality had occurred. It gives an indication of the sort of relationship between psychological feelings, identity and these grand historic events.

Anyway, globalisation to me is about a transformation of our basic institutions. It's not just dominated by economic forces, it's much more closely connected with communication. It affects the state, it affects nations, it affects our personal lives. But for me globalisation is like a three-fold prism or a three-fold figure. Globalisation, especially the global marketplace, takes certain powers away from the nation. We know this happens, nations are not as much in command of their economic futures as they used to be. On the other hand, globalisation has an opposite connotation and force. Globalisation pushes down. As it pushes down it creates new possibilities and motivations for local cultural autonomy and identities. If you represent it visually it pushes upwards but also pushes downwards, and the push down effect of globalisation is the reason for the revival of local nationalism, local forms of cultural identity and, even, as I will argue in a subsequent lecture, for the kind of events which happened in ex-Yugoslavia and other areas of the world. You can't see those as just an historical relationship to the Balkans, but as related to the fragmented downward impact of globalisation. Globalisation also pushes sideways. As Ohmae says, it creates new social, cultural, and economic areas that sometimes cut across the boundaries of nations. For example, the area of Catalonia around Barcelona in northern Spain. It overlaps with southern France, it is also part of the European Union, and it is linked to the Spanish economy. Globalisation is a complex set of partly contradictory forces. It's very important to understand that. It's not a single force pulling in a single direction.

Moreover, globalisation is not just about 'out there' phenomena, it's not just about the big systems, it's not just about the global market place, it's not just about processes affecting states. It's an 'in here' phenomenon too. Our lives, our personalities, our identities, our emotions, our relationships with other people - these are being reshaped by globalising processes, because globalisation invades local culture. It invades the local context of life and it forces us to live in a more open, reflexive and individualised way. Alongside globalisation is the impact of individualisation. Individualisation is the personal pole, and there is the other pole of the globalisation of large institutions. Individualisation, I should hasten to say, does not mean selfishness, at least not intrinsically. Individualisation means being forced to live a more reflexive life towards an open future. I say more about this in subsequent lectures, but increasingly tradition and custom are declining in their impact on our lives. Even in the more traditional cultures this is true. As they do so, you face much more of an open future. Facing an open future means creating a self-identity rather than simply taking self-identity from a cultural background or traditional form of history. This is a process which is liberating, it has many emancipatory consequences, but it's also frightening. Personally, I think women are caught up in this paradox and this puzzle most forcefully of all, because the changes affecting women's lives are affecting them very radically. To be a woman used to mean domestic life, to have children, to be largely subordinate in a male dominated universe. It still means many of these things but they have radically changed. Women are much freer in a western country than they were a generation ago, but what do you do with that freedom? How do you live, how should you look, how should you relate to other people? Will you marry? For the first time ever you have the situation where many women in western countries say they do not want to have children. 25 per cent of women under 30 in EU countries say seriously that they do not intend to have children, and the birth rate in some EU countries is down to about 1.1 to 1.2, which is the lowest birth rate ever known in any society in human history. Women have to make sense of these things and of course as they do so the position of men starts to change very radically too. We see this having a big effect especially on younger men in western countries, especially connected with unemployment and other changes that I will discuss later on.

Therefore, in sum globalisation is about the changing influence of space and time in our lives. With the advent of the communications revolutions distance has a different relationship to self-immediacy and experience than it used to have. Distance isn't simply wiped out, but when you have a world where the value of the money in your pocket is affected immediately by ongoing electronic transactions happening many miles away it's simply a different situation from how the world was in the past.

There are two principle questions that I have to briefly ask and answer in concluding this first lecture. The first, what is the impact of these changes on the nation state? Is Ohmae right to assert that nations are no longer important, and he couples that assertion to the idea that political power is no longer significant, that governments don't matter much any more because they can't affect the shape of the world. The second question, is globalisation the same as westernisation? Does globalisation mark the increasing ever-expanding tendency of western countries, economies, and capitalism to dominate the rest of the world? Two big questions which I'll give you an orientation towards in the last five minutes of the lecture, but questions which I'll be coming back to regularly at other points in the subsequent lectures.

First of all, the nation state. I think it's plain that writers who argue the nation state is disappearing are wrong. The nation state is still a vital power in the world. In some ways you could say that in the global era, the nation state is even more rather than less important than in the past. The reason I say this is that until very recently other

alternatives to the nation state existed. For example, the Soviet Union was a kind of empire, it was a form of imperial system. Empires have existed at various points in the twentieth century prior to the present time. All formal empires with the possible exception of the American Empire, if you want to call it that, have disappeared from the world. All nations have become nation states, so that's a big transformation. You could say this is the first time in which the nation state has actually become a near universal form, because so far as I know, only the South Pole, or the two poles, would be exceptions, but even those are to some extent claimed, as even parts of space are claimed by nations, and have notional borders. You couldn't say the nation state is disappearing in this sense. Moreover, nation states remain more important than their chief power rivals in the global system, the large corporations. Exxon, for example, is one of the biggest corporations in the world. Its revenue over the year is larger than all but about 9 or 10 of the world's nations. Such gigantic corporations are globalised enterprises. However, it seems to me that these big companies are not as powerful as nations, certainly not as powerful as the larger nations. The reasons are that nations still have territory, whereas companies don't. Nations still have access to military power and control the means of violence, whereas corporations, if they ever do, only do so very obliquely. Nations are still largely responsible for establishing frameworks of law, and those frameworks of law substantially affect what corporations can do in the world.

So, you have to conclude that nation states are still very important. You have to also conclude, therefore, that political power is still important. That's not just a 'therefore' - political power and the political leadership of a nation is still important. I will try and substantiate the claim later in the lectures that government has a bigger role to play in a globalised world, and not a lesser one as so many people think. A good deal of that government, though, can't be just national any more. Although nations remain important the sovereignty of nations is shifting, the make up of nation states is changing, and nation states are being forced to reinvent their identities. If you consider what's happening in the UK, a process of devolution which is partly a response to globalising influences, it's not just accidental that the Scots want more independence, it conforms to globalising influences. The UK has to reinvent its identity against the backdrop of these changes. So you are talking about a continued role for the nation state, less power in some areas, perhaps more power in others, but certainly changing structures of sovereignty. The Pinochet case, the intervention in Kosovo, and other changes in the global order are putting into question the absolute nature of state sovereignties and this is right and proper.

Secondly, is it all a western plot? Is the expansion of globalisation simply an expansion of western power which is corrupting, destroying traditional cultures, and enforcing the dominance of the West over the rest? Well, briefly put, you have to recognise that globalisation is dominated by western powers. Most of the big corporations are located in the West. The United States is still, or has easily become the dominant super power, and is in a position to shape the world economy according to its own interests. All these things, I think, have to be accepted. The world system is heavily skewed in power towards the West, and within the West the United States is the dominant economic, political and military power. This said, I think it is quite false to draw from this the conclusion that globalisation is simply a western phenomenon. That is false. Globalisation is much more complicated, much more decentered, and much less within our control than such a view would suggest. Globalisation affects every country in the West just as much as every other country in the world and globalisation, as I will demonstrate in later lectures, has many positive benefits to offer. It is a mistake to suppose that globalisation is at the origins of increasing economic inequalities in the world. It is a mistake to suppose that a kind of protectionist opting out of globalisation processes would help the poorer countries.



The key question for us in addressing global inequalities, as we must, is to try to get globalising processes within our control and focus them upon human needs. This is something we can do, and I'll be trying to show why and how in subsequent lectures.